

THE OXFORD SCHOOL OF DRAMA TRUST
ACCOUNTS FOR THE YEAR ENDED
31 AUGUST 2021

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Company No. 3638842

Registered Charity No. 1072770

THE OXFORD SCHOOL OF DRAMA TRUST
GROUP TRUSTEES' REPORT

This is the Twenty-third report of The Oxford School of Drama Trustees and covers the twelve months to 31 August 2021.

REFERENCE AND ADMINISTRATIVE DETAILS

Company number 3638842

Charity number 1072770

Registered Office

Beaver House, 23-38 Hythe Bridge Street, Oxford OX1 2EP.

Bankers

National Westminster Bank PLC, Oxford

Auditors

Critchleys Audit LLP, Beaver House, 23-38 Hythe Bridge Street, Oxford, OX1 2EP

Principal address

Sansomes Farm Studios, Woodstock, Oxford, OX20 1ER

Trustees/Directors

The trustees of the Charity are also the company's directors for the purposes of the Companies Act.

The Trustees, who served throughout the year unless otherwise stated, were:

N Macaluso
 A Millman
 P Wilson-Smith (resigned 23 June 2021)
 D B Zampi (resigned 15 September 2020)
 N Raine (resigned 23 June 2021)
 B A Cessay
 E Fuller
 D Lincoln
 S Stephens (appointed 16 March 2021)
 F Feehan (appointed 7 December 2020)
 T Baldwin (appointed 16 March 2021)
 A Byam (appointed 16 March 2021)
 C A Bradley (appointed 16 March 2021)
 F Murray-Fuentes (appointed 16 March 2021)
 M Neild (appointed 16 March 2021)

Principal

Edward Hicks

THE OXFORD SCHOOL OF DRAMA TRUST

GROUP TRUSTEES' REPORT (CONTINUED)

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trust is governed by the provisions of its memorandum and articles of association and the accounts comply with current statutory requirements and the Trust's governing document.

The Trustees have the power to appoint additional people as Trustee but any Trustees such appointed shall only hold office until the following Annual General Meeting, where they can seek re-election.

New Trustees are provided with a comprehensive pack of information about The Oxford School of Drama Trust, the content of which conforms to the recommendations of The Charity Commission. This includes: Charity Commission booklet CC3 The Essential Trustee: What you need to know; information on the responsibilities of Trustees; memorandum and articles of association; accounts for last three years incorporating Trustees' reports; minutes of last three board meetings; brief history of the School and chronology of significant events; organisational chart; current school prospectus; schedule of dates for further meetings; biographies of Trustees and dates of appointment; details of contractual obligations; summary of Trust's insurance policies including trustees' liability insurance; details of any litigation presently being undertaken either by or against the Trust; details of charity's professional advisers, including solicitors, bankers, external auditors; policy documents, including Risk Management information, Health and Safety Policy, Equal Opportunities Policy, Disability Equality Policy, Safeguarding Policy, Data Policy, Environmental Policy, ICT Policy, Disciplinary Policy, Grievance Policy.

The Trustees are in overall control of the Trust and consider strategic issues. Day to day management of the Trust is delegated to the Principal.

Key Management Personnel Remuneration

The pay and remuneration of the charity's key management personnel is re-evaluated annually. Every 3-5 years the Trustees undertake a comparative analysis of the pay and remuneration of the key management personnel in similar organisations as a benchmark.

OBJECTIVES AND ACTIVITIES

The Oxford School of Drama Trust was founded in 1998 as a Company Limited by Guarantee and a registered charity to train students for the acting profession. The School's strategy is to offer an education, as well as vocational training, to students from a wide range of social and educational backgrounds. For this reason it has a policy of limiting the intake of students to the School to ensure a high and constant level of support, both during and after training. The total intake in September 2017 was 38 students. The Trust has committed and highly qualified teaching and administrative staff. The School employs six full-time and two part-time staff and has up to thirty freelance tutors. The School is deemed Grade 1 'outstanding' by Ofsted and 'exemplary' by Trinity College London.

The Trust provides the following courses:

- One Year Diploma in Acting Course
- Three Year Diploma in Acting course

THE OXFORD SCHOOL OF DRAMA TRUST

GROUP TRUSTEES' REPORT (CONTINUED)

Public Benefit

The Trustees have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. The School aim is to ensure that its courses are open to all regardless of their background through its participation in the Government's Dance and Drama Awards (DaDA) Scheme. The Scheme enables talented students to access financial assistance to attend courses at the School, provided that they are under the age of 24 and from households with a gross income of less than £90,000. The amount of financial assistance students receive depends on their household income. Those in greatest need (with a household income of less than £21,000) pay nothing towards their course fees and can access a grant to help with their living costs. Those whose household income is £85,000 - £90,000 pay £7,175 for their course fees, a reduction of £8,500 on the published rate. There is a sliding scale of support for students between these two income figures.

Students aged over 18 years who have some fees to pay for their course can also access an Advanced Learning Loan of up to £7,395 towards the course fees.

In addition to these schemes the School has its own Hardship Fund for those students experiencing financial difficulties.

The school outreach work was seriously undermined by Covid but we were still able to run workshops and Q&A's both online and in person in the form of workshops targeted at under-represented groups. This work is undertaken in partnership with staff, students and graduate actors. It included sessions that ranged from Monobox (online) 30+, NYT- Playing Up (London) 50+, to the FDC Training Fair (Leeds) 500+. Due to the Pandemic a lot of smaller activities were also organised online in the form of presentations at school and college online careers events, Drama groups, hosting open days and workshops for those interested in drama training. We also launched a partnership with the National Saturday club offering free weekly drama classes to local children from low income families. This has been a huge success and is due to be expanded next year. The Pandemic did affect the number of Public performances the school was able to do initially, but performances took place at venues including The North Wall, The Park Theatre (London), Southwark Playhouse (London), Leicester Square Theatre (London), local Oxfordshire community and a number of outdoor locations. We played to a total audience of 2,284.

ACHIEVEMENTS AND PERFORMANCE

The graduates from the School have continued to have a successful year despite the reduction of theatre productions due to Covid. Working for a range of companies, theatre credits include the Abbey Theatre (Dublin), Bush Theatre, Gielgud Theatre (West End), Harold Pinter Theatre (West End), The King's Head (London), Duke of York (West End), The National Theatre, and The RSC amongst others. On the small screen they could be seen as regular or lead characters in Netflix's Bridgerton, Sex Education, The Crown, Red Notice, The Witcher: Blood Origin, Young Wallander; BBC's A Very British Scandal, Call the Midwife, Casualty, Killing Eve; ITV's Grantchester, Emmerdale, No Return; Sky's Britannia, Frayed, Temple, Wolfe; HBO's Gangs of London, Landscapers. In Film Infinite, Living, Seize Them, The Electrical Life of Louis Wain,

Students and graduates winning or nominated for awards this year include:

Freddy Carter selected as one of Decider's 11 Rising Stars to Watch For in 2021

Finlay James Selected for Warner Bros. world wide search for the top 'Actors in Training' 2021

Nicola Coughlan wins IFTA Rising Star Award

Victoria Bavister (Producer) Multiple nominations for County Lines,

THE OXFORD SCHOOL OF DRAMA TRUST

GROUP TRUSTEES' REPORT (CONTINUED)

Activities

The School's Student Hardship Fund continued to support those in financial difficulty. The number of students needing support continues to increase. During the Autumn term ten awards were made totalling £3,000 and in Spring ten awards were made totalling £2,650.

The School's New Initiatives Fund supported graduates in creating new work, forming industry partnerships and presenting their work to an audience both nationally and internationally. The School invites applications to the Fund from recent graduates with some experience in the industry. As it makes awards from the Fund every other year it did not run this year.

Plans for the future

Following an in-depth review of the curriculum the school is looking to create a new five year plan starting from September 2022. At the heart of the review is a new refreshed curriculum that can build on the best of the school's traditions while preparing students for the future. Part of this includes the creation of new posts and new appointments and reorganising responsibilities amongst SMT. It's hoped these appointments will help address fundraising, improve student support, improve communication for staff and students, build awareness, expand outreach and short courses, improve the diversity of staff and students, and make the school more accessible to more people regardless of background. Through this work the school can build on its reputation by setting new priorities that allow the Trust to continue to provide an outstanding training for a small number of students from diverse backgrounds.

FINANCIAL REVIEW

The charity achieved a surplus of £81,239 on unrestricted funds in the year. As in previous years the majority of the income came from course fees.

Reserves

As at 31 August 2021, the charity's total funds were £1,370,936 of which, £75,619 was represented by restricted funds and £274,406 by designated funds (equal to the net book value of the charity's leasehold buildings), leaving a balance of £1,020,911 on general funds.

The Trustees consider that reserves ideally need to be sufficient to cover expenditure for a period of six months. This would equate to approximately £500,000.

As at 31 August 2021, after having designated funds to represent the investment in the new Theatre and Library/Office Development and for the Barn Development works, there was a balance of £1,020,911 on general funds. £500,000 of this was represented by the investment in Oxford School of Drama Limited leaving a balance of free reserves of £520,911.

THE OXFORD SCHOOL OF DRAMA TRUST

TRUSTEES' REPORT (CONTINUED)

Risk Management Statement

The Trust maintains risk management and other policies as listed in the Annual Return. The Trustees consider the principal risks and uncertainties affecting the charity are:

- Potential future changes in DADA (Dance and Drama Awards) funding arrangements
- Recruitment and retention of good quality staff and tutors
- Issues that may harm's the Charity reputation

The risk management policy has been expanded to cover the areas of risk recommended by the Charity Commission: governance and management, operational, financial, environment and external, law and regulation compliance. In addition, specific policies cover complaints handling and conflicts of interests. The Company keeps risk management under continual review, and conducts a formal risk review once a year, which is discussed and approved by the Trustees. Major risks are reviewed and assessed, and control systems are established to manage those risks.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


So far as the Trustees are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and

Each Trustee has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the Small Companies Regime under Section 419(2) of the Companies Act 2006.

This report was approved by the Trustees on.....

07/04/2022


.....
M. Neild (Trustee) • 4

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE OXFORD SCHOOL OF DRAMA TRUST**

Opinion

We have audited the financial statements of The Oxford School of Drama Trust (the "Charity") for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, Balance Sheets, the Statements of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and Charity's affairs as at 31 August 2021 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE OXFORD SCHOOL OF DRAMA TRUST (CONTINUED)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.
- the trustees were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement [set out on page 5], the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE OXFORD SCHOOL OF DRAMA TRUST (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our knowledge and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where applicable; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE OXFORD SCHOOL OF DRAMA TRUST (CONTINUED)**

- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing relevant correspondence.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Robert Kirtland
Senior Statutory Auditor
for and on behalf of Critchleys Audit LLP
Statutory Auditor
Beaver House
23-38 Hythe Bridge Street
Oxford
OX1 2EP

24/5/2022

THE OXFORD SCHOOL OF DRAMA TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
INCOME FROM:					
Donations and Legacies		-	51,329	51,329	45,126
Charitable activities					
Drama School	2	1,300,114	-	1,300,114	1,259,518
Investments – interest receivable		<u>500</u>	<u>-</u>	<u>500</u>	<u>2,018</u>
Total income		<u>1,300,614</u>	<u>51,329</u>	<u>1,351,943</u>	<u>1,306,662</u>
EXPENDITURE ON;					
Charitable activities:					
Drama School	3	<u>1,251,740</u>	<u>58,574</u>	<u>1,310,314</u>	<u>1,177,929</u>
Total expenditure		<u>1,251,740</u>	<u>58,574</u>	<u>1,310,314</u>	<u>1,177,929</u>
Net income/(expenditure)		48,874	(7,245)	41,629	128,733
Transfers between funds	15	<u>22,000</u>	<u>(22,000)</u>	<u>-</u>	<u>-</u>
Net movement on funds		70,874	(29,245)	41,629	128,733
Reconciliation of funds;					
Total funds brought forward		<u>1,124,006</u>	<u>104,864</u>	<u>1,228,870</u>	<u>1,100,137</u>
Total funds carried forward		<u>1,194,880</u>	<u>75,619</u>	<u>1,270,499</u>	<u>1,228,870</u>

THE OXFORD SCHOOL OF DRAMA TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)
FOR THE YEAR ENDED 31 AUGUST 2020 (comparatives)

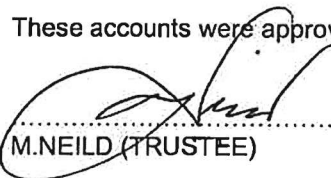
	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
INCOME FROM:				
Donations and Legacies		-	45,126	45,126
Charitable activities				
Drama School	2	1,259,518	-	1,259,518
Investments – interest receivable		<u>2,018</u>	<u>-</u>	<u>2,018</u>
Total income		<u>1,261,536</u>	<u>45,126</u>	<u>1,306,662</u>
EXPENDITURE ON;				
Charitable activities:				
Drama School	3	<u>1,107,870</u>	<u>70,059</u>	<u>1,177,929</u>
Total expenditure		<u>1,107,870</u>	<u>70,059</u>	<u>1,177,929</u>
Net expenditure		153,666	(24,933)	128,733
Transfers between funds	15	<u>17,750</u>	<u>(17,750)</u>	<u>-</u>
Net movement on funds		171,416	(42,683)	128,733
Reconciliation of funds;				
Total funds brought forward		<u>952,590</u>	<u>147,547</u>	<u>1,100,137</u>
Total funds carried forward		<u>1,124,006</u>	<u>104,864</u>	<u>1,228,870</u>

THE OXFORD SCHOOL OF DRAMA TRUST
(company no: 3638842)

BALANCE SHEETS
AS AT 31 AUGUST 2021

	Note	Group 2021 £	Trust 2021 £	Group 2020 £	Trust 2020 £
FIXED ASSETS					
Intangible assets	6	346,212	-	389,488	-
Investments	7	-	500,000	-	500,000
Tangible assets	8	<u>286,781</u>	<u>280,639</u>	<u>292,128</u>	<u>289,810</u>
		632,993	780,639	681,616	789,810
CURRENT ASSETS					
Debtors	9	45,591	67,332	7,451	42,957
Cash at bank and in hand	10	<u>1,591,588</u>	<u>1,203,010</u>	<u>1,281,405</u>	<u>1,175,871</u>
		1,636,997	1,270,160	1,298,856	1,218,828
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	<u>(939,673)</u>	<u>(620,045)</u>	<u>(691,602)</u>	<u>(651,696)</u>
NET CURRENT ASSETS		697,506	650,297	607,254	567,132
CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	12	<u>(60,000)</u>	<u>(60,000)</u>	<u>(60,000)</u>	<u>(60,000)</u>
NET ASSETS		<u>1,270,499</u>	<u>1,370,936</u>	<u>1,228,870</u>	<u>1,296,942</u>
Funds:					
Unrestricted funds:					
General funds		920,474	1,020,911	838,224	906,296
Designated funds	14	<u>274,406</u>	<u>274,406</u>	<u>285,782</u>	<u>285,782</u>
Restricted funds	15	<u>75,619</u>	<u>75,619</u>	<u>104,864</u>	<u>104,864</u>
		<u>1,270,499</u>	<u>1,370,936</u>	<u>1,228,870</u>	<u>1,296,942</u>

These accounts were approved and authorised for issue by the Trustees on 07/04/2022


M.NEILD (TRUSTEE)

THE OXFORD SCHOOL OF DRAMA TRUST

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Group 2021	Trust 2021	Group 2020	Trust 2020
	£	£	£	£
Net cash (used in)/provided by operating activities	348,627	60,792	(23,868)	369,573
Cash flows from investing activities				
Purchase of tangible fixed assets	(18,444)	(13,653)	(11,691)	(9,461)
Cash acquired with subsidiary	-	-	501,205	-
Purchase of subsidiary	(20,000)	(20,000)	(360,000)	(360,000)
Cash generated by/(used in) investing activities	(38,444)	(33,653)	129,514	(369,461)
(Decrease)/increase in cash and cash equivalents in the year	310,183	27,139	105,646	112
Cash and cash equivalents at the beginning of the year	<u>1,281,405</u>	<u>1,175,871</u>	<u>1,175,759</u>	<u>1,175,759</u>
Cash and cash equivalents at the end of the year	<u>1,591,588</u>	<u>1,203,010</u>	<u>1,281,405</u>	<u>1,175,871</u>
Cash provided by operating activities:				
Net movement in funds	41,629	73,994	128,733	196,805
Depreciation	23,791	22,823	23,913	23,503
Amortisation	43,276	-	43,276	-
(Increase)/decrease in debtors	(13,301)	(9,535)	185,962	181,499
Increase/(decrease) in creditors	<u>253,232</u>	<u>(26,490)</u>	<u>(405,752)</u>	<u>(32,234)</u>
Net cash (used in)/provided by operating activities	<u>348,627</u>	<u>60,792</u>	<u>(23,868)</u>	<u>369,573</u>
Cash and cash equivalents consist of:				
Cash in hand	1,503,947	1,115,369	1,194,248	1,088,714
Notice deposits (less than 1 year)	<u>87,641</u>	<u>87,641</u>	<u>87,157</u>	<u>87,157</u>
	<u>1,591,588</u>	<u>1,203,010</u>	<u>1,281,405</u>	<u>1,175,871</u>

THE OXFORD SCHOOL OF DRAMA TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021

1 ACCOUNTING POLICIES

a) General Information

This Company is a Charitable Company Limited by guarantee incorporated in United Kingdom. Oxford School of Drama Trust is a public benefit entity, operating from Sansomes Farm Studios, Woodstock, Oxford, OX20 1ER.

b) Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with the Charities (Accounts and Reports) Regulations and Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS 102) and the Companies Act 2006. These financial statements have been prepared in accordance with Financial Reporting Standard 102 'The financial Reporting Standard applicable in the UK and Republic of Ireland.

There are no uncertainties about the charity's ability to continue as a going concern.

The consolidated accounts included the result of the Trust and its subsidiary The Oxford School of Drama Limited from the date of acquisition.

No parent company Statement of Financial Activities is presented as permitted by s408 of the Companies Act 2006. The net movement in funds attributable to the parent company is £73,994 (2020: £196,805).

c) Income

Income includes fees for courses organised by the Trust, associated fees, and deposit interest. Income is included in the income and expenditure account in the year to which the income relates.

Income received in the year relating to terms starting after the year end is deferred and included as income in the accounts covering the period to which it relates.

d) Expenditure

Expenditure is recognised when a liability is incurred.

Charitable activities include expenditure associated with the running of the courses provided. This includes both the direct costs and support costs relating to this activity.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Support costs include central function. All of these have been allocated to the principal activity of the charity.

THE OXFORD SCHOOL OF DRAMA TRUST

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)**

e) Funds structure

The charity has a number of restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

All other funds are unrestricted income funds. The Trustees have set up the designated funds for the purpose of funding a new theatre, the library/office development and barn development works.

f) Intangible assets and amortisation

Intangible assets are originally recognised as the value of goodwill upon their purchase.

Amortisation is provided to write off the goodwill over its expected useful economic life of 10 years.

g) Fixed Asset Investments

Investments are held at cost less any impairment in value.

h) Tangible fixed assets and depreciation

Depreciation is provided to write off the cost of tangible fixed assets over their expected useful lives at the following rates.

Office equipment	- 25%
Leasehold improvements	- Length of lease

i) Operating leases

Rentals due under operating leases are charged to the Statement of Financial Activities on an accruals basis.

j) Pension Costs

The charity operates a defined contribution pension scheme. Contributions are recognised as an expense when they fall due.

k) Cash and cash equivalents

Cash and cash equivalents includes notice accounts with a maturity of less than one year.

2 INCOME - OPERATION OF DRAMA SCHOOL

	Trust £	Limited £	2021 £	2020 £
Course fees	904,795	328,000	1,232,795	1,153,640
Less: bursaries awarded	(22,000)	-	(22,000)	(17,750)
Audition fees	20,661	7,099	27,760	36,212
Box office sales	10,943	-	10,943	-
Student transport	12,135	8,650	20,785	35,353
COVID-19 Business Support Grant	-	-	-	25,000
Other income	<u>29,785</u>	<u>46</u>	<u>26,631</u>	<u>27,063</u>
	<u>956,319</u>	<u>343,795</u>	<u>1,300,114</u>	<u>1,259,518</u>

THE OXFORD SCHOOL OF DRAMA TRUST

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)**

3 CHARITABLE ACTIVITIES

	Trust £	Limited £	2021 £	2020 £
Activity: Operation of drama school				
Staff	260,707	96,043	356,750	339,911
Depreciation	22,823	968	23,791	23,912
Amortisation	43,276	-	43,276	43,276
Direct Costs	515,722	120,410	636,132	515,608
Support Costs	<u>179,874</u>	<u>70,491</u>	<u>250,365</u>	<u>255,222</u>
	<u>1,022,402</u>	<u>287,912</u>	<u>1,310,314</u>	<u>1,177,929</u>

4 SUPPORT COSTS

	Trust £	Limited £	2021 £	2020 £
Legal and other fees	5,532	7,389	12,921	14,689
Finance	1,962	800	2,762	2,447
General office	27,387	1,753	29,140	26,547
Premises	139,696	57,774	197,470	203,802
Governance costs – auditors' remuneration	<u>5,297</u>	<u>2,775</u>	<u>8,072</u>	<u>7,737</u>
	<u>179,874</u>	<u>70,491</u>	<u>250,365</u>	<u>255,222</u>

In addition the auditors received £2,200 (2020: £2,431) for other services.

5 STAFF COSTS (EXCLUDING TUTORS)

	2021 £	2020 £
Salaries and wages	314,396	295,299
Employers national insurance	30,917	27,701
Pension costs	<u>9,616</u>	<u>7,976</u>
	<u>354,929</u>	<u>330,976</u>

The average number of employees during the year was 8 (2020: 8).

	2021 No	2020 No
Number of higher paid employees in bands of:		
£60,001 - £70,000	1	2
£70,001 - £80,000	1	-

The charity's key management personnel remuneration in the year (including employer's national insurance and pension costs) was £153,066 (2020: £149,935).

THE OXFORD SCHOOL OF DRAMA TRUST

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

6 INTANGIBLE ASSETS

	Goodwill on consolidation
Cost or valuation	£
At 1 September 2020	<u>432,764</u>
At 31 August 2021	<u>432,764</u>
Amortisation	
At 1 September 2020	43,276
Provided in year	43,276
Disposals	<u>-</u>
At 31 August 2021	<u>86,552</u>
Net book amount	
At 31 August 2021	<u>346,212</u>
At 31 August 2020	<u>389,488</u>

100% of shares in Oxford School of Drama Limited (OSD) were purchased on 13 September 2019 for £360,000 in cash and deferred consideration of £140,000.

The goodwill was calculated as consideration (£500,000) less net assets of OSD at the date of acquisition.

THE OXFORD SCHOOL OF DRAMA TRUST

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)**

7 INVESTMENTS

Shares in subsidiary undertaking	£
At 1 September 2020	500,000
Additions	-
Disposals	-
	<u> </u>
At 31 August 2021	<u>500,000</u>

The Oxford School of Drama Limited (OSD) is a wholly owned subsidiary (company number: 1973452).

OSD's registered office is:

Beaver House
23-38 Hythe Bridge Street
Oxford
OX1 2EP

OSD undertakes the foundation course for Oxford School of Drama.

A summary of its trading results and net assets for the year is shown below.

	2021	2020
	£	£
Profit and loss account		
Turnover	343,795	345,907
Cost of sales	<u>(119,411)</u>	<u>(112,603)</u>
Gross profit	224,384	233,304
Administrative expenses	(163,255)	(159,446)
Other interest receivable and similar income	29	572
Taxation	<u>(5,246)</u>	<u>23,274</u>
Net income for the year	<u>55,912</u>	<u>97,704</u>
Balance Sheet		
Fixed assets	6,141	2,318
Current assets	403,384	110,955
Current liabilities	<u>(356,173)</u>	<u>(70,833)</u>
Net assets	<u>53,352</u>	<u>42,440</u>

All income and expenditure for the subsidiary during the year is included within the consolidated statement of financial activities.

THE OXFORD SCHOOL OF DRAMA TRUST

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

8 TANGIBLE FIXED ASSETS

	Group Short Leasehold Improvements £	Group Fixtures Fittings & Equipment £	Group Total £	Trust Short Leasehold Improvements £	Trust Fixtures Fittings & Equipment £	Trust Total £
Cost						
At 1 September 2020	994,941	37,710	1,032,651	993,345	36,578	1,029,923
Additions	<u>11,628</u>	<u>6,816</u>	<u>18,444</u>	<u>8,608</u>	<u>5,044</u>	<u>13,652</u>
At 31 August 2021	<u>1,006,569</u>	<u>44,526</u>	<u>1,051,095</u>	<u>1,001,953</u>	<u>41,622</u>	<u>1,043,575</u>
Depreciation						
At 1 September 2020	707,636	32,887	740,523	707,563	32,550	740,113
Charge for the year	<u>20,306</u>	<u>3,485</u>	<u>23,791</u>	<u>19,984</u>	<u>2,839</u>	<u>22,823</u>
On disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 August 2021	<u>727,942</u>	<u>36,372</u>	<u>764,314</u>	<u>727,547</u>	<u>35,389</u>	<u>762,936</u>
Net book value						
At 31 August 2021	<u>278,627</u>	<u>8,154</u>	<u>286,781</u>	<u>274,406</u>	<u>6,233</u>	<u>280,639</u>
As 31 August 2020	<u>287,305</u>	<u>4,823</u>	<u>292,128</u>	<u>285,782</u>	<u>4,028</u>	<u>289,810</u>

All fixed assets are used in the direct furtherance of the Trust's charitable objects.

THE OXFORD SCHOOL OF DRAMA TRUST

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)**9 DEBTORS**

	Group 2021 £	Trust 2021 £	Group 2020 £	Trust 2020 £
Trade debtors	14,839	14,839	122	-
Prepayments and accrued income	30,752	15,947	16,081	12,030
Other Debtors	-	<u>36,546</u>	<u>1,248</u>	<u>30,927</u>
	<u>45,591</u>	<u>67,332</u>	<u>17,451</u>	<u>42,957</u>

10 CASH AT BANK AND IN HAND

	Group 2021 £	Trust 2021 £	Group 2020 £	Trust 2020 £
Current Account	143,880	120,540	135,640	114,710
Deposits & Cash	<u>1,447,708</u>	<u>1,082,470</u>	<u>1,145,765</u>	<u>1,061,161</u>
	<u>1,591,588</u>	<u>1,203,010</u>	<u>1,281,405</u>	<u>1,175,871</u>

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Trust 2021 £	Group 2020 £	Trust 2020 £
Trade creditors	44,413	28,553	21,617	13,890
Other creditors	137,119	137,119	120,082	118,110
Other taxation and social security	76,095	11,387	8,628	8,628
Accruals and deferred income	622,046	382,986	461,277	431,068
Deferred Consideration	<u>60,000</u>	<u>60,000</u>	<u>80,000</u>	<u>80,000</u>
	<u>939,673</u>	<u>620,045</u>	<u>691,604</u>	<u>651,696</u>

12 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	Group 2021 £	Trust 2021 £	Group 2020 £	Trust 2020 £
Deferred Consideration	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>

13 DEFERRED INCOME

	Group 2021 £	Trust 2021 £	Group 2020 £	Trust 2020 £
Balance as at 1 September 2020	400,941	375,441	422,104	422,104
Amount released to income	(400,941)	(375,441)	(422,104)	(422,104)
Amount deferred in year	<u>568,910</u>	<u>337,126</u>	<u>400,941</u>	<u>375,441</u>
Balance as at 31 August 2021	<u>568,910</u>	<u>337,126</u>	<u>400,941</u>	<u>375,441</u>

Deferred income comprises income in advance for the following year's fees.

THE OXFORD SCHOOL OF DRAMA TRUST

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

14 DESIGNATED FUNDS

	Leasehold improvements £	Total £
Group		
As at 1 September 2019	298,564	298,564
Net expenditure	(20,317)	(20,317)
Transfer from general funds	<u>7,535</u>	<u>7,535</u>
As at 1 September 2020	285,782	285,782
Net expenditure	(19,984)	(19,984)
Transfer from general funds	<u>8,608</u>	<u>8,608</u>
As at 31 August 2021	<u>274,406</u>	<u>274,406</u>
	Leasehold improvements £	Total £
Trust		
As at 1 September 2019	298,564	298,564
Net expenditure	(20,317)	(20,317)
Transfer from general funds	<u>7,535</u>	<u>7,535</u>
As at 1 September 2020	285,782	285,782
Net expenditure	(19,984)	(19,984)
Transfer from general funds	<u>8,608</u>	<u>8,608</u>
As at 31 August 2021	<u>274,406</u>	<u>274,406</u>

This represents the net book value of the leasehold improvements capitalised as fixed assets in the Trust.

THE OXFORD SCHOOL OF DRAMA TRUST

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)**

15 RESTRICTED FUNDS**Current year**

	As at September 2020 £	Income £	Expenditure £	Transfer £	As at August 2021 £
Student Hardship Bursaries	64,628	13,707	(9,502)	(646)	68,187
Mhairi Armstrong Bursary Fund	7,253	-	(4,870)	-	2,383
A.L.L Bursaries	(4,267)	37,622	(44,202)	646	(10,201)
Garfield Weston Foundation	<u>37,250</u>	<u>-</u>	<u>-</u>	<u>(22,000)</u>	<u>15,250</u>
Total	<u>104,864</u>	<u>51,329</u>	<u>(58,574)</u>	<u>(22,000)</u>	<u>75,619</u>

Previous year

	As at September 2019 £	Income £	Expenditure £	Transfer £	As at August 2020 £
Student Hardship Bursaries	86,755	2,300	(24,427)	-	64,628
Mhairi Armstrong Bursary Fund	7,253	-	-	-	7,253
A.L.L Bursaries	(1,461)	42,826	(45,632)	-	(4,267)
Garfield Weston Foundation	<u>55,000</u>	<u>-</u>	<u>-</u>	<u>(17,750)</u>	<u>37,250</u>
Total	<u>147,547</u>	<u>45,126</u>	<u>(70,059)</u>	<u>(17,750)</u>	<u>104,864</u>

Mhairi Armstrong Bursary fund is monies received to be used for student hardship.

The Hardship Fund is monies received to be used for student hardship.

Advanced Learner Loans – Bursary funds available to those students who have Advanced Learner Loans.

The Garfield Weston Foundation fund is for talented students facing substantial financial hardship.

16 MEMBERS' LIABILITY

The Trust is limited by guarantee and does not have a share capital. The members have undertaken to contribute a sum, not exceeding £1 each, to the assets of the trust in the event of it being wound up.

THE OXFORD SCHOOL OF DRAMA TRUST

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

17 ANALYSIS OF FUNDS BALANCES BETWEEN THE NET ASSETS

<i>Current year</i>	Designated £	General £	Restricted £	Total 2021 £
Group				
Fixed assets	274,406	358,587	-	632,993
Net current assets	-	621,887	75,619	697,506
Creditors: amounts due over 1 year	-	(60,000)	-	(60,000)
Total	<u>274,406</u>	<u>920,474</u>	<u>75,619</u>	<u>1,270,499</u>
Trust				
Fixed assets	274,406	506,233	-	780,639
Net current assets	-	574,678	75,619	710,297
Creditors: amounts due over 1 year	-	(60,000)	-	(60,000)
Total	<u>274,406</u>	<u>1,020,911</u>	<u>75,619</u>	<u>1,370,936</u>
 <i>Prior year</i>	 Designated £	 General £	 Restricted £	 Total 2020 £
Group				
Fixed assets	285,782	395,834	-	681,616
Net current assets	-	502,390	104,864	607,254
Creditors: amounts due over 1 year	-	(60,000)	-	(60,000)
Total	<u>285,782</u>	<u>838,224</u>	<u>104,864</u>	<u>1,228,870</u>
	Designated £	General £	Restricted £	Total 2020 £
Trust				
Fixed assets	285,782	504,028	-	789,810
Net current assets	-	462,268	104,864	567,132
Creditors: amounts due over 1 year	-	(60,000)	-	(60,000)
Total	<u>285,782</u>	<u>906,296</u>	<u>104,864</u>	<u>1,296,942</u>

18 TRANSACTIONS WITH RELATED PARTIES

During the previous year the Trust purchased Oxford School of Drama Limited (OSD). This is a related party transaction as one of the Trustees (P Wilson-Smith) was one of the former shareholders. £120,000 (2020: £120,000) of the deferred consideration (within creditors) is owed to P Wilson-Smith at 31 August 2021. P Wilson-Smith resigned as a Trustee of Oxford School of Drama Trust on 23 June 2021.

During the year the Trust has rental income from Oxford School of Drama Limited, for use of Trust assets, totalling £Nil (2020: £1,125).

As at 31 August 2021 OSD owed the Trust £36,546 (2020: £30,927).

No trustees received any remuneration or reimbursement of expenses in either year.

THE OXFORD SCHOOL OF DRAMA TRUST

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2021 (CONTINUED)

19 COMMITMENTS UNDER OPERATING LEASES

As at 31 August 2021 the total of the future minimum lease payments under non-cancellable operating leases is as follows:

	2021 Land/Building £	2020 Land/Building £
Not later than one year	179,121	179,121
More than one year and less than five	537,363	716,484
Over five years	<u>-</u>	<u>-</u>
Total	<u><u>716,484</u></u>	<u><u>895,605</u></u>

Amounts paid in the year by the group under the leases totalled £140,621 (2020: £140,777).

THE OXFORD SCHOOL OF DRAMA TRUST

DETAILED UNRESTRICTED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2021

	2021	2020
	£	£
INCOME		
Course fees	905,395	830,640
Less bursary costs	-	-
Audition fees	20,661	27,025
Box office sales	10,943	-
Student transport	12,135	21,633
COVID-19 Business Support Grant	-	25,000
Gift-aid donation from subsidiary	45,000	122,500
Other income	29,185	27,063
Interest received	<u>471</u>	<u>1,446</u>
	<u>1,023,790</u>	<u>1,055,307</u>
EXPENDITURE		
Charitable activities		
Tutors	173,204	177,160
Audition costs	27,537	22,208
Student travel	46,729	38,869
Venue hire	30,260	2,824
Production costs	86,854	61,962
Film and TV tuition	(60)	7,314
Production marketing	9,780	9,437
Staff costs	283,359	249,635
Rent, rates and insurance	107,959	107,600
Heating and lighting	4,695	5,422
Marketing	4,507	8,177
Staff training	12,643	6,545
Staff travel	614	1,168
Entertaining	19	1,143
Repairs and maintenance	15,066	11,169
Cleaning and housekeeping	16,716	15,396
Bursary costs	3,200	-
Subscription	6,405	6,290
Bank charges	1,962	1,847
Trinity college registration	16,100	15,050
Depreciation	22,823	23,503
Miscellaneous office costs	14,607	9,937
Legal and professional	5,532	6,225
Other accountancy fees	16,909	15,052
Outreach costs	7,835	6,779
Governance costs (audit & accountancy fee)	<u>5,297</u>	<u>5,107</u>
	<u>920,552</u>	<u>815,819</u>
Net movement on unrestricted funds	<u>103,238</u>	<u>239,488</u>

Management letter to the Board of Trustees of Oxford School of Drama Trust

Year ended 31 August 2021

20 May 2022

Critchleys Audit LLP
Beaver House
23-38 Hythe Bridge Street
Oxford
OX1 2EP

T 01865 261100
www.critchleys.co.uk

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Introduction

Purpose of the document

In accordance with our normal practice and the International Standards on Auditing (UK and Ireland) 260, we are writing to draw your attention to various matters which arose during the course of our audit of your financial statements for the year ended 31 August 2021.

This letter includes an executive summary of the key findings below which are supported by the detailed sections thereafter.

The purpose of the audit is to enable us to express an opinion on the financial statements. Our audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal controls. The matters reported are limited to those deficiencies that the auditor has identified during the audit and that the auditor has concluded are of sufficient importance to merit being reported to those charged with governance.

Our audit included obtaining sufficient and appropriate audit evidence to support our opinion. We use a variety of audit techniques to obtain audit evidence, including tests of design of controls; analytical review; verification of specific transactions and balances; and third party verification. We also assessed the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Our audit involved a risk-based approach and included an examination of evidence on a sample basis. Because of the sample nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, there is an unavoidable risk that some errors and material misstatements may remain undiscovered. Any errors and irregularity identified have been included within this report.

Acknowledgements

We would also like to take this opportunity of expressing our thanks to your staff for their assistance during the course of our audit and with the accounts preparation. A substantial amount of preparation work was required in order to be fully ready for the audit and we appreciate the efforts of the Sue Hadland, David Hadland and Liz Wilson.

Limitations

Please note that this report has been prepared for the sole use of Oxford School of Drama Trust and it must not be disclosed to third parties, quoted or referred to, without our prior written consent. No responsibility is assumed by us to any other person or entity.

Executive Summary

We are pleased to attach our report and our key findings are summarised below.

- Audit report outcome - unmodified Page 8.
- The number of audit adjustments identified and their impact. Page 6.
- The number of potential control weaknesses identified and their significance. Page 7.
- Any other matters of significance to be raised. Page 8.
- Any specific points within the proposed letter of representation. Page 8.

Further assistance

Should Members of the Board of Trustees or management wish to ask any questions regarding the matters raised in this letter or if we can be of any further assistance, please contact Robert Kirtland.

Robert Kirtland FCA Audit Partner

Email

RKirtland@critchleys.co.uk

Telephone

01865 261100

Website

Find out more about Robert Kirtland by watching his introductory video on www.critchleys.co.uk/Experts/Robert



Audit Status

Our audit is substantially complete. There have been no significant changes to our audit plan, dated 7 January 2022.

Areas of Audit Focus

As detailed in our audit plan, dated 7 January 2022, we identified the following significant risk areas during our audit planning and have included a brief summary of the work carried out and our findings below.

	Risk area	Work carried out	Conclusion
1.	Fraud in relation to revenue recognition	Income was tested via proof-in-totals, as well as a sample testing. Additionally, cut-off was checked via an after date review.	No issues were noted during testing that was undertaken.
2.	Undisclosed related party transactions	The nominal ledger provided was analysed to ensure that all potential related party transactions were adequately disclosed.	No issues were noted during testing that was undertaken.
3.	Potential for management override of controls (including the split of costs between Ltd company and Trust)	Walkthrough tests were undertaken to ensure that controls were in place as expected. Journals were assessed for any unusual activity. The method used to establish the split of costs between Ltd company and Trust was understood and reperformed to ensure reasonable.	No issues were noted during testing that was undertaken.
4.	Gift aid received from subsidiary	It was ensured that the £45,000 gift aid payment had been paid within 9 months of the year end.	The gift aid payment was made within 9 months of the year end.
5.	Debtors reduced to remove 2021/22 fees in advance that had not been paid as at the year end	Trade debtors and deferred income was reviewed and any corresponding income was removed from both areas of the accounts.	No issues were noted. Adjustment was presentational and had no effect on net assets or the surplus in the accounts.

6.	Allocation of income or expenditure to restricted or designated funds	Fund workings were checked to nominal ledger to ensure allocations were correct.	No issues were noted during testing that was undertaken.
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Our audit procedures go beyond the above higher risk areas to cover material areas of the financial statements. No issues were noted during the procedures.

Audit differences

In the normal course of an audit, we can identify misstatements in the financial data provided to us at the start of the audit. Where individual errors or their aggregation exceed our materiality level of £25,595 we are required to modify our audit report if they are not adjusted in the final financial statements. For the interest of Board of Trustees and management, we have summarised both the errors that have been corrected and those that have not.

In accordance with ICAEW guidance on triviality limits for audit, we report all items exceeding 5% of the materiality, which for this year is £1,280.

Summary of adjusted differences from draft numbers provided by management

No.	Description of error	Impact on SOFA (£)	Impact on Balance sheet (£)
1.	Presentational – removal of amounts within deferred income and trade debtors	-	-
2.	Presentational – debit balances within creditors moved to debtors	-	-
TOTAL		-	-

Summary of unadjusted differences in the final financial statements for approval

No.	Description of error	Impact on SOFA (£)	Impact on Balance sheet (£)	Reason for amending
1.	None			
TOTAL				



Potential Control Weaknesses

Your management is responsible for identification, assessment and monitoring of risk, and for developing, operating and monitoring the systems of internal control. Our audit procedures are designed primarily for the purpose of expressing an opinion on the financial statements and therefore do not constitute a full and detailed review of all aspects of the systems and controls and therefore cannot be relied upon to identify all actual and potential weaknesses. We have included a summary of the issues that we have identified below.

New matters arising in this year

Observation	Implications & risk	Recommendation	Management response
No significant new matters were identified			



Proposed Letter of Representation

In accordance with standard practice for such an audit and based on the work carried out to date, we will ask the Board of Trustees to approve and sign the attached letter of representation to accompany the signed final financial statements. We draw your attention to the specific representations contained within point 16, otherwise the letter is routine.

Other audit matters

Detailed comments on the financial statements and audit opinion

Based upon our work carried out to date, and subject to no significant events occurring prior to the signing of the audit report, we anticipate issuing an unmodified audit report in your statutory financial statements.

Qualitative aspects of accounting practices

We have no comments to make concerning the qualitative aspects of the Oxford School of Drama Trust's accounting practices and financial reporting, including accounting policies, accounting estimates and financial statement disclosures.

Judgements made by management

During the course of our audit we are required to review the main judgements or estimates made by management, which would have a material or significant impact on the financial statements. We have identified the following main judgement areas and our comments thereon.

Deferred income – based upon the fees for students already signed up for the next year. No issues noted.

Depreciation – depreciation policy consistent with previous years. No non-trivial errors were identified when recalculating depreciation.

Accrued income – an after date receipts review was undertaken. No missing accrued income was identified during this test.

Accruals – based upon quotes, contracts and invoices. A sample was tested for accuracy and an after date payments review was undertaken. No issues noted from testing.

Cost apportionment between companies – based upon numbers of students on the 3 year and postgraduate courses compared to the total number of students within the school. Deemed reasonable.

Amortisation – goodwill is being depreciated over 10 years. Deemed reasonable.

Deferred consideration – Based on the original agreement with a delay to one £60,000 payment agreed unofficially. Amount remaining considered to be accurate.

Related parties

The Trust is required to disclose all related party transactions, per the Charities SORP, within its financial statements. We have identified the following potential related party transactions:

- Intercompany recharges and intercompany balance at the year end
- Deferred consideration of £120,000 owed to P Wilson-Smith
- £600 donation received from 1 Trustee

We have no comments to make over how the charity identifies related party transactions.



Independence matters

Non-audit services provided and long involvement:

We provide accounting and taxation services to the companies in addition to acting as auditors and Robert Kirtland has acted as Engagement Partner for more than 10 years. We wish to confirm to you that in our opinion the provision of such services and the continued involvement of Robert Kirtland as Responsible Individual do not affect our independence as the firm's quality control procedures provide adequate safeguards in respect of these matters. This consists of a review of the key sections of the audit files by a second Responsible Individual.

There is also informed management for the non-audit services.

Personal independence:

All Critchleys Audit LLP staff must adhere to strict regulatory, professional and internal independence requirements related to investments or business relationships with clients. All staff must confirm such compliance on an annual basis.

Serious incident reporting

All trustees are responsible for identifying and reporting, in a timely fashion, any serious incidents to the Charity Commission, in accordance with their requirements for all registered charities. Whilst our audit scope does not specifically require us to identify any such matters, we report to the members that there were no such actual or potential matters that came to our attention.



Current and future issues in the sector

We wish to draw your attention to the following items that may be of interest and we will be happy to discuss their impact on your specific situation in more detail.

Reputation is everything

Reputation is something to be cherished. As we have seen with some cases in the past few years such as Oxfam and Kids Company, reputation can easily be damaged and it takes a long time to repair. The good news that Oxfam has been taken out of special measures hasn't hit the front pages in quite the same way. The Charity Commission conducted some research just before the pandemic hit which showed trust within the charity sector has improved since these scandals hit and the enormous amount of charity work that has taken place in the pandemic is only going to have further increased that trust.

Support for trustees

The Charity Commission has produced some 5 minute guides for trustees which can be found at <https://www.gov.uk/government/collections/5-minute-guides-for-charity-trustees>. Although not groundbreaking, these guides help trustees understand their responsibilities and cover topics such as:

- Charity purpose and rules
- Making decisions at a charity
- Managing charity finances
- Managing conflicts of interest in a charity
- What to send to the Charity Commission and how to get help

Safeguarding in charities

Safeguarding continues to be a focus by the Charity Commission who has recently published some guidance on safeguarding in international aid charities. Safeguarding improvements have been made in 4 key areas:

1. Accountability to people they work with, including improved safeguarding policies and procedures.
2. Organisational culture, such as the [new tool for leaders on developing and modelling a positive safeguarding culture](#).
3. The employment cycle, for example the creation of the [Misconduct Disclosure Scheme](#) in 2019 to stop perpetrators of sexual misconduct from moving around the sector undetected.
4. Reports and complaints mechanisms, with improved transparency and accountability reflected by the increased number of safeguarding serious incident reports received by the Commission.

Although these arose from work within international aid charities, they are very applicable to the wider sector.

Better together - collaboration within the charity sector

Working closely with other similar charities, a network of branches, and/or pooling resources to work in a smarter way is becoming increasingly key when setting a charity's strategy. It's about working together, helping each other, learning from each other, realising our strengths and realising the strengths of others to be more effective, not to mention the potential positive impacts it could have on the environment. Similar charities can come together and create a powerful voice when it comes to lobbying government – and this can make a real difference.



SORP 2024

Now that seems like a long way into the future, but it will be here before we know it. The SORP making body has been formed with greater emphasis on representation of view of 'users' as well as technical, regulatory and academic voices. We are expecting a draft SORP sometime between July 2022 and July 2023 with the final SORP to be in place for periods commencing on or after 1 January 2024. So, for a March year-end charity this will not impact the accounts until 2025, but an early read recommended to identify the impacts on the comparative period.

Related parties

The Charity Commission has recently published a report about related party transactions not always being transparent. The Trustees remain responsible for ensuring such disclosures are comprehensive and complete.

The Fundraising Regulator

Fundraising has certainly been a challenge during the pandemic and the Fundraising Regulator has been publishing regular updates and guidance to the sector as to how to run safe fund raising activities during this time. These are definitely worth a read for any charity running fundraising events.

<https://www.fundraisingregulator.org.uk/guidance/coronavirus>

New Charities Bill announced in Queen's Speech

On 11 May 2021, the Queen announced the introduction of a new Charities Bill. This is a significant and has been a long time coming for the sector. The Bill has been designed to reduce the bureaucracy that charities face and will make it easier for charities to change their governing documents, sell their land, deal with permanent endowment funds, and to merge with other charities.

Charity annual return

An annual return is required by the Charity Commission for all registered charities in England and Wales. On 30 June 2021 the Charity Commission updated the question document required to be completed during this process.

Charities and Terrorism

The Charity Commission has updated its Charities and Terrorism which is designed to help trustees familiarise themselves with the legal framework which aims to protect the UK from terrorist abuse and understand how this affects charities. It provides summary information on key aspects of the UK's counter-terrorism legislation and highlights how particular provisions are likely to affect charities and their work.

<https://www.gov.uk/government/publications/charities-and-terrorism/compliance-toolkit-chapter-1-charities-and-terrorism>