

COMPANY REGISTRATION NUMBER: 03830525
CHARITY REGISTRATION NUMBER: 1118761

Midlands Academy Of Dance & Drama Limited
Company Limited by Guarantee
Unaudited Financial Statements
31 July 2018

ANTHON MARLOW
Chartered Certified Accountants
6 Clinton Avenue
Nottingham
NG5 1AW

Midlands Academy Of Dance & Drama Limited

Company Limited by Guarantee

Financial Statements

Year ended 31 July 2018

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Midlands Academy Of Dance & Drama Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 July 2018

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 July 2018.

Reference and administrative details

Registered charity name Midlands Academy Of Dance & Drama Limited

Charity registration number 1118761

Company registration number 03830525

Principal office and registered office 6 Clinton Avenue
Nottingham
NG5 1AW

The trustees

Emma Ruth Clayton
Nathan Hadley Grundy
Sheila Ann Yeomans
Shane Gary Smith

Company secretary Sheila Ann Yeomans

Independent examiner Anthon Marlow
6 Clinton Avenue
Nottingham
NG5 1AW

Structure, governance and management

The Midlands Academy Of Dance & Drama Limited is a company limited by guarantee and a registered charity governed by its memorandum and articles of association. The organisation is run via a committee of trustees who hold regular meetings.

Objectives and activities

To advance education and instruction in dance, singing, drama and contextual studies and all other subjects whatsoever that may be included in a commercial, technical, scientific, classical, or academic educational or are conducive to knowledge of or skill in the performing arts, in particular but not exclusively by establishing or helping to establish a school or schools, lecture classes, examination rooms and such other academic facilities and by providing or assisting in the provision of items, facilities and funding to help run such establishments and to support teachers and students in Great Britain and other countries. To advance education by funding scholarship and exhibitions and to give prizes, certificates and diplomas to persons who are or have been students or examined by or by the direction of the company.

Midlands Academy Of Dance & Drama Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 July 2018

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Achievements and performance

The charity achieved its purpose with 116 students enrolled for academic year 2017/18, a slight decrease from 127 students the previous year. The new qualification Level 6 validated by Trinity College London has been implemented and the third cohort of students graduated in June 2018 all successfully passed the Diploma.

Financial review

Activities during the year resulted in an excess of income over expenditure amounting of £9,456 (2017 : £28,365), which was a result of a slight decrease in the amount of students enrolled in the academic year.

With reference to the balance sheet:

The book value of the fixed assets of the charity was £3,102 and no funds were materially in deficit.

Plans for future periods

To continue to increase the numbers of students with more open reach programmes and open days for schools plus exhibitions, with an additional course which has been added as a post graduate one year in Dance, Drama and Singing which commenced in September 2018. A BTEC extended 2 year Diploma course in Screen Acting in partnership with "Confetti", Institute of Creative Technologies, which is part of Nottingham Trent University.

The trustees' annual report and the strategic report were approved on 25 March 2019 and signed on behalf of the board of trustees by:



Emma Ruth Clayton
Trustee



Nathan Hadley Grundy
Trustee

Sheila Ann Yeomans
Charity Secretary



Midlands Academy Of Dance & Drama Limited

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Midlands Academy Of Dance & Drama Limited

Year ended 31 July 2018

I report to the trustees on my examination of the financial statements of Midlands Academy Of Dance & Drama Limited ('the charity') for the year ended 31 July 2018.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Midlands Academy Of Dance & Drama Limited

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**Independent Examiner's Report to the Trustees of Midlands Academy Of Dance
& Drama Limited *(continued)***

Year ended 31 July 2018

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Anthon Marlow
Independent Examiner

6 Clinton Avenue
Nottingham
NG5 1AW

A large, stylized handwritten signature in black ink, likely belonging to Anthon Marlow, the Independent Examiner.

Midlands Academy Of Dance & Drama Limited

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 July 2018

		2018	2017
		Unrestricted funds	Total funds
	Note	£	£
Income and endowments			
Charitable activities	5	570,954	570,954
Investment income	6	17,814	17,814
Total income		<u>588,768</u>	<u>588,768</u>
Expenditure			
Expenditure on charitable activities	7,8	579,312	579,312
Total expenditure		<u>579,312</u>	<u>567,508</u>
Net income and net movement in funds		<u>9,456</u>	<u>28,365</u>
Reconciliation of funds			
Total funds brought forward		98,291	98,291
Total funds carried forward		<u>107,747</u>	<u>98,291</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 8 to 15 form part of these financial statements.

Midlands Academy Of Dance & Drama Limited

Company Limited by Guarantee

Statement of Financial Position

31 July 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible fixed assets	13	3,102	3,489
Current assets			
Debtors	14	150,783	82,833
Cash at bank and in hand		5,406	48,790
		<u>156,189</u>	<u>131,623</u>
Creditors: amounts falling due within one year	15	<u>51,544</u>	<u>36,821</u>
Net current assets		104,645	94,802
Total assets less current liabilities		107,747	98,291
Net assets		107,747	98,291
Funds of the charity			
Unrestricted funds		<u>107,747</u>	<u>98,291</u>
Total charity funds	17	107,747	98,291

For the year ending 31 July 2018 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 25 March 2019, and are signed on behalf of the board by:



Emma Ruth Clayton
Trustee



Nathan Hadley Grundy
Trustee

The notes on pages 8 to 15 form part of these financial statements.

Midlands Academy Of Dance & Drama Limited

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 July 2018

	2018 £	2017 £
Cash flows from operating activities		
Net income	9,456	28,365
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	387	387
Other interest receivable and similar income	(17,814)	(13,568)
Interest payable and similar charges	149	148
Accrued (income)/expenses	(3,036)	26,202
<i>Changes in:</i>		
Trade and other debtors	(67,950)	(75,998)
Trade and other creditors	17,759	175
Cash generated from operations	(61,049)	(34,289)
Interest paid	(149)	(148)
Interest received	17,814	13,568
Net cash used in operating activities	(43,384)	(20,869)
Net decrease in cash and cash equivalents	(43,384)	(20,869)
Cash and cash equivalents at beginning of year	48,790	69,659
Cash and cash equivalents at end of year	5,406	48,790

The notes on pages 8 to 15 form part of these financial statements.

Midlands Academy Of Dance & Drama Limited

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 July 2018

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 6 Clinton Avenue, Nottingham, NG5 1AW.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Midlands Academy Of Dance & Drama Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2018

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

All fixed assets are initially recorded at cost.

Midlands Academy Of Dance & Drama Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2018

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold property	- 20% straight line
Fixtures and fittings	- 10% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Midlands Academy Of Dance & Drama Limited

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Notes to the Financial Statements *(continued)*

Year ended 31 July 2018

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Limited by guarantee

The company is Limited by Guarantee with members being required to contribute an amount not exceeding £1 in the event of the company being wound up.

Midlands Academy Of Dance & Drama Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2018

5. Charitable activities

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Sale of services as part of direct charitable activities	570,954	570,954	582,305	582,305

6. Investment income

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Bank interest receivable	23	23	42	42
Rents received	17,791	17,791	13,526	13,526
	<u>17,814</u>	<u>17,814</u>	<u>13,568</u>	<u>13,568</u>

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Coaching fees	406,728	406,728	397,901	397,901
Running expenses	160,330	160,330	166,445	166,445
Support costs	12,254	12,254	3,162	3,162
	<u>579,312</u>	<u>579,312</u>	<u>567,508</u>	<u>567,508</u>

8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2018 £	Total fund 2017 £
Coaching fees	406,728	—	406,728	397,901
Running expenses	160,330	—	160,330	166,445
Governance costs	—	12,254	12,254	3,162
	<u>567,058</u>	<u>12,254</u>	<u>579,312</u>	<u>567,508</u>

9. Net income

Net income is stated after charging/(crediting):

	2018 £	2017 £
Depreciation of tangible fixed assets	387	385

Midlands Academy Of Dance & Drama Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2018

10. Independent examination fees

	2018 £	2017 £
Fees payable to the independent examiner for:		
Independent examination of the financial statements	2,388	2,208
Other financial services	4,962	48
	<u>7,350</u>	<u>2,256</u>

11. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2018 £	2017 £
Wages and salaries	59,014	54,919
Social security costs	665	358
Employer contributions to pension plans	449	277
	<u>60,128</u>	<u>55,554</u>

Average number of staff was

4	4
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The average head count of employees during the year was Nil (2017: 4). The average number of full-time equivalent employees during the year is analysed as follows:

	2018 No.	2017 No.
Number of staff	<u>4</u>	<u>4</u>

No employee received employee benefits of more than £60,000 during the year (2017: Nil).

12. Trustee remuneration and expenses

During the year a remuneration of £12,518 was paid to Mr S G Smith, along with a pension of £81. Mr S G Smith is a full time employee of the organisation. Included in creditors at the year end is an amount owing to Mr S G Smith of £15,000. This amount is interest free and repayable on demand.

Midlands Academy Of Dance & Drama Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2018

13. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 August 2017 and 31 July 2018	<u>53,151</u>	<u>11,783</u>	<u>64,934</u>
Depreciation			
At 1 August 2017	53,150	8,295	61,445
Charge for the year	–	387	387
At 31 July 2018	<u>53,150</u>	<u>8,682</u>	<u>61,832</u>
Carrying amount			
At 31 July 2018	<u>1</u>	<u>3,101</u>	<u>3,102</u>
At 31 July 2017	<u>1</u>	<u>3,488</u>	<u>3,489</u>

14. Debtors

	2018 £	2017 £
Trade debtors	144,529	78,300
Prepayments and accrued income	<u>6,254</u>	<u>4,533</u>
	<u>150,783</u>	<u>82,833</u>

15. Creditors: amounts falling due within one year

	2018 £	2017 £
Accruals and deferred income	33,144	36,180
Social security and other taxes	638	641
Other creditors	<u>17,762</u>	<u>–</u>
	<u>51,544</u>	<u>36,821</u>

16. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £449 (2017: £277).

Midlands Academy Of Dance & Drama Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 July 2018

17. Analysis of charitable funds

Unrestricted funds

	At August 2017	Income	Expenditure	At 31 July 2018
	£	£	£	£
General funds	<u>98,291</u>	<u>588,768</u>	<u>(579,312)</u>	<u>107,747</u>

	At 1 August 2016	Income	Expenditure	At 31 July 2017
	£	£	£	£
General funds	<u>69,926</u>	<u>595,873</u>	<u>(567,508)</u>	<u>98,291</u>

18. Analysis of net assets between funds

	Unrestricted Funds	Total Funds
	£	£
Tangible fixed assets	3,102	3,102
Current assets	156,189	156,189
Creditors less than 1 year	<u>(51,544)</u>	<u>(51,544)</u>
Net assets	<u>107,747</u>	<u>107,747</u>

	Unrestricted Funds	Total Funds
	£	£
Tangible fixed assets	3,489	3,489
Current assets	131,623	131,623
Creditors less than 1 year	<u>(36,821)</u>	<u>(36,821)</u>
Net assets	<u>98,291</u>	<u>98,291</u>

Midlands Academy Of Dance & Drama Limited

Company Limited by Guarantee

Management Information

Year ended 31 July 2018

The following pages do not form part of the financial statements.

Midlands Academy Of Dance & Drama Limited

Company Limited by Guarantee

Detailed Statement of Financial Activities

Year ended 31 July 2018

	2018 £	2017 £
Income and endowments		
Charitable activities		
Sale of services as part of direct charitable activities	<u>570,954</u>	<u>582,305</u>
Investment income		
Bank interest receivable	23	42
Rents received	<u>17,791</u>	<u>13,526</u>
	<u>17,814</u>	<u>13,568</u>
Total income	<u>588,768</u>	<u>595,873</u>
Expenditure		
Expenditure on charitable activities		
Purchases	406,728	397,901
Wages and salaries	59,014	54,919
Employer's NIC	665	358
Pension costs	449	277
Rent	39,525	42,375
Light and heat	11,639	9,107
Repairs and maintenance	9,110	14,287
Insurance	1,825	3,449
Other motor/travel costs	8,581	8,126
Legal and professional fees	15,903	10,967
Telephone	1,875	2,031
Other office costs	16,339	21,236
Depreciation	387	385
Other interest payable and similar charges	149	148
Cleaning and sundries	7,123	1,942
	<u>579,312</u>	<u>567,508</u>
Total expenditure	<u>579,312</u>	<u>567,508</u>
Net income	<u>9,456</u>	<u>28,365</u>

Midlands Academy Of Dance & Drama Limited

Company Limited by Guarantee

Notes to the Detailed Statement of Financial Activities

Year ended 31 July 2018

	2018 £	2017 £
Expenditure on charitable activities		
Activity type 1		
<i>Activities undertaken directly</i>		
Direct charitable activity - coaching fees & show costs etc	406,728	397,901
Activity type 13		
<i>Activities undertaken directly</i>		
Direct charitable activity - wages/salaries	59,014	54,919
Direct charitable activity - employer's NIC	665	358
Direct charitable activity - pension costs	449	277
Direct charitable activity - rent and rates	39,525	42,375
Direct charitable activity - light & heat	11,639	9,107
Direct charitable activity - repairs & maintenance	9,110	14,287
Direct charitable activity - insurance	1,825	3,449
Direct charitable activity - motor/travel costs	8,581	8,126
Direct charitable activity - registration fees	4,185	8,338
Direct charitable activity - telephone	1,875	2,031
Direct charitable activity - other office costs	16,339	21,236
Direct charitable activity - cleaning and sundries	7,123	1,942
	160,330	166,445
Governance costs		
Governance costs - accountancy fees	7,350	2,256
Governance costs - legal and other professional fees	4,368	373
Governance costs - depreciation	387	385
Bank charges	149	148
	12,254	3,162
Expenditure on charitable activities	579,312	567,508