

THEATRICAL EDUCATIONAL SERVICES LIMITED

England & Wales · Charity number 1166152

Details

Other names LONDON SCHOOL OF MUSICAL THEATRE (LSMT)

Status Registered

Legal form Charitable company

Company number [03293892](#)

Registered 2016-03-21

Register [View on the Charity Commission register](#)

Contact

Address London School Of Musical Theatre
83 Borough Road
London
SE1 1DN

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Email info@lsmt.co.uk

Website <http://www.lsmt.co.uk/>

Activities

Objects: 3.1.1 THE ADVANCEMENT OF EDUCATION AND TRAINING IN MUSICAL THEATRE PERFORMANCE; AND 3.1.2 THE ADVANCEMENT OF THE ARTS PARTICULARLY BUT NOT EXCLUSIVELY IN THE MEDIUM OF MUSICAL THEATRE.

Activities: THE ADVANCEMENT OF EDUCATION AND TRAINING IN MUSICAL THEATRE PERFORMANCE. THE CHARITIES ACTIVITIES TAKE PLACE IN LONDON. LSMT CURRENTLY OFFERS A ONE YEAR FULL TIME INTENSIVE TRAINING FOR MEMBERS OF THE PUBLIC WHO WISH TO ENTER THE PROFESSIONAL THEATRE.

Classification

- **How:** Makes Grants To Individuals, Provides Services
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** The General Public/mankind

Geography

- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£581,139	£674,634	£-204,169	3
2024-08-31	£394,841	£428,736	-	-
2023-12-31	£572,860	£672,533	£-121,868	3
2022-12-31	£640,956	£673,656	£-58,766	3
2021-12-31	£570,545	£583,265	£-31,994	3
2020-12-31	£742,809	£721,922	£-30,298	3

Trustees

Name	Role	Appointed
ADRIAN JECKELLS	Chair	2008-01-01
Anne-Marie Chevannes		2021-05-17
Sibel Mehmet		2024-03-21

THEATRICAL EDUCATIONAL SERVICES LIMITED

England & Wales - Charity number 1166152

Accounts

Company registration number 03293892 (England and Wales)

Charity registration number 1166152 (England and Wales)

THEATRICAL EDUCATIONAL SERVICES LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

THEATRICAL EDUCATIONAL SERVICES LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	A W Jeckells A Chevannes S Mehmet	
Secretary	Havercroft Nominees Limited	
Country of incorporation	United Kingdom (England and Wales)	03293892
Charity registration	England and Wales	1166152
Registered office	83 Borough Road Southwark London SE1 1DN	
Independent examiner	John Pudduck FCCA Martlet House E1, Yeoman Gate Yeoman Way Worthing West Sussex BN13 3QZ	

THEATRICAL EDUCATIONAL SERVICES LIMITED

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THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2025

The Trustees present their report and independently examined financial statements for the period 1 September 2024 to 31 August 2025.

Reference and administrative information set out on page one forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

For the period ending 31 August 2025, the company was entitled to exemption from audit under section 477 of the companies act relating to small companies.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's constitution and the Companies Act 2006.

Objectives and activities

The advancement of education and training in musical theatre performance; and the advancement of the arts particularly but not exclusively in the medium of musical theatre.

Public Benefit

The Trustees are aware of the Charity Commission guidance regarding public benefit, and confirm that they have complied with the duty in section 4 of the charities act 2011 to have due regard to it. They consider that the information which follows in this annual report, about the organisation's aims, activities and achievements demonstrates public benefit in relation to the delivery of the objects of the company.

Achievements and performance

The student cohort who commenced their training in September 2024, completed the course in July 2025.

The trustees are mindful of the importance of the vocational aspect of the training provision, and the opportunity it gives to connect directly with the industry. There were thirty-two graduating students in July 2025 and twenty-three have secured agents through LSMT placement. During the final term the organisation arranges individual auditions with a considerable number of well-regarded agents, and after graduation the Principal also continues to liaise with agents to secure remaining graduates, suitable industry representation.

The school is able to provide training that enables graduating individuals the level of skill and demonstrable talent, to secure such representation.

In addition to presenting their talent to agents, the students from this course auditioned for the casting department of Cameron Mackintosh Limited, the producer of Les Misérables, Phantom of The Opera, Miss Saigon and Hamilton.

THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

Theatre Production/Public Presentation

Consistent with the advancement of the arts object of the charity, for six weeks each year Theatrical Educational Services Limited, operates entirely as a theatre production company.

The public are invited, through suitable marketing, to watch unique and inspiring presentations, in a well-established theatre venue.

In the period of this report, the organisation presented 'Alice By Heart', by Steven Sater, Jessie Nelson, and Duncan Sheik. The musical is an adaptation of Alice's Adventures in Wonderland set during World War II, exploring themes of first love and loss through the lens of childhood imagination. The production was presented at The Bridewell Theatre, and benefited from high production values, including excellent sound by David Beckham, Lighting Design by Adam King and set and costume design by Anthony Lamble.

The show was adeptly and creatively directed by Shaun Kerrison.

The production received exceptional public response, and a five-star review from Ian Bowkett at Musical Theatre Review -

'What a delight to finally catch a musical I had been wanting to see for years so stylishly and confidently produced with such an impressive cast of young musical theatre performers. The London School of Musical Theatre has built a sterling reputation for its annual musical presentations, and this staging of Alice By Heart is exemplary.'

Student Funding Support

There were thirty-two students on the course ending in July 2025, and the fees were £16,850.

The trustees understand that LSMT must operate for the public benefit, and in particular are committed to supporting those whose demonstrable talent will advance the arts, once they receive suitable professional training.

We were able to offer fifteen of the students grants towards fees, and in total we distributed £46,000 which included a £3,000 George Peabody Performing Arts Grant, which we award yearly in respect of supporting the increase in ethnic diversity, within the industry.

In addition to the grants against course fees provided to students directly by LSMT, many other charitable organisations gave support to our students through allocation of restricted funds given in respect of course fees. This recognition of our ability to fulfil our charitable objectives was much appreciated, and enabled some individuals to attend, who would otherwise have been unable to do so.

The charitable organisations who gave restricted fund student fee support in the period of this report, were as follows:

Collins Educational Trust - £6,000 (£3,000 X 2).

National Youth Arts Trust - £250

Lionel Bart Foundation - £2,000

Bermuda Musical and Dramatic Society - £3,810

Andrew Lloyd Webber Foundation - £10,000

The Walker Trust - £4,500

In addition to the restricted funds given to LSMT in respect of the training of particular individuals, some students received funding themselves as support towards their fees, including one who secured £10,000 from Arts Aid (The Isle of Man) and another £4,000 from The Freemasons.

Recruitment Outreach

The organisation is recognised by other performing arts educational charities, as being highly suitable for vocational training for young people that may only require a one-year course, to enter the profession. This year we visited Arts Educational Foundation Course, Artemis College, London College of Performing Arts and West End MT. Previously we have also attended GSA, Newcastle College, University of Central Lancashire, Birmingham Conservatoire and Colchester Institute. The Principal of LSMT delivers either a practical performance class which benefits the educational progress of the students at the organisation, or an industry question and answer session. LSMT often benefits reciprocally from this outreach, by reaching suitably talented prospective students, who then apply for a place at LSMT.

THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

LSMT Building

We shall be leaving our current building during July 2026, before the expiry of the lease on 1st August.

The organisation will be moving to new premises, for future delivery of our charitable objects. There are many sites currently available, and we are performing due diligence on any available properties, including any requirement for change of use to F1 (education), accessibility to central London, and the assessed refurbishment costs. We are looking at both buildings for sale, and for long-term tenure. LSMT is dealing with a specialist mortgage broker, with access to lending for charitable organisations and has also secured the required additional funding for the relocation, from supporters of the charity who are associated with the industry. The intent is to acquire and refurbish a new premises for the course delivery as soon as possible, for continuation of the charitable objects.

Funding sources

The charity charges a set fee for the course it provides.

Some of these fees are paid by outside charitable bodies and trusts directly to the organisation as restricted funds, and in other instances the student receives funding themselves, as support towards their training.

Financial review

The charity suffered a deficit of £70,614 in the delivery period from 1 September 2024 to 31 August 2025. This was primarily due to the smaller intake of trainees on the course. The student intake for the period commencing September 2025 is closer to forty, and this has already stabilised the financial position.

The trustees are committed to ensuring the controlling of expenditure, so that the charity returns to surplus in the very near future. Once a new building has been acquired, the trustees are aware of the need of a suitable intake of trainees to increase income, whilst the cost of relocation is being settled.

Reserves policy

The trustees have examined the requirement for reserves in light of the main risks to the organisation. The intention in the future is to hold reasonable levels of reserves to protect against unforeseen circumstances and potential risks without over retention, which would be contrary to our charitable delivery.

At the end of the accounting period to 31 August 2025 the charity does not have reserves, but with an increased recruitment level planned for future training provision, a more sustainable balance sheet is projected.

Structure, governance and management

The school was established as a full-time training establishment in January 1995 and incorporated as a Company Limited by Guarantee on 18 December 1996. On 30 October 2007 the company changed its name from London School of Musical Theatre Limited to Theatrical Educational Services Limited, with the former name retained as a trading designation. The company was registered as a charity on 21 March 2016.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

A W Jeckells
A Chevannes
S Mehmet

Recruitment and appointment of trustees

In accordance with the Articles of Association, a Trustee shall hold office indefinitely unless they resign, are removed or are disqualified. The Trustees have been appointed with due consideration to their background and experience, in respect to delivering the objects of the company.

Adrian Jeckells is both a Trustee and an employee of the company in the capacity of Principal. All other Trustees give their time voluntarily and receive no benefits from the charity. There must be at least three Trustees and no more than six, at any one time.

THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

Risk Management including Current Risks

The principal risk faced by the charity lies in failing to generate sufficient income in the future, to service any financial obligations outstanding from the outlay required for relocation, and in respect of delivery of the charitable objects.

The charity needs a certain number of students in order to financially meet its objectives. The course application rate continues to increase, and the forthcoming move to alternate premises will enable the organisation to benefit from this potential.

Meetings of the Board of Trustees

The trustees meet at regular intervals throughout the year, depending on the importance of matters to be discussed, and such meetings are run in accordance with the articles of association. The articles of association also allow meetings to be held through the use of telephone, or other suitable electronic means.

Financial management

Where appropriate, systems or procedures have been established to mitigate the risk the charity faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions, and projects. Finance management is closely monitored, with a Finance Manager being employed by the charity.

The Principal who is also a trustee, is aware of and responsive to the financial needs of the organisation, through regular communication with the Finance Manager. All appointed trustees approve the company accounts before submission to Companies House, and give due diligence to the Independent Examiner's Report and the Financial Statements, for their consideration.

Key Staff

London School of Musical Theatre employs three staff to administer the course; The Principal (Full-time), Course Manager (Part-time) and Finance Manager (Part-time).

All artistic/teaching staff are engaged on a freelance basis in line with their self-employed tax status. Specialist freelance theatre practitioners are engaged for the advancement of the arts charitable purpose, through delivery of the theatre-based production; such as Director, Choreographer, Musical Director, Stage Manager, Set Designer, Costume Designer and Sound Designer

Plans for Future Periods

The charity plans to continue its activities to serve the community in which it operates in the forthcoming years.

The charity plans to continue stabilising and strengthening its financial health.

The organisation plans to acquire a permanent premises in the near future, to deliver its charitable objectives.

The organisation plans to continue to offer subsidised places on our course to those who will benefit from our training.

The trustees' report was approved by the Board of Trustees.

A W Jeckells

Trustee

14 May 2026

THEATRICAL EDUCATIONAL SERVICES LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THEATRICAL EDUCATIONAL SERVICES LIMITED

I report to the trustees on my examination of the financial statements of Theatrical Educational Services Limited (the charity) for the year ended 31 August 2025.

Responsibilities and basis of report

As the trustees of the charity (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.

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

Independent examiner's statement

Since the charity's gross income exceeded £250,000, the independent examiner must be a member of a body listed in section 145 of the Charities Act 2011. I confirm that I am qualified to undertake the examination because I am a member of The Association of 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 that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the Companies Act 2006.
- 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 Companies Act 2006 other than any requirement that the financial statements 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 financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 financial statements to be reached.

John Pudduck FCCA

Martlet House
E1, Yeoman Gate
Yeoman Way
Worthing
West Sussex
BN13 3QZ
14 May 2026

THEATRICAL EDUCATIONAL SERVICES LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2025

		Unrestricted funds 2025	Restricted funds 2025	Total 2025	Unrestricted funds 2024	Restricted funds 2024	Total 2024
	Notes	£	£	£	£	£	£
Income from:							
Donations, grants and legacies	3	1,000	26,560	27,560	-	4,000	4,000
Charitable activities	4	552,835	-	552,835	390,154	-	390,154
Investments	5	744	-	744	687	-	687
Total income		<u>554,579</u>	<u>26,560</u>	<u>581,139</u>	<u>390,841</u>	<u>4,000</u>	<u>394,841</u>
Expenditure on:							
Charitable activities	7	648,074	26,560	674,634	424,736	4,000	428,736
Taxation	10	(22,881)	-	(22,881)	(22,208)	-	(22,208)
Total expenditure		<u>625,193</u>	<u>26,560</u>	<u>651,753</u>	<u>402,528</u>	<u>4,000</u>	<u>406,528</u>
Net expenditure for the year/ Net movement in funds		(70,614)	-	(70,614)	(11,687)	-	(11,687)
Fund balances at 1 September 2024		(133,555)	-	(133,555)	(121,868)	-	(121,868)
Fund balances at 31 August 2025		<u>(204,169)</u>	<u>-</u>	<u>(204,169)</u>	<u>(133,555)</u>	<u>-</u>	<u>(133,555)</u>

Comparative Period

The comparative figures presented in the Statement of Financial Activities relate to the 8-month period from 1 January 2024 to 31 August 2024 and are therefore not directly comparable with the current 12-month reporting period.

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

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THEATRICAL EDUCATIONAL SERVICES LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2025

	Notes	2025 £	£	2024 £	£
Fixed assets					
Goodwill	11		5,525		6,050
Tangible assets	12		44,875		55,808
Current assets					
Debtors	13	230,053		258,755	
Cash at bank and in hand		329,240		219,729	
		<u>559,293</u>		<u>478,484</u>	
Creditors: amounts falling due within one year	15	<u>(813,862)</u>		<u>(665,993)</u>	
Net current liabilities			<u>(254,569)</u>		<u>(187,509)</u>
Total assets less current liabilities			<u>(204,169)</u>		<u>(125,651)</u>
Creditors: amounts falling due after more than one year	16		-		(7,904)
Net liabilities			<u>(204,169)</u>		<u>(133,555)</u>
Income funds					
Unrestricted funds			<u>(204,169)</u>		<u>(133,555)</u>
			<u>(204,169)</u>		<u>(133,555)</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2025.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

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

The financial statements were approved by the Trustees on 14 May 2026

A W Jeckells
Trustee

Company Registration No. 03293892

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

Charity information

Theatrical Educational Services Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 83 Borough Road, Southwark, London, SE1 1DN.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the charity's constitution, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

As shown in the balance sheet the charity has net liabilities.

The Trustees are aware of the need to ensure a higher income, through the recruitment of a suitable cohort of training recipients. The intent is to return to a minimum of forty students per year, which enables a suitable financial stability.

The audition process has been adapted to enable a more expedient process for offering a place on the course. This has been determined as an important factor, for the securing of the required cohort.

The charity has various contacts who have provided short term funding to overcome cashflow difficulties. These loans have been repaid before the year-end. The same contacts have indicated their willingness to provide short term funding again if necessary.

Overall the trustees are therefore confident that they can continue operating fully for at least the next 12 months and meet debts as they fall due. The trustees therefore consider that it is appropriate for the accounts to continue to be prepared on the going concern basis.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Turnover is measured at the fair value of the consideration received or receivable and is in the main derived from the annual course, from which the revenue is recognised as the courses are delivered. In the event of a school year spanning more than one accounting period course revenue is apportioned between the accounting periods by reference to costs incurred in each period.

Revenue from auditions are recognised when the auditions are incurred.

Revenue from the ticket sales of school productions are recognised when the productions are incurred.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is recognised on an accruals basis as a liability is incurred.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill shall be considered to have a finite useful life, and shall be amortised on a systematic basis over its 20 year life.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over lease term
Fixtures, fittings and equipment	15% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Accounts payable are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

3 Donations, grants and legacies

	Unrestricted funds	Restricted funds	Total	Restricted funds
	2025	2025	2025	2024
	£	£	£	£
Donations and gifts	1,000	26,560	27,560	4,000
	<u>1,000</u>	<u>26,560</u>	<u>27,560</u>	<u>4,000</u>

4 Charitable activities

	Unrestricted funds	Unrestricted funds
	2025	2024
	£	£
Course fees	540,200	371,850
Audition income	1,000	410
Box income	8,169	14,725
Rental income	2,330	2,967
Other income	1,136	202
	<u>552,835</u>	<u>390,154</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2025	2024
	£	£
Other interest receivable	744	71
Bank interest receivable	-	616
	<u>744</u>	<u>687</u>

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

6 Employees

The average monthly number of employees during the year was:

2025 Number	2024 Number
3	3
<u>3</u>	<u>3</u>

Employment costs

	2025	2024
	£	£
Wages and salaries	105,000	69,000
Social security costs	6,066	2,736
	<u>121,066</u>	<u>71,736</u>

The number of employees whose annual remuneration was more than £60,000, on an annualised basis, was as follows:

	2025 Number	2024 Number
£70,001 to £80,000	1	1
	<u>1</u>	<u>1</u>

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

7 Charitable activities

	Charitable activities 2025	Support costs 2025	Total 2025	Charitable activities 2024	Support costs 2024	Total 2024
	£	£	£	£	£	£
Staff costs	79,866	57,941	137,807	52,274	29,569	81,843
Depreciation	17,055	-	17,055	11,020	-	11,020
Rent, rates, and water	87,294	-	87,294	56,903	-	56,903
Trade mark licence	30,000	-	30,000	20,000	-	20,000
London School of Musical Theatre grants and charitable awards	72,560	-	72,560	26,200	-	26,200
Costs of productions	107,190	-	107,190	94,647	-	94,647
Advertising and promotion	3,708	-	3,708	5,497	-	5,497
Tutors fees	128,872	-	128,872	67,235	-	67,235
Establishment expenses	34,810	18,572	53,382	18,976	14,945	33,921
Office expenses	2,039	4,791	6,830	1,794	4,415	6,209
Travel and subsistence and outings	2,743	726	3,469	2,180	259	2,439
Miscellaneous expenses	635	396	1,031	76	155	231
Cost of goods for resale	670	-	670	-	-	-
Student welfare	1,100	-	1,100	-	-	-
	<u>568,542</u>	<u>82,426</u>	<u>650,968</u>	<u>356,802</u>	<u>49,343</u>	<u>406,145</u>
Share of support costs (see note 9)	-	17,370	17,370	-	14,731	14,731
Share of governance costs (see note 9)	-	6,296	6,296	-	7,860	7,860
	<u>568,542</u>	<u>106,092</u>	<u>674,634</u>	<u>356,802</u>	<u>71,934</u>	<u>428,736</u>
Analysis by fund						
Unrestricted funds	541,982	106,092	648,074	352,802	71,934	424,736
Restricted funds	26,560	-	26,560	4,000	-	4,000
	<u>568,542</u>	<u>106,092</u>	<u>674,634</u>	<u>356,802</u>	<u>71,934</u>	<u>428,736</u>

8 Trustees

Mr A Jeckells was paid a salary during the year of £75,000 (Period to 31 August 2024: £50,000).

The emoluments paid to Mr Jeckells is in accordance clause 6 of the Articles of Association concerning allowed payments for reasonable and proper remuneration for services rendered to the charity as the Principal.

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

9 Support costs

	Support costs	Governance costs	2025	Support costs	Governance costs	2024
	£	£	£	£	£	£
Professional fees	16,203	-	16,203	13,536	-	13,536
Interest paid and bank charges	1,167	-	1,167	1,195	-	1,195
Accountancy fees	-	6,296	6,296	-	7,860	7,860
	<u>17,370</u>	<u>6,296</u>	<u>23,666</u>	<u>14,731</u>	<u>7,860</u>	<u>22,591</u>
Analysed between Charitable activities	<u>17,370</u>	<u>6,296</u>	<u>23,666</u>	<u>14,731</u>	<u>7,860</u>	<u>22,591</u>

Governance costs includes a payment to the accountants of £684, including Value Added Tax (2024- £660) for the independent examination fee.

10 Taxation

	Unrestricted funds	Unrestricted funds
	2025	2024
	£	£
Theatre tax relief	(22,881)	(22,208)
	<u>(22,881)</u>	<u>(22,208)</u>

Theatrical Educational Services, as a registered charity, is exempt from corporation tax under Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of the Chargeable Gains Act 1992 to the extent that surpluses are applied to its charitable purposes.

The charity does however qualify for Theatre Tax Relief in respect of certain expenditure it incurs on its theatrical productions, resulting in the tax credits included in the accounts as above.

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

11 Intangible fixed assets

	Goodwill £
Cost	
At 1 September 2024 and 31 August 2025	40,500
Amortisation and impairment	
At 1 September 2024	34,450
Amortisation charged for the year	525
At 31 August 2025	34,975
Carrying amount	
At 31 August 2025	5,525
At 31 August 2024	6,050

12 Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 September 2024	346,449	142,567	489,016
Additions	-	5,597	5,597
At 31 August 2025	346,449	148,164	494,613
Depreciation and impairment			
At 1 September 2024	325,854	107,354	433,208
Depreciation charged in the year	10,745	5,785	16,530
At 31 August 2025	336,599	113,139	449,738
Carrying amount			
At 31 August 2025	9,850	35,025	44,875
At 31 August 2024	20,595	35,213	55,808

13 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Accounts receivable	129,813	140,196
Corporation tax recoverable	71,936	48,311
Other debtors	17,500	17,500
Prepayments and accrued income	10,804	52,748
	230,053	258,755

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

14 Loans and overdrafts

	2025 £	2024 £
Bank loans	7,904	18,215
Payable within one year	7,904	10,311
Payable after one year	-	7,904

The bank loan was obtained on 12 May 2020 under the government's Bounce Back Loan scheme in order to assist with the financial effects of the Coronavirus epidemic.

The loan is repayable in monthly instalments over a five year period commencing on the first anniversary after the loan was taken out. The interest for the first year of the loan was paid for by the government via a Business Interruption Payment. Interest charges for the charity are accruing at a rate of 2.5% per annum from 12 June 2021.

15 Creditors: amounts falling due within one year

	Notes	2025 £	2024 £
Bank loans	14	7,904	10,311
Other taxation and social security		1,812	1,777
Accounts payable		42,964	36,895
Other creditors		580	-
Accruals and deferred income		760,602	617,010
		<u>813,862</u>	<u>665,993</u>

16 Creditors: amounts falling due after more than one year

	Notes	2025 £	2024 £
Bank loans	14	-	7,904

17 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 September 2024 £	Incoming resources £	Resources expended £	At 31 August 2025 £
Student fee support	-	26,560	(26,560)	-

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

17 Restricted funds (Continued)

Previous period:	At 1 September 2023	Incoming resources	Resources expended	At 31 August 2024
	£	£	£	£
Student fee support	-	4,000	(4,000)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

18 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 September 2024	Incoming resources	Resources expended	At 31 August 2025
	£	£	£	£
General funds	(133,555)	554,579	(625,193)	(204,169)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Previous period:	At 1 September 2023	Incoming resources	Resources expended	At 31 August 2024
	£	£	£	£
General funds	(121,868)	390,841	(402,528)	(133,555)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

19 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025 £	2024 £
Within one year	66,000	72,000
Between two and five years	-	66,000
	<u> </u>	<u> </u>
	<u>66,000</u>	<u>138,000</u>

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS *FOR THE YEAR ENDED 31 AUGUST 2025*

20 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

The founder of the school, resigned as a Company Director on 1st January 2008, before the organisation had become a Charity (21st March 2016). He has remained associated with the organisation, both before and after charitable status, through the pre-existing Trade Mark Licence agreement for the use of his intellectual property, and in recent years as an employee, in the role of financial controller. He was paid £6,000 (Period to 31 August 2024: £4,000) as financial controller during the year of this report.

In addition the founder was paid £30,000 in the period of this report, under the existing Trade Mark Licence agreement (Period to 31 August 2024: £20,000). The current Trade Mark Licence has been in operation since 16th October 2015 as registered at The Intellectual Property Office, replacing a former Licence from 28th November 2007.

THEATRICAL EDUCATIONAL SERVICES LIMITED

England & Wales - Charity number 1166152

Accounts

Charity registration number 1166152 (England and Wales)

Company registration number 03293892

THEATRICAL EDUCATIONAL SERVICES LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2024

THEATRICAL EDUCATIONAL SERVICES LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	A W Jeckells A Chevannes S Mehmet	(Appointed 21 March 2024)
Secretary	Havercroft Nominees Limited	
Charity number (England and Wales)	1166152	
Company number	03293892	
Registered office	83 Borough Road Southwark London SE1 1DN	
Independent examiner	John Pudduck FCCA Martlet House E1, Yeoman Gate Yeoman Way Worthing West Sussex BN13 3QZ	

THEATRICAL EDUCATIONAL SERVICES LIMITED

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THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE PERIOD ENDED 31 AUGUST 2024

The Trustees present their report and independently examined financial statements for the period from 1 January 2024 to 31 August 2024.

Reference and administrative information set out on page one forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). For the period ending 31 August 2024, the company was entitled to exemption from audit under section 477 of the companies act relating to small companies.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's constitution, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (effective 1 January 2019).

Objectives and activities

The Advancement of Education and training in Musical Theatre Performance; and the advancement of the arts particularly but not exclusively in the medium of musical theatre.

Public Benefit

The Trustees are aware of the Charity Commission guidance regarding public benefit, and confirm that they have complied with the duty in section 4 of the charities act 2011 to have due regard to it. They consider that the information which follows in this annual report, about the organisation's aims, activities and achievements demonstrates public benefit in relation to the delivery of the objects of the company.

Structure, governance and management

The school was established as a full time training establishment in January 1995 and incorporated as a Company Limited by Guarantee on 18 December 1996. On 30 October 2007 the company changed its name from London School of Musical Theatre Limited to Theatrical Education Services Limited, with the former name retained as a trading designation. The Company was registered as a Charity on 21 March 2016.

The trustees, who are also the directors for the purpose of company law, and who served during the period and up to the date of signature of the financial statements were:

A W Jeckells

J R Ronane

(Resigned 21 May 2024)

A Chevannes

S Mehmet

(Appointed 21 March 2024)

In accordance with the Articles of Association, a Trustee shall hold office indefinitely unless they resign, are removed or are disqualified. The Trustees have been appointed with due consideration to their background and experience, in respect to delivering the objects of the company.

Adrian Jeckells is both a Trustee and an employee of the company in the capacity of Principal. All other Trustees give their time voluntarily and receive no benefits from the charity. There must be at least three Trustees and no more than six, at any one time.

Sibel Mehmet was appointed as a trustee on 21st March 2024, and Jessica Ronane stepped down from the position on 21st May 2024.

THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2024

Meetings of the Board of Trustees

The Trustees meet at regular intervals throughout the year, depending on the importance of matters to be discussed, and such meetings are run in accordance with the Articles of Association.

Financial management

Where appropriate, systems or procedures have been established to mitigate the risk the charity faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions, and projects. Finance management is closely monitored with a Finance Manager being employed by the charity. Accounts are regularly prepared for inspection and discussion by the Trustees upon the calling of a Board Meeting.

Key Staff

London School of Musical Theatre employs three staff to administer the course; The Principal (Full-time), Course Manager (Part-time) and Finance Manager (Part-time). All artistic/teaching staff are engaged on a freelance basis in line with their self-employed tax status. Specialist freelance theatre practitioners are also engaged for advancement of the arts, through delivery of the theatre based production, such as Stage Manager, Set Designer, Costume Designer and Sound technician.

Achievements and performance

The student cohort who had commenced their training in September 2023, completed their course in the period of this report. There were 37 graduating students in July 2024 and 29 secured agents, through the LSMT well-established placement process, whereby the organisation arranges individual auditions with a considerable number of well-regarded agents. In addition, three more graduates were placed by the Principal with an agent through industry contacts, post-graduation.

Since leaving the LSMT training many alumni have already secured high-calibre professional work: Aaliya Mai was cast in the leading role of Max in *Come Alive*, in London. Maise Waller joined the West End Cast of *Mamma Mia - Ensemble* and cover Sophie.

Five other graduates appeared in *Pantomimes* around the country in December 2024.

The school is able to provide training that enables access for our alumni into the profession, and the ability to deliver a high standard of performance of the required skills, once engaged in a production.

Theatre Production/Public Presentation

Consistent with the advancement of the arts object of the charity, for six weeks each year Theatrical Educational Services Limited, operates as a theatre production company.

The public are invited, through suitable marketing, to watch unique and inspiring presentations, in a well-established theatre venue.

In the period of this report, the organisation presented a unique rendition of the Stephen Sondheim piece, *Sweeney Todd*. The production was presented at The Bridewell Theatre, and benefited from high production values, including excellent sound and lighting design. The creative minds behind this presentation included director Graham Hubbard who had worked on *Sweeney Todd* in the West End and on Broadway and is particularly adept in his vision and understanding of Sondheim's most symphonic and epic show. The presentation was a reimagined version of the piece, which resulted in a high level of interest from the public, and members of the theatre industry.

The dark fascination in this gory tale brought strong public attendance figures, and acclaim from several independent reviewers:

'Many's the tales of *Sweeney Todd* I've attended, from a pie shop in Tooting to the luxury casting of Imelda Staunton and Michael Ball in the West End, to the gory splendour of the *Châtelet* in Paris, one I wish I hadn't bothered with in Reims and countless more, but none has caught the raw, visceral intensity or macabre wit of Stephen Sondheim's masterpiece better than this stunning version.' (Jeremy Chapman - Musical Theatre Review).

THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2024

Student Funding Support

There were thirty-seven students on the course ending in July 2024, and the fees were £16,750.

The Trustees understand that LSMT must operate for the public benefit, and in particular are committed to supporting those that need financial assistance in order to attend our organisation.

We were able to offer fifteen of the students grants towards fees, and in total we distributed £36,000 which included a £5,000 George Peabody Performing Arts Grant, which we distribute yearly in respect of supporting the increase in ethnic diversity, within the industry. As the course commenced in the previous accounting period only the relevant proportion of the distributions are included in these accounts as an expense.

In addition to the grants against fees provided to students directly by LSMT, many other charitable organisations gave support to our students through allocation of restricted funds given in respect of course fees. This recognition of our ability to fulfill our charitable objectives was much appreciated, and enabled some individuals to attend, who would otherwise have been unable to do so.

The charitable organisations who gave restricted fund student fee support in the period of this report, were as follows:

The Mbili Charitable Trust -	£950
The Lionel Bart Foundation -	£1,600
Southampton Music Trust -	£2,000
Wilmcote Charity -	£750
Enterprise Arts Foundation -	£1,000
The Walker Trust -	£6,000
The Andrew Lloyd Webber Foundation -	£16,750.

As the course commenced in the previous accounting period these amounts were recognised as income and expensed as charitable awards in the previous year's accounts to 31 December 2023.

In addition to the charitable organisations that gave support, an individual active in the theatre industry gave £16,750 for the full fees of a designated student, in order that they may attend.

LSMT Building

We continue to be based in the building that has fulfilled our requirements, for over thirty years.

The landlord is planning to develop the site as part of the Borough Triangle scheme. They have recently given us a Renewal Lease with a term ending on 1st August 2026, which allows some continuity and stability for the immediate future.

LSMT is planning to move to an alternate building offering long term tenure, for future delivery of our charitable objects. A change of operational premises is a serious commitment, and any site considered must properly serve the needs of the charity. We are performing due diligence on any proposed premises, that are brought to our attention.

Funding sources

The charity charges a set fee for the course it provides.

Some of these fees are paid by outside charitable bodies and trusts directly to ourselves as a grant against fees for a particular student, or directly to the student to fund attendance.

THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2024

Financial review

The charity suffered a deficit of £11,687 in the delivery period from 1 January 2024 to 31 August 2024. This compares with a deficit in respect of the previous twelve months of £63,102.

LSMT will need to return to a minimum intake of forty students yearly, in the near future.

The Trustees are committed to increasing student intake, and controlling expenditure so that the charity returns to surplus, as soon as possible. Recent adept use of online marketing, to increase awareness of the course to suited candidates has resulted in a major increase in applications and the organisation is confident of a continued stabilisation of finances.

Reserves

The Trustees have examined the charity's requirement for reserves in light of the main risks to the organisation. The intention in the future is to hold reasonable levels of reserves in the organisation to protect against unforeseen circumstances and potential risks without over retention, which would be contrary to our charitable delivery.

At the end of the accounting period to 31 August 2024 the charity does not have reserves, but with recruitment of suitable students getting stronger, a more sustainable balance sheet is projected.

Risk Management including Current Risks

The principal risk faced by the charity lies in failing to generate sufficient income and resulting surpluses to build up reserves to face any difficult times that may arise in the future.

A major requirement will be having the reserves required for the costs involved for moving to a new premises, when this occurrence becomes necessary.

The charity needs a certain number of students in order to financially meet its objectives. We continue to ensure places on our training are only offered to those who will truly benefit from a one year training. The course application rate continues to increase, and LSMT is confident of a return to pre-pandemic levels of suitable student recruitment, and the resultant income.

Plans for Future Periods

The charity plans to continue its activities to serve the community in which it operates in the forthcoming years.

The charity plans to continue stabilising and strengthening its financial health.

The organisation plans to acquire a more permanent premises to deliver its charitable objectives.

The organisation plans to continue to offer subsidised places on our course to financially disadvantaged applicants.

The trustees' report was approved by the Board of Trustees.

A W Jeckells

Trustee

Dated: 27 May 2025

THEATRICAL EDUCATIONAL SERVICES LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THEATRICAL EDUCATIONAL SERVICES LIMITED

I report to the trustees on my examination of the financial statements of Theatrical Educational Services Limited (the charity) for the period ended 31 August 2024.

Responsibilities and basis of report

As the trustees of the charity (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.

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

Independent examiner's statement

Since the charity's gross income exceeded £250,000, the independent examiner must be a member of a body listed in section 145 of the Charities Act 2011. I confirm that I am qualified to undertake the examination because I am a member of The Association of 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 that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the Companies Act 2006.
- 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 Companies Act 2006 other than any requirement that the financial statements 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 financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 financial statements to be reached.

John Pudduck FCCA

Martlet House
E1, Yeoman Gate
Yeoman Way
Worthing
West Sussex
BN13 3QZ
27 May 2025

THEATRICAL EDUCATIONAL SERVICES LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 AUGUST 2024

		Unrestricted funds 2024	Restricted funds 2024	Total 2024	Unrestricted funds 2023	Restricted funds 2023	Total 2023
	Notes	£	£	£	£	£	£
Income from:							
Donations, grants and legacies	3	-	4,000	4,000	1,600	25,100	26,700
Charitable activities	4	390,154	-	390,154	545,223	-	545,223
Investments	5	687	-	687	937	-	937
Total income		<u>390,841</u>	<u>4,000</u>	<u>394,841</u>	<u>547,760</u>	<u>25,100</u>	<u>572,860</u>
Expenditure on:							
Charitable activities	7	424,736	4,000	428,736	644,433	28,100	672,533
Taxation	10	(22,208)	-	(22,208)	(36,571)	-	(36,571)
Total expenditure		<u>402,528</u>	<u>4,000</u>	<u>406,528</u>	<u>607,862</u>	<u>28,100</u>	<u>635,962</u>
Net expenditure for the period/ Net movement in funds		(11,687)	-	(11,687)	(60,102)	(3,000)	(63,102)
Fund balances at 1 January 2024		(121,868)	-	(121,868)	(61,766)	3,000	(58,766)
Fund balances at 31 August 2024		<u>(133,555)</u>	<u>-</u>	<u>(133,555)</u>	<u>(121,868)</u>	<u>-</u>	<u>(121,868)</u>

The statement of financial activities includes all gains and losses recognised in the period.

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

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THEATRICAL EDUCATIONAL SERVICES LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Goodwill	11		6,050		6,400
Tangible assets	12		55,808		53,032
Current assets					
Debtors	13	258,755		118,079	
Cash at bank and in hand		219,729		166,583	
		<u>478,484</u>		<u>284,662</u>	
Creditors: amounts falling due within one year	15	<u>(665,993)</u>		<u>(450,906)</u>	
Net current liabilities			<u>(187,509)</u>		<u>(166,244)</u>
Total assets less current liabilities			<u>(125,651)</u>		<u>(106,812)</u>
Creditors: amounts falling due after more than one year	16		<u>(7,904)</u>		<u>(15,056)</u>
Net liabilities			<u><u>(133,555)</u></u>		<u><u>(121,868)</u></u>
Income funds					
Unrestricted funds			<u>(133,555)</u>		<u>(121,868)</u>
			<u><u>(133,555)</u></u>		<u><u>(121,868)</u></u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the period ended 31 August 2024.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 27 May 2025

A W Jeckells
Trustee

Company Registration No. 03293892

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2024

1 Accounting policies

Charity information

Theatrical Educational Services Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 83 Borough Road, Southwark, London, SE1 1DN.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's constitution, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

As shown in the balance sheet the charity has net liabilities.

The Trustees are aware of the need to ensure a higher income, through the recruitment of a suitable cohort of training recipients. The intent is to return to a minimum of forty students per year, which enables a suitable financial stability.

The audition process has been adapted to enable a more expedient process for offering a place on the course. This has been determined as an important factor, for the securing of the required cohort.

The charity has various contacts who are prepared to provide short term funding in case of cashflow difficulties during the period of recovery after the Pandemic. Two such individuals have confirmed their preparedness to provide financial support amounting to £50,000 during 2025, should it be required.

Overall the trustees are therefore confident that they can continue operating fully for at least the next 12 months and meet debts as they fall due. The trustees therefore consider that it is appropriate for the accounts to continue to be prepared on the going concern basis.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Turnover is measured at the fair value of the consideration received or receivable and is in the main derived from the annual course, from which the revenue is recognised as the courses are delivered. In the event of a school year spanning more than one accounting period course revenue is apportioned between the accounting periods by reference to costs incurred in each period.

Revenue from auditions are recognised when the auditions are incurred.

Revenue from the ticket sales of school productions are recognised when the productions are incurred.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is recognised on an accruals basis as a liability is incurred.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill shall be considered to have a finite useful life, and shall be amortised on a systematic basis over its 20 year life.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over lease term
Fixtures, fittings and equipment	15% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Accounts payable are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2024

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations, grants and legacies

	Restricted funds	Unrestricted funds	Restricted funds	Total
	2024	2023	2023	2023
	£	£	£	£
Donations and gifts	4,000	1,600	25,100	26,700

4 Charitable activities

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Course fees	371,850	533,096
Audition income	410	336
Box income	14,725	7,477
Rental income	2,967	3,010
Other income	202	1,304
	<u>390,154</u>	<u>545,223</u>

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2024

5 Investments

	Unrestricted funds	Unrestricted funds
	2024 £	2023 £
Other interest receivable	71	-
Bank interest receivable	616	937
	<u>687</u>	<u>937</u>

6 Employees

The average monthly number of employees during the period was:

	2024 Number	2023 Number
	<u>3</u>	<u>3</u>

Employment costs

	2024 £	2023 £
Wages and salaries	69,000	102,792
Social security costs	2,736	5,502
Other pension costs	-	4,064
	<u>71,736</u>	<u>112,358</u>

The number of employees whose annual remuneration was more than £60,000, on an annualised basis, was as follows:

	2024 Number	2023 Number
£70,001 to £80,000	<u>1</u>	<u>1</u>

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2024

7 Charitable activities

	Charitable activities 2024	Support costs 2024	Total 2024	Charitable activities 2023	Support costs 2023	Total 2023
	£	£	£	£	£	£
Staff costs	52,274	29,569	81,843	79,314	49,943	129,257
Depreciation	11,020	-	11,020	15,481	-	15,481
Rent, rates, and water	56,903	-	56,903	82,941	-	82,941
Trade mark licence	20,000	-	20,000	30,000	-	30,000
London School of Musical Theatre grants and charitable awards	26,200	-	26,200	65,100	-	65,100
Costs of productions	94,647	-	94,647	112,403	-	112,403
Advertising and promotion	5,497	-	5,497	13,117	-	13,117
Tutors fees	67,235	-	67,235	131,079	-	131,079
Establishment expenses	18,976	14,945	33,921	37,101	18,111	55,212
Office expenses	1,794	4,415	6,209	3,271	2,627	5,898
Travel and subsistence and outings	2,180	259	2,439	1,693	529	2,222
Miscellaneous expenses	76	155	231	-	193	193
Student maintenance grant	-	-	-	1,385	-	1,385
Cost of goods for resale	-	-	-	1,022	-	1,022
	<u>356,802</u>	<u>49,343</u>	<u>406,145</u>	<u>573,907</u>	<u>71,403</u>	<u>645,310</u>
Share of support costs (see note 9)	-	14,731	14,731	-	20,413	20,413
Share of governance costs (see note 9)	-	7,860	7,860	-	6,810	6,810
	<u>356,802</u>	<u>71,934</u>	<u>428,736</u>	<u>573,907</u>	<u>98,626</u>	<u>672,533</u>
Analysis by fund						
Unrestricted funds	352,802	71,934	424,736	545,807	98,626	644,433
Restricted funds	4,000	-	4,000	28,100	-	28,100
	<u>356,802</u>	<u>71,934</u>	<u>428,736</u>	<u>573,907</u>	<u>98,626</u>	<u>672,533</u>

8 Trustees

Mr A Jeckells was paid a salary during the 8 month period of £50,000 (Year to 31 December 2023: £71,000).

The emoluments paid to Mr Jeckells is in accordance clause 6 of the Articles of Association concerning allowed payments for reasonable and proper remuneration for services rendered to the charity as the Principal.

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2024

9 Support costs

	Support costs	Governance costs	2024	Support costs	Governance costs	2023
	£	£	£	£	£	£
Professional fees	13,536	-	13,536	13,322	-	13,322
Provision for bad debts	-	-	-	5,278	-	5,278
Interest paid and bank charges	1,195	-	1,195	1,813	-	1,813
Accountancy fees	-	7,860	7,860	-	6,810	6,810
	<u>14,731</u>	<u>7,860</u>	<u>22,591</u>	<u>20,413</u>	<u>6,810</u>	<u>27,223</u>
Analysed between						
Charitable activities	<u>14,731</u>	<u>7,860</u>	<u>22,591</u>	<u>20,413</u>	<u>6,810</u>	<u>27,223</u>

Governance costs includes a payment to the accountants of £630 (2023- £630) for the independent examination fee.

10 Taxation

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Theatre tax relief	(22,208)	(36,571)
	<u>(22,208)</u>	<u>(36,571)</u>

Theatrical Educational Services, as a registered charity, is exempt from corporation tax under Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of the Chargeable Gains Act 1992 to the extent that surpluses are applied to its charitable purposes.

The charity does however qualify for Theatre Tax Relief in respect of certain expenditure it incurs on its theatrical productions, resulting in the tax credits included in the accounts as above.

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2024

11 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2024 and 31 August 2024	40,500
Amortisation and impairment	
At 1 January 2024	34,100
Amortisation charged for the period	350
At 31 August 2024	34,450
Carrying amount	
At 31 August 2024	6,050
At 31 December 2023	6,400

12 Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 January 2024	346,449	129,121	475,570
Additions	-	13,446	13,446
At 31 August 2024	346,449	142,567	489,016
Depreciation and impairment			
At 1 January 2024	318,691	103,847	422,538
Depreciation charged in the period	7,163	3,507	10,670
At 31 August 2024	325,854	107,354	433,208
Carrying amount			
At 31 August 2024	20,595	35,213	55,808
At 31 December 2023	27,758	25,274	53,032

13 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Accounts receivable	140,196	17,881
Corporation tax recoverable	48,311	42,499
Other debtors	17,500	17,500
Prepayments and accrued income	52,748	40,199
	258,755	118,079

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2024

14 Loans and overdrafts

	2024 £	2023 £
Bank loans	18,215	24,946
Payable within one year	10,311	9,890
Payable after one year	7,904	15,056

The bank loan was obtained on 12 May 2020 under the government's Bounce Back Loan scheme in order to assist with the financial effects of the Coronavirus epidemic.

The loan is repayable in monthly instalments over a five year period commencing on the first anniversary after the loan was taken out. The interest for the first year of the loan was paid for by the government via a Business Interruption Payment. Interest charges for the charity are accruing at a rate of 2.5% per annum from 12 June 2021.

15 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Bank loans	14	10,311	9,890
Other taxation and social security		1,777	2,846
Accounts payable		36,895	55,309
Accruals and deferred income		617,010	382,861
		665,993	450,906

16 Creditors: amounts falling due after more than one year

	Notes	2024 £	2023 £
Bank loans	14	7,904	15,056

17 Retirement benefit schemes

	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	-	4,064

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2024

18 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2024	Incoming resources	Resources expended	At 31 August 2024
	£	£	£	£
General funds	(121,868)	390,841	(402,528)	(133,555)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Previous year:	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
General funds	(61,766)	547,760	(607,862)	(121,868)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

19 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024	2023
	£	£
Between two and five years	114,000	186,000
	<u> </u>	<u> </u>

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2024

20 Related party transactions

Transactions with related parties

During the period the charity entered into the following transactions with related parties:

The founder of the school, resigned as a Company Director on 1st January 2008, before the organisation had become a Charity (21st March 2016).

He has remained associated with the organisation, both before and after charitable status, through the pre-existing Trade Mark Licence agreement for the use of his intellectual property, and in recent years as an employee, in the role of financial controller. He was paid £4,000 as financial controller during the eight-month period of this report (£6,000 for the preceding 12 months).

In addition was paid £20,000 in the period of this report, under the existing Trade Mark Licence agreement (£30,000 per annum). The current Trade Mark Licence has been in operation since 16th October 2015 as registered at The Intellectual Property Office, replacing a former Licence from 28th November 2007.

THEATRICAL EDUCATIONAL SERVICES LIMITED

England & Wales - Charity number 1166152

Accounts

Charity registration number 1166152

Company registration number 03293892 (England and Wales)

THEATRICAL EDUCATIONAL SERVICES LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

THEATRICAL EDUCATIONAL SERVICES LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	A W Jeckells A Chevannes S Mehmet	(Appointed 21 March 2024)
Secretary	Havercroft Nominees Limited	
Charity number	1166152	
Company number	03293892	
Registered office	83 Borough Road Southwark London SE1 1DN	
Independent examiner	John Pudduck FCCA Martlet House E1, Yeoman Gate Yeoman Way Worthing West Sussex BN13 3QZ	

THEATRICAL EDUCATIONAL SERVICES LIMITED

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THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their report and independently examined financial statements for the year to 31st December 2023.

Reference and administrative information set out on page one forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). For the year ending 31st December 2023, the company was entitled to exemption from audit under section 477 of the companies act relating to small companies.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's constitution, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (effective 1 January 2019).

Objectives and activities

The Advancement of Education and training in Musical Theatre Performance; and the advancement of the arts particularly but not exclusively in the medium of musical theatre.

Public Benefit

The Trustees are aware of the Charity Commission guidance regarding public benefit, and confirm that they have complied with the duty in section 4 of the charities act 2011 to have due regard to it. They consider that the information which follows in this annual report, about the organisation's aims, activities and achievements demonstrates public benefit in relation to the delivery of the objects of the company.

Structure, governance and management

The school was established as a full time training establishment in January 1995 and incorporated as a Company Limited by Guarantee on 18 December 1996. The Company was registered as a Charity on 21 March 2016. On 30 October 2007 the company changed its name from London School of Musical Theatre Limited to Theatrical Education Services Limited.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

A W Jeckells

J R Ronane

(Resigned 21 May 2024)

A Chevannes

S Mehmet

(Appointed 21 March 2024)

In accordance with the Articles of Association, a Trustee shall hold office indefinitely unless they resign, are removed or are disqualified.

The Trustees have been appointed with due consideration to their background and experience, in respect to delivering the objects of the company.

Adrian Jeckells is both a Trustee and an employee of the company in the capacity of Principal. All other Trustees give their time voluntarily and receive no benefits from the charity. There must be at least three Trustees and no more than six, at any one time.

Sibel Mehmet was appointed as a trustee on 21st March 2024, and Jessica Ronane stepped down from the position on 21st May 2024.

THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Meetings of the Board of Trustees

The Trustees meet at regular intervals throughout the year, depending on the importance of matters to be discussed, and such meetings are run in accordance with the Articles of Association.

Financial management

Where appropriate, systems or procedures have been established to mitigate the risk the charity faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions, and projects. Finance management is closely monitored with a Finance Manager being employed by the charity. Accounts are regularly prepared for inspection and discussion by the Trustees upon the calling of a Board Meeting.

Key Staff

London School of Musical Theatre employs three staff to administer the course; The Principal (Full-time), Course Manager (Part-time) and Finance Manager (Part-time). All artistic/teaching staff are engaged on a freelance basis in line with their self-employed tax status. Specialist freelance theatre practitioners are also engaged for advancement of the arts, through delivery of the theatre based production, such as Stage Manager, Set Designer, Costume Designer and Sound technician.

Achievements and performance

The student cohort who commenced their training in September 2022, completed their course in the period of this report. There were 29 graduating students in July 2023 and 20 secured agents, through the LSMT well-established placement process, whereby the organisation arranges individual auditions with a considerable number of well regarded agents.

Since graduating many alumni have already secured high-calibre professional work. Graduate credits include: A cast member nominated for Best Performer in a Musical at The Stage Debut Awards, for her rendition of Marie in The Verge of Forever at The Other Palace. Brody in Billy the Kid the musical, at The Vaudeville Theatre, West End. Charlotte in Oliver, at Chichester Festival Theatre, followed by The Gielgud Theatre, West End. A cast member in Walk Like A Man, UK Tour. A cast member in Barnum, at The Watermill Theatre, Newbury. A cast member in My Fair Lady at Leicester Curve. A cast member in The Three Billy Goats Gruff, at Chichester Festival Theatre. Joker in Choir of Man, for Norwegian Cruises, and five graduates as cast members on Cruises for MSC Cruises, Carnival, Silversea, Marella and P & O. The Conductor in Polar Express, an immersive Christmas Experience.

The school is able to provide training that enables access for our alumni into the profession, and the ability to deliver a high standard of performance of the required skills, once engaged in a production.

In September 2023 a new intake commenced their training. The number of students rose to 37, representing an improvement in post-pandemic recruitment. A relevant allocation of the fees received from this intake, has been attributed as income in the period of this report, in respect of the delivery cost of terms one and two, pertaining to that cohort. The grant allocation, training information, and graduation success including agent representation secured, and post-training employment success for this intake, will be outlined in the next Trustee Report ending 31st August 2024.

Theatre Production/Public Presentation

We were honoured to commission a vital and timely new musical for the main show of 2023 with book and lyrics written by Sean Cook and music by Charles Miller, it was presented at the Bridewell Theatre, in central London. Entitled Soma, it dealt with climate change and the life-changing effects of ignoring its importance.

The commissioning and producing of new Musical Theatre pieces by LSMT is well-established, and contributes to our charitable objective of advancement of the arts.

The benefit to a student, being the first theatre practitioner to interpret a role cannot be overstated, and the entire cast of SOMA benefitted from this unique educational experience.

The positive reaction of the audience, consisting of general public and theatre professionals, was both inspiring and assuring of the value of creating new work, in this way.

THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Student Funding Support

There were 29 students on the course ending July 2023, and the fees were £16,500.

The Trustees understand that LSMT must operate for the public benefit, and in particular are committed to supporting those that need financial assistance in order to attend our organisation.

We were able to offer twelve of the students grants towards fees, and in total we distributed £41,200, which included a £5,000 George Peabody Performing Arts Grant and £3,500 for The Fiona Stephenson Award.

In addition to the grants against fees provided to students directly by LSMT, many other charitable organisations gave support to our students through allocation of restricted funds given to LSMT, in respect of course fees. This recognition of our ability to fulfil our charitable objectives was much appreciated, and enabled some individuals to attend, who would otherwise have been unable to do so.

The charitable organisations who gave restricted fund student fee support in the period of this report, were as follows:

£1,500 - Chloe and Liam Trust
£2,000 - The Lionel Bart Foundation
£4,000 - The Ian Fleming Charitable Trust
£2,000 - Friern Barnet Educational Trust
£2,000 - The Walker Trust
£5,000 - Collins Educational Trust
£3,000 - The Stan Vidler Memorial Charitable Trust
£5,000 - Andrew Lloyd Webber Foundation

LSMT Building

We continue to be based in the building that has fulfilled our requirements for over twenty years. Although the landlord is looking to develop the site as part of the Borough Triangle scheme, they have recently given us a Renewal Lease with a term ending on 1st August 2026, which allows some continuity and stability, for the immediate future.

LSMT is planning to move to an alternate building offering long term tenure, for future delivery of our charitable objects. A change of operational premises is a serious adaptation, and any site considered must properly serve the needs of the charity. We are performing due diligence on any proposed premises, that are brought to our attention.

Financial review

The charity suffered a deficit for the year of £63,102, having made a deficit of £26,772 in the previous year to 31 December 2022.

Income from course fees was significantly less than the prior year, as shown in the Statement of Financial Activities on page 8, but going forward the trustees are committed to maximising student intake and controlling expenditure so that the charity returns to surplus as soon as possible.

Reserves

The Trustees have examined the charity's requirement for reserves in light of the main risks to the organisation.

The intention in the future is to hold reasonable levels of reserves in the organisation to protect against unforeseen circumstances and potential risks without over retention, which would be contrary to our charitable delivery.

At the end of the accounting year to December 2023 the charity does not have reserves, but with the pandemic behind us and recruitment parameters stronger, a more sustainable balance sheet is projected.

THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Funding sources

The charity charges a set fee for the course it provides.

Some financially disadvantaged students are offered grants directly from LSMT in order that they can attend, and others secure funding from outside charitable bodies and trusts which are either paid directly to ourselves as a grant against fees or to the student directly to fund attendance.

Risk Management including Current Risks

The principal risk faced by the charity lies in failing to generate sufficient income and resulting surpluses to build up reserves to face any difficult times that may arise in the future.

A major requirement will be having the reserves required for the costs involved for moving to a new premises, when this occurrence becomes necessary.

The charity needs a certain number of students in order to financially meet its objectives. We continue to ensure places on our training are only offered to those who will truly benefit from a one year training. The course application rate continues to increase, and LSMT is confident of a return to pre-pandemic levels of student recruitment, and the resultant income.

Plans for Future Periods

The charity plans to continue its activities to serve the community in which it operates in the forthcoming years.

The charity plans to continue stabilising and strengthening its financial health.

The organisation plans to acquire a more permanent premises to deliver its charitable objectives.

The organisation plans to continue to offer subsidised places on our course to financially disadvantaged applicants.

Proposed Change to Eligibility for VAT Exemption and Mandatory Business Rate Relief, For Educational Organisations.

The current government has confirmed that they intend to remove VAT exemption for the provision of education, from previously eligible organisations. In addition, Mandatory Relief on Business Rates for Educational Charities, will also be removed.

Both these changes would adversely affect an organisation with the charitable objectives and income level of LSMT. The savings made by the mandatory business rate relief are used by the organisation to offer grants to those unable to afford the full course fees, and the addition of VAT to the cost of the course would also have excluded some people from affording the training.

In real terms, the course would have become less open to the financially disadvantaged, and therefore less inclusive to some members of the community.

Fortunately for LSMT, the government appears to have chosen to limit the definition of 'Private School' to those providing education to pupils of compulsory school age, and those principally concerned with provision of education for those 16 to 19 (HM Treasury Draft Legislation). As LSMT only provides its education to adult members of the public, we will not be affected by the changes, and can continue to offer grants for attendance, by utilising the relief we will continue to receive on business rates.

The trustees' report was approved by the Board of Trustees.

A W Jeckells

Trustee

Dated: 27 September 2024

THEATRICAL EDUCATIONAL SERVICES LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THEATRICAL EDUCATIONAL SERVICES LIMITED

I report to the trustees on my examination of the financial statements of Theatrical Educational Services Limited (the charity) for the year ended 31 December 2023.

Responsibilities and basis of report

As the trustees of the charity (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 financial statements of the charity 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 financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable 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 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 that in any material respect:

- 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).

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 financial statements to be reached.

John Pudduck FCCA

Martlet House
E1, Yeoman Gate
Yeoman Way
Worthing
West Sussex
BN13 3QZ

Dated: 27 September 2024

THEATRICAL EDUCATIONAL SERVICES LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

		Unrestricted funds 2023	Restricted funds 2023	Total Unrestricted funds 2023	Restricted funds 2022	Total 2022
	Notes	£	£	£	£	£
Income from:						
Donations, grants and legacies	3	1,600	25,100	26,700	2,052	7,802
Charitable activities	4	545,223	-	545,223	-	632,973
Investments	5	937	-	937	181	181
Total income		<u>547,760</u>	<u>25,100</u>	<u>572,860</u>	<u>635,206</u>	<u>640,956</u>
Expenditure on:						
Charitable activities	7	644,433	28,100	672,533	670,906	673,656
Taxation	10	(36,571)	-	(36,571)	(5,928)	(5,928)
Total expenditure		<u>607,862</u>	<u>28,100</u>	<u>635,962</u>	<u>664,978</u>	<u>667,728</u>
Net expenditure for the year/ Net movement in funds		(60,102)	(3,000)	(63,102)	(29,772)	(26,772)
Fund balances at 1 January 2023		(61,766)	3,000	(58,766)	-	(31,994)
Fund balances at 31 December 2023		<u>(121,868)</u>	<u>-</u>	<u>(121,868)</u>	<u>3,000</u>	<u>(58,766)</u>

The statement of financial activities includes all gains and losses recognised in the year.

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

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THEATRICAL EDUCATIONAL SERVICES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Goodwill	11		6,400		6,925
Tangible assets	12		53,032		65,569
Current assets					
Debtors	13	118,079		90,294	
Cash at bank and in hand		166,583		172,188	
		<u>284,662</u>		<u>262,482</u>	
Creditors: amounts falling due within one year	15	<u>(450,906)</u>		<u>(368,796)</u>	
Net current liabilities			<u>(166,244)</u>		<u>(106,314)</u>
Total assets less current liabilities			<u>(106,812)</u>		<u>(33,820)</u>
Creditors: amounts falling due after more than one year	16		<u>(15,056)</u>		<u>(24,946)</u>
Net liabilities			<u><u>(121,868)</u></u>		<u><u>(58,766)</u></u>
Income funds					
Restricted funds	18		-		3,000
Unrestricted funds			<u>(121,868)</u>		<u>(61,766)</u>
			<u><u>(121,868)</u></u>		<u><u>(58,766)</u></u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2023.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

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

The financial statements were approved by the Trustees on 27 September 2024

A W Jeckells
Trustee

Company Registration No. 03293892

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

Theatrical Educational Services Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 83 Borough Road, Southwark, London, SE1 1DN.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's constitution, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

As shown in the balance sheet the charity has net liabilities.

However in 2016 a significant amount was spent on leasehold improvements in advance of the school returning to the premises at Borough Road. These improvements, amounting to £346k, were being amortised over the initial lease term of 5 years in accordance with accounting standards, until the lease was recently extended. In reality the charity should benefit from the leasehold improvements over a much longer period subject to future lease extensions at Borough Road being negotiated. Therefore the balance sheet would look more favourable if a longer lease term had been negotiated from the outset.

The Trustees are aware of the need to ensure a higher income, through the recruitment of a suitable cohort of training recipients. The intent is to return to a minimum of forty students per year, which enables a suitable financial stability.

The audition process is currently being adapted to enable a more expedient process for offering a place on the course. This has been determined as an important factor, for the securing of the required cohort.

The organisation has had the advantage during the period of this return of financial support from an individual loaning £50,000 interest free, for a four-month period. This support was also given during 2024, and has been confirmed for 2025.

In addition, there are two further individuals who have confirmed their preparedness to provide financial support amounting to £50,000 during 2025, should it be required.

The trustees are therefore confident that they can continue operating fully for at least the next 12 months and meet debts as they fall due. The trustees therefore consider that it is appropriate for the accounts to continue to be prepared on the going concern basis.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Turnover is measured at the fair value of the consideration received or receivable and is in the main derived from the annual course, from which the revenue is recognised as the courses are delivered. In the event of a school year spanning more than one accounting period course revenue is apportioned between the accounting periods by reference to costs incurred in each period.

Revenue from auditions are recognised when the auditions are incurred.

Revenue from the ticket sales of school productions are recognised when the productions are incurred.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is recognised on an accruals basis as a liability is incurred.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill shall be considered to have a finite useful life, and shall be amortised on a systematic basis over its 20 year life.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over lease term
Fixtures, fittings and equipment	15% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Accounts payable are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations, grants and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Donations and gifts	1,600	25,100	26,700	2,052	5,750	7,802

4 Charitable activities

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Course fees	533,096	622,213
Audition income	336	548
Box income	7,477	3,984
Rental income	3,010	2,820
Other income	1,304	3,408
	<u>545,223</u>	<u>632,973</u>

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

5 Investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Bank interest receivable	937	181
	<u> </u>	<u> </u>

6 Employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
	3	3
	<u> </u>	<u> </u>

Employment costs

	2023	2022
	£	£
Wages and salaries	102,792	101,457
Social security costs	5,502	6,252
Other pension costs	4,064	12,769
	<u> </u>	<u> </u>
	<u>112,358</u>	<u>120,478</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023	2022
	Number	Number
£60,001 to £70,000	-	1
£70,001 to £80,000	1	-
	<u> </u>	<u> </u>

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

7 Charitable activities

	Charitable activities 2023	Support costs 2023	Total 2023	Charitable activities 2022	Support costs 2022	Total 2022
	£	£	£	£	£	£
Staff costs	79,314	49,943	129,257	79,767	55,011	134,778
Depreciation	15,481	-	15,481	30,869	-	30,869
Rent, rates, and water	82,941	-	82,941	96,677	-	96,677
Trade mark licence	30,000	-	30,000	30,000	-	30,000
London School of Musical Theatre grants and charitable awards	65,100	-	65,100	40,750	-	40,750
Costs of productions	112,403	-	112,403	78,024	-	78,024
Advertising and promotion	13,117	-	13,117	7,093	-	7,093
Tutors fees	131,079	-	131,079	169,818	-	169,818
Establishment expenses	37,101	18,111	55,212	26,827	23,921	50,748
Office expenses	3,271	2,627	5,898	4,199	2,728	6,927
Travel and subsistence and outings	1,693	529	2,222	4,644	808	5,452
Miscellaneous expenses	-	193	193	-	2,586	2,586
Student maintenance grant	1,385	-	1,385	600	-	600
Cost of goods for resale	1,022	-	1,022	330	-	330
	<u>573,907</u>	<u>71,403</u>	<u>645,310</u>	<u>569,598</u>	<u>85,054</u>	<u>654,652</u>
Share of support costs (see note 8)	-	20,413	20,413	-	13,424	13,424
Share of governance costs (see note 8)	-	6,810	6,810	-	5,580	5,580
	<u>573,907</u>	<u>98,626</u>	<u>672,533</u>	<u>569,598</u>	<u>104,058</u>	<u>673,656</u>
Analysis by fund						
Unrestricted funds	545,807	98,626	644,433	566,848	104,058	670,906
Restricted funds	28,100	-	28,100	2,750	-	2,750
	<u>573,907</u>	<u>98,626</u>	<u>672,533</u>	<u>569,598</u>	<u>104,058</u>	<u>673,656</u>

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

8 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Professional fees	13,322	-	13,322	11,236	-	11,236
Provision for bad debts	5,278	-	5,278	40	-	40
Interest paid and bank charges	1,813	-	1,813	2,148	-	2,148
Accountancy fees	-	6,810	6,810	-	5,580	5,580
	<u>20,413</u>	<u>6,810</u>	<u>27,223</u>	<u>13,424</u>	<u>5,580</u>	<u>19,004</u>
Analysed between						
Charitable activities	<u>20,413</u>	<u>6,810</u>	<u>27,223</u>	<u>13,424</u>	<u>5,580</u>	<u>19,004</u>

Governance costs includes a payment to the accountants of £630 (2022- £600) for the independent examination fee.

9 Trustees

During the year Mr A Jeckells was paid a salary during the 12 month period of £71,000 (Year to 31 December 2022: £63,500) and pension contributions of £4,000 (Year to 31 December 2022: £12,000) have been paid by the charity for his benefit.

The emoluments paid to Mr Jeckells is in accordance clause 6 of the Articles of Association concerning allowed payments for reasonable and proper remuneration for services rendered to the charity as the Principal.

10 Taxation

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Theatre tax relief	(36,571)	(5,928)
	<u>(36,571)</u>	<u>(5,928)</u>

Theatrical Educational Services, as a registered charity, is exempt from corporation tax under Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of the Chargeable Gains Act 1992 to the extent that surpluses are applied to its charitable purposes.

The charity does however qualify for Theatre Tax Relief in respect of certain expenditure it incurs on its theatrical productions, resulting in the tax credits included in the accounts as above.

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

11 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2023 and 31 December 2023	40,500
Amortisation and impairment	
At 1 January 2023	33,575
Amortisation charged for the year	525
At 31 December 2023	34,100
Carrying amount	
At 31 December 2023	6,400
At 31 December 2022	6,925

12 Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 January 2023	346,449	126,703	473,152
Additions	-	2,418	2,418
At 31 December 2023	346,449	129,121	475,570
Depreciation and impairment			
At 1 January 2023	307,946	99,636	407,582
Depreciation charged in the year	10,745	4,211	14,956
At 31 December 2023	318,691	103,847	422,538
Carrying amount			
At 31 December 2023	27,758	25,274	53,032
At 31 December 2022	38,503	27,066	65,569

13 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Accounts receivable	17,881	18,101
Corporation tax recoverable	42,499	5,929
Other debtors	17,500	17,635
Prepayments and accrued income	40,199	48,629
	118,079	90,294

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

14 Loans and overdrafts

	2023 £	2022 £
Bank loans	24,946	34,836
Payable within one year	9,890	9,890
Payable after one year	15,056	24,946

The bank loan was obtained on 12 May 2020 under the government's Bounce Back Loan scheme in order to assist with the financial effects of the Coronavirus epidemic.

The loan is repayable in monthly instalments over a five year period commencing on the first anniversary after the loan was taken out. The interest for the first year of the loan was paid for by the government via a Business Interruption Payment. Interest charges for the charity are accruing at a rate of 2.5% per annum from 12 June 2021.

15 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	14	9,890	9,890
Other taxation and social security		2,846	2,766
Accounts payable		55,309	42,669
Other creditors		-	2,000
Accruals and deferred income		382,861	311,471
		<u>450,906</u>	<u>368,796</u>

16 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	14	15,056	24,946

17 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	4,064	12,769

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

18 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
	3,000	25,100	(28,100)	-
	<u>3,000</u>	<u>25,100</u>	<u>(28,100)</u>	<u>-</u>
Previous year:				
	At 1 January 2022	Incoming resources	Resources expended	At 31 December 2022
	£	£	£	£
	-	5,750	(2,750)	3,000
	<u>-</u>	<u>5,750</u>	<u>(2,750)</u>	<u>3,000</u>

19 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
General funds	(61,766)	547,760	(607,862)	(121,868)
	<u>(61,766)</u>	<u>547,760</u>	<u>(607,862)</u>	<u>(121,868)</u>
Previous year:				
	At 1 January 2022	Incoming resources	Resources expended	At 31 December 2022
	£	£	£	£
General funds	(31,994)	635,206	(664,978)	(61,766)
	<u>(31,994)</u>	<u>635,206</u>	<u>(664,978)</u>	<u>(61,766)</u>

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

20 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total Unrestricted funds 2023 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 December 2023 are represented by:					
Intangible fixed assets	6,400	-	6,400	6,925	-
Tangible assets	53,032	-	53,032	65,569	-
Current assets/(liabilities)	(166,244)	-	(166,244)	(109,314)	3,000
Long term liabilities	(15,056)	-	(15,056)	(24,946)	-
	<u>(121,868)</u>	<u>-</u>	<u>(121,868)</u>	<u>3,000</u>	<u>(58,766)</u>

21 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Between two and five years	<u>186,000</u>	<u>108,000</u>

22 Related party transactions

Transactions with related parties

During the period the charity entered into the following transactions with related parties:

The founder of the school, who has continued to assist the charity after having stepped down as the principal was paid a salary of £6,000 (2022: £6,000) during the year for his work as financial controller. He was also paid £30,000 in respect of a Trade Mark licence agreement for the use of his intellectual property (2022: £30,000). The TM licence agreement has been in operation since 28th November 2007.

THEATRICAL EDUCATIONAL SERVICES LIMITED

England & Wales - Charity number 1166152

Accounts

Charity registration number 1166152

Company registration number 03293892 (England and Wales)

THEATRICAL EDUCATIONAL SERVICES LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

THEATRICAL EDUCATIONAL SERVICES LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	A W Jeckells J R Ronane A Chevannes
Secretary	Havercroft Nominees Limited
Charity number	1166152
Company number	03293892
Registered office	83 Borough Road Southwark London SE1 1DN
Independent examiner	John Pudduck FCCA Martlet House E1, Yeoman Gate Yeoman Way Worthing West Sussex BN13 3QZ

THEATRICAL EDUCATIONAL SERVICES LIMITED

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THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their report and independently examined financial statements for the year to 31st December 2022.

Reference and administrative information set out on page one forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). For the year ending 31st December 2022, the company was entitled to exemption from audit under section 477 of the companies act relating to small companies.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's constitution, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (effective 1 January 2019).

Objectives and activities

The Advancement of Education and training in Musical Theatre Performance; and the advancement of the arts particularly but not exclusively in the medium of musical theatre.

Public Benefit

The Trustees are aware of the Charity Commission guidance regarding public benefit, and confirm that they have complied with the duty in section 4 of the charities act 2011 to have due regard to it. They consider that the information which follows in this annual report, about the organisation's aims, activities and achievements demonstrates public benefit in relation to the delivery of the objects of the company.

Structure, governance and management

The school was established as a full time training establishment in January 1995 and incorporated as a Company Limited by Guarantee on 18th December 1996. The Company was registered as a Charity on 21st March 2016.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

A W Jeckells
J R Ronane
A Chevannes

In accordance with the Articles of Association, a Trustee shall hold office indefinitely unless they resign, are removed or are disqualified.

The Trustees have been appointed with due consideration to their background and experience, in respect to delivering the objects of the company.

Adrian Jeckells is both a Trustee and an employee of the company in the capacity of Principal. All other Trustees give their time voluntarily and receive no benefits from the charity. There must be at least three Trustees and no more than six, at any one time.

THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Meetings of the Board of Trustees

The Trustees meet at regular intervals throughout the year, depending on the importance of matters to be discussed, and such meetings are run in accordance with the Articles of Association.

Financial management

Where appropriate, systems or procedures have been established to mitigate the risk the charity faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions, and projects. Finance management is closely monitored with a Finance Manager being employed by the charity. Accounts are regularly prepared for inspection and discussion by the Trustees upon the calling of a Board Meeting.

Key Staff

London School of Musical Theatre employs three staff to administer the course; The Principal (Full-time), Course Manager (Full time) and Finance Manager (Part-time). All artistic/teaching staff are engaged on a freelance basis in line with their self-employed tax status.

Achievements and performance

Recruitment of students for purely vocational training in the theatre arts sector was affected in this period by the perceived reduced employment opportunity, within the theatre industry, post pandemic. Many young people chose to apply to study a formal degree in order to have a back-up qualification, rather than embark on a course aimed entirely at career aspiration and whose reputation has been established for enabling employment success.

Despite this factor, the school maintained an ethical approach by continuing to only offer places to those that were determined as being of the required potential to benefit from the specific training duration the course offers. On this basis, the school decided to run a reduced capacity course representing half the usual intake, from March 2022 to 31st December 2022, with a larger cohort of thirty individuals commencing in September 2022 to return to the previously established period for delivery.

For the purpose of this report the artistic achievements, nurturing of talent and career development concentrate on the reduced capacity course starting in March and finishing within the designated report period (January 1st to December 31st 2022). The Financial Statements include a suitable proportion of income from the previous trading year in respect of a final term delivered in January and February 2022 for a pandemic delayed course, and a proportion of funds received in respect of the September 2022 intake suitably apportioned for the delivery of two terms relevant to it.

However, the charitable objectives and artistic achievement of that later course will be contained in the next Trustee report when principal activity such as the Main Production, falls into that report period.

THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Term Two Presentation

Princess Phyllida's Fortnight by Charles Miller and Tim Sanders.
Directed by Fenton Gray
Choreography by Bibi Jay
Designed by Rueben Speed

The term two piece is presented in the main hall at the LSMT building, with some lighting, costumes and an invited audience. It is a valued experience for the participants demonstrating the required speed of learning and delivery standard, expected in the professional industry.

The school is privileged to have as affiliated composer Charles Miller, whose works have been professionally produced throughout the UK, and abroad.

His connection with the school often offers the opportunity for students to develop a character and performance on a new piece. It allows the actor to develop and create a performance, unhindered by the influence of a former interpretation.

The students presenting Princess Phyllida's Fortnight rose to the challenge of delivery, and benefited from portraying the characters in the piece, and conveying the story.

Agent Placement

At LSMT students are given the best opportunity for career development, by auditioning for a selection of agents in the final term, in order to secure professional representation. The agents are able to select which material they hear from each student's portfolio, as well as have the invaluable opportunity of meeting the person face to face. The twenty students that graduated in December 2022, were offered private auditions with thirty-two Agents.

Fifteen were signed from this audition process, and a further two were placed by a direct approach from the Principal, to known industry contacts.

Main Production/Public Presentation

The show was presented in the thriving and highly regarded Union Theatre, in Southwark. Situated within easy reach of the LSMT building, the entire production term consisting of the rehearsal period within the Union designated rehearsal space, and the subsequent performances within their Theatre, entirely suited a training which gives an authentic experience of mounting a professional endeavour in suitable premises.

The show chosen was, Love's Labour's Lost. The following extracts are from a four star review by Jeremy Chapman, for Musical Theatre Review:

'Using a mix of Shakespeare's own prose and verse with the modern American-accented vernacular and a pop-rock score by Michael Friedman, book adapter Alex Timbers has come up with a madcap coming-of-age celebration of true love while touching on deeper issues of education and entitlement. Premiered at the Delacorte Theatre in New York in 2013 and rarely heard of since, it proves an ideal vehicle for the cohort of London School of Musical Theatre students graduating in December to show off their vocal and dance skills and their adaptability in working well as a team.'

'Somehow all 20 cast members and musical director Andrew Hilton's hard-working band of four manage to shoehorn into the bijou Union stage – at the same time on more than one occasion. The two-level set is a masterly creation by Zoe Hurwitz (also in charge of the costumes) and there's nothing but praise for Simon Hardwick's bright choreography or Adam King's inventive lighting. It is director Rafferty's debut for LSMT but surely not the last she collaborates with the company.'

'An evening brimming with talent.'

THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Student Funding Support

There were 20 students on the course ending 31st December 2022, and the fees were £16,500.

The Trustees understand that LSMT must operate for the public benefit, and in particular are committed to supporting those that need financial assistance in order to attend our organisation. We were able to offer nine of the students grants towards fees, and in total we distributed £24,000,

1 * £5,000

2 * £3,000

4 * £2,500

1 * £2,000

1 * £1,000

The application system for these LSMT awarded grants involves a declaration from the applicant outlining the need for financial assistance, answers to some relevant questions pertaining to wherewithal, and further information to assist the assessment process. All applicants are adults, and the right to some confidentiality is respected. The Trustees are tasked with assessment of the applications, endeavouring to offer the most funding to the most in need of support.

LSMT Building

We continue to be based in the building that has fulfilled our requirements for over twenty years. The landlord has confirmed our tenure until the end of our current lease on 31st June 2024, which enables the next course commencing in September 2023 to be delivered entirely at the premises.

As planning consent and the future schedule of re-development of the Borough Triangle site are yet to be confirmed, a continued LSMT tenure beyond the current lease could occur. However, in order to practise a prudent and well managed approach LSMT is considering any suitable buildings that arise, for planning future delivery of its charitable objectives. This is an important change, and any site considered must properly serve the needs of the charity.

Financial review

The charity suffered a deficit for the year of £26,772, having made a deficit of £1,696 in the previous year to 31 December 2021.

The charity is recovering well from the Pandemic. During the year one course was completed which commenced in 2021, another course started and finished in the year with a reduced intake and a third course commenced in September overlapping the previous course with more students but still not a full complement. Additional premises were hired to cater for the overlap.

Tutors fees have increased disproportionately due to smaller class sizes and therefore despite an overall increase in income from course fees compared to 2021, the charity has registered the deficit, as referred to above.

The course commencing in September 2023 has a full compliment of students and therefore, after the disruptions of the last few years operations are finally back to normal.

Due to course fees being paid in advance we have been able to meet all financial obligations as they fall due, although astute financial management aims to ensure that funding is adequate to complete each course. These financial obligations include a Coronavirus Bounce-Back Loan which is being repaid in instalments and is due to be fully repaid in May 2026.

In consideration of the above the Trustees consider the charity to be a going concern for at least the foreseeable future.

THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Reserves

The Trustees have examined the charity's requirement for reserves in light of the main risks to the organisation.

The intention in the future is to hold reasonable levels of reserves in the organisation to protect against unforeseen circumstances and potential risks without over retention, which would be contrary to our charitable delivery.

At the end of the accounting year to December 2022 the charity does not have reserves, but as explained above, with the pandemic behind us and recruitment parameters stronger, a more sustainable balance sheet is projected.

Funding sources

The charity charges a set fee for the course it provides.

Some students secure funding from outside charitable bodies and trusts which are either paid directly to ourselves as a grant against fees or to the student directly to fund attendance.

Risk Management including Current Risks

The principal risk faced by the charity lies in failing to generate sufficient income and resulting surpluses to build up reserves to face any difficult times that may arise in the future.

The charity needs a certain number of students in order to financially meet its objectives. The increased marketing approach and the promotion of career opportunity led by success of alumni, has led to a reasonable intake in September 2022, and the subsequent application rate for the course commencing in September 2023, indicates a return to the usual full cohort of students.

Plans for Future Periods

The charity plans to continue its activities to serve the community in which it operates in the forthcoming years.

The school plans to continue stabilising and strengthening its financial health.

The organisation plans to continue to offer subsidised places on our course to financially disadvantaged applicants.

The trustees' report was approved by the Board of Trustees.

A W Jeckells

Trustee

Dated: 22 September 2023

THEATRICAL EDUCATIONAL SERVICES LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THEATRICAL EDUCATIONAL SERVICES LIMITED

I report to the trustees on my examination of the financial statements of Theatrical Educational Services Limited (the charity) for the year ended 31 December 2022.

Responsibilities and basis of report

As the trustees of the charity (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 financial statements of the charity 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 financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable 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 , 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 that in any material respect:

- 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).

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 financial statements to be reached.

John Pudduck FCCA

Martlet House
E1, Yeoman Gate
Yeoman Way
Worthing
West Sussex
BN13 3QZ

Dated: 22 September 2023

THEATRICAL EDUCATIONAL SERVICES LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted funds 2022	Restricted funds 2022	Total Unrestricted funds 2022	Total Unrestricted funds 2021
	Notes	£	£	£	£
Income from:					
Donations, grants and legacies	3	2,052	5,750	7,802	11,531
Charitable activities	4	632,973	-	632,973	558,941
Investments	5	181	-	181	73
Total income		<u>635,206</u>	<u>5,750</u>	<u>640,956</u>	<u>570,545</u>
Expenditure on:					
Charitable activities	7	670,906	2,750	673,656	583,265
Taxation	10	(5,928)	-	(5,928)	(11,024)
Total expenditure		<u>664,978</u>	<u>2,750</u>	<u>667,728</u>	<u>572,241</u>
Net (expenditure)/income for the year/ Net movement in funds		(29,772)	3,000	(26,772)	(1,696)
Fund balances at 1 January 2022		(31,994)	-	(31,994)	(30,298)
Fund balances at 31 December 2022		<u>(61,766)</u>	<u>3,000</u>	<u>(58,766)</u>	<u>(31,994)</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THEATRICAL EDUCATIONAL SERVICES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Goodwill	11		6,925		7,450
Tangible assets	12		65,569		94,024
Current assets					
Debtors	13	90,294		390,573	
Cash at bank and in hand		172,188		38,924	
		<u>262,482</u>		<u>429,497</u>	
Creditors: amounts falling due within one year	15	<u>(368,796)</u>		<u>(528,128)</u>	
Net current liabilities			<u>(106,314)</u>		<u>(98,631)</u>
Total assets less current liabilities			<u>(33,820)</u>		<u>2,843</u>
Creditors: amounts falling due after more than one year	16		<u>(24,946)</u>		<u>(34,837)</u>
Net liabilities			<u><u>(58,766)</u></u>		<u><u>(31,994)</u></u>
Income funds					
Restricted funds			3,000		-
Unrestricted funds			<u>(61,766)</u>		<u>(31,994)</u>
			<u><u>(58,766)</u></u>		<u><u>(31,994)</u></u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

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

The financial statements were approved by the Trustees on 22 September 2023

A W Jeckells
Trustee

Company Registration No. 03293892

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

Theatrical Educational Services Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 83 Borough Road, Southwark, London, SE1 1DN.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's constitution, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

As shown in the balance sheet the charity has net liabilities.

However in 2016 a significant amount was spent on leasehold improvements in advance of the school returning to the premises at Borough Road. These improvements, amounting to £346k, were being amortised over the initial lease term of 5 years in accordance with accounting standards, until the lease was recently extended. In reality the charity should benefit from the leasehold improvements over a much longer period subject to future lease extensions at Borough Road being negotiated. Therefore the balance sheet would look more favourable if a longer lease term had been negotiated from the outset.

After two delays in the courses caused by lockdowns due to the Coronavirus pandemic the school is back to operating normally again. The September 2023 has a full intake of students.

The trustees are therefore confident that they can continue operating fully for at least the next 12 months and meet debts as they fall due. The trustees therefore consider that it is appropriate for the accounts to continue to be prepared on the going concern basis.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Turnover is measured at the fair value of the consideration received or receivable and is in the main derived from the annual course, from which the revenue is recognised as the courses are delivered. In the event of a school year spanning more than one accounting period course revenue is apportioned between the accounting periods by reference to costs incurred in each period.

Revenue from auditions are recognised when the auditions are incurred.

Revenue from the ticket sales of school productions are recognised when the productions are incurred.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is recognised on an accruals basis as a liability is incurred.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill shall be considered to have a finite useful life, and shall be amortised on a systematic basis over its 20 year life.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over lease term
Fixtures, fittings and equipment	15% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Accounts payable are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations, grants and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2022	2022	2022	2021
	£	£	£	£
Donations and gifts	2,052	5,750	7,802	1,531
Coronavirus Job Retention Scheme	-	-	-	10,000
	<u>2,052</u>	<u>5,750</u>	<u>7,802</u>	<u>11,531</u>

4 Charitable activities

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Course fees	622,213	544,180
Audition income	548	190
Box income	3,984	9,846
Rental income	2,820	2,790
Other income	3,408	1,935
	<u>632,973</u>	<u>558,941</u>

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

5 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Bank interest receivable	181	73
	<u> </u>	<u> </u>

6 Employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
	3	3
	<u> </u>	<u> </u>

Employment costs

	2022	2021
	£	£
Wages and salaries	101,457	100,750
Social security costs	6,252	5,639
Other pension costs	12,769	12,765
	<u> </u>	<u> </u>
	120,478	119,154
	<u> </u>	<u> </u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022	2021
	Number	Number
£60,001 to £70,000	1	1
	<u> </u>	<u> </u>

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Charitable activities

	Charitable activities 2022	Support costs 2022	Total 2022	Charitable activities 2021	Support costs 2021	Total 2021
	£	£	£	£	£	£
Staff costs	79,767	55,011	134,778	78,807	48,025	126,832
Depreciation	30,869	-	30,869	31,464	-	31,464
Rent, rates, and water	96,677	-	96,677	83,117	-	83,117
Trade mark licence	30,000	-	30,000	20,000	-	20,000
London School of Musical Theatre grants and charitable awards	40,750	-	40,750	52,000	-	52,000
Costs of productions	78,024	-	78,024	104,118	-	104,118
Advertising and promotion	7,093	-	7,093	4,283	-	4,283
Tutors fees	169,818	-	169,818	88,913	-	88,913
Establishment expenses	26,827	23,921	50,748	27,097	13,667	40,764
Office expenses	4,199	2,728	6,927	3,617	1,825	5,442
Travel and subsistence and outings	4,644	808	5,452	1,200	904	2,104
Miscellaneous expenses	-	2,586	2,586	-	1,224	1,224
Student maintenance grant	600	-	600	2,500	-	2,500
Cost of goods for resale	330	-	330	775	-	775
	<u>569,598</u>	<u>85,054</u>	<u>654,652</u>	<u>497,891</u>	<u>65,645</u>	<u>563,536</u>
Share of support costs (see note 8)	-	13,424	13,424	-	14,329	14,329
Share of governance costs (see note 8)	-	5,580	5,580	-	5,400	5,400
	<u>569,598</u>	<u>104,058</u>	<u>673,656</u>	<u>497,891</u>	<u>85,374</u>	<u>583,265</u>
Analysis by fund						
Unrestricted funds	566,848	104,058	670,906	497,891	85,374	583,265
Restricted funds	2,750	-	2,750	-	-	-
	<u>569,598</u>	<u>104,058</u>	<u>673,656</u>	<u>497,891</u>	<u>85,374</u>	<u>583,265</u>

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

8 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Professional fees	11,236	-	11,236	11,848	-	11,848
Provision for bad debts	40	-	40	26	-	26
Interest paid and bank charges	2,148	-	2,148	2,455	-	2,455
Accountancy fees	-	5,580	5,580	-	5,400	5,400
	<u>13,424</u>	<u>5,580</u>	<u>19,004</u>	<u>14,329</u>	<u>5,400</u>	<u>19,729</u>
Analysed between						
Charitable activities	<u>13,424</u>	<u>5,580</u>	<u>19,004</u>	<u>14,329</u>	<u>5,400</u>	<u>19,729</u>

Governance costs includes a payment to the accountants of £600 (2021- £600) for the independent examination fee.

9 Trustees

During the year Mr A Jeckells was paid a salary during the 12 month period of £63,500 (Year to 31 December 2021: £63,000) and pension contributions of £12,000 (Year to 31 December 2021: £12,000) have been paid by the charity for his benefit.

The emoluments paid to Mr Jeckells is in accordance clause 6 of the Articles of Association concerning allowed payments for reasonable and proper remuneration for services rendered to the charity as the Principal.

10 Taxation

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Theatre tax relief	(5,928)	(11,024)
	<u>(5,928)</u>	<u>(11,024)</u>

Theatrical Educational Services, as a registered charity, is exempt from corporation tax under Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of the Chargeable Gains Act 1992 to the extent that surpluses are applied to its charitable purposes.

The charity does however qualify for Theatre Tax Relief in respect of certain expenditure it incurs on its theatrical productions, resulting in the tax credits included in the accounts as above.

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 January 2022 and 31 December 2022	40,500
Amortisation and impairment	
At 1 January 2022	33,050
Amortisation charged for the year	525
At 31 December 2022	33,575
Carrying amount	
At 31 December 2022	6,925
At 31 December 2021	7,450

12 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 January 2022	346,449	124,812	471,261
Additions	-	1,890	1,890
At 31 December 2022	346,449	126,702	473,151
Depreciation and impairment			
At 1 January 2022	282,275	94,963	377,238
Depreciation charged in the year	25,671	4,673	30,344
At 31 December 2022	307,946	99,636	407,582
Carrying amount			
At 31 December 2022	38,503	27,066	65,569
At 31 December 2021	64,174	29,850	94,024

13 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Accounts receivable	18,101	344,757
Corporation tax recoverable	5,929	11,025
Other debtors	17,635	28,311
Prepayments and accrued income	48,629	6,480
	90,294	390,573

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Loans and overdrafts

	2022 £	2021 £
Bank loans	34,836	44,483
Directors' loans	-	1,638
	<u>34,836</u>	<u>46,121</u>
Payable within one year	9,890	11,284
Payable after one year	<u>24,946</u>	<u>34,837</u>

The bank loan was obtained on 12 May 2020 under the government's Bounce Bank Loan scheme in order to assist with the financial effects of the Coronavirus epidemic.

The loan is repayable in monthly instalments over a five year period commencing on the first anniversary after the loan was taken out. The interest for the first year of the loan was paid for by the government via a Business Interruption Payment. Interest charges for the charity are accruing at a rate of 2.5% per annum from 12 June 2021.

15 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	14	9,890	9,646
Other borrowings		-	1,638
Other taxation and social security		2,766	2,779
Accounts payable		42,669	43,335
Other creditors		2,000	200
Accruals and deferred income		311,471	470,530
		<u>368,796</u>	<u>528,128</u>

16 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	14	<u>24,946</u>	<u>34,837</u>

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

17 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Unrestricted funds 2022 £	2021 £
Fund balances at 31 December 2022 are represented by:				
Intangible fixed assets	6,925	-	6,925	7,450
Tangible assets	65,569	-	65,569	94,024
Current assets/(liabilities)	(109,314)	3,000	(106,314)	(98,631)
Long term liabilities	(24,946)	-	(24,946)	(34,837)
	<u>(61,766)</u>	<u>3,000</u>	<u>(58,766)</u>	<u>(31,994)</u>

18 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Between two and five years	<u>108,000</u>	<u>180,000</u>

19 Related party transactions

Transactions with related parties

During the period the charity entered into the following transactions with related parties:

Mr Lee was paid a salary of £6,000 (2021: £6,000) during the period for his work as financial controller. He was also paid £30,000 in respect of a Trade Mark licence agreement for the use of his intellectual property (2021: £20,000). The TM licence agreement has been in operation since 28th November 2007. The licence agreement was waived by Mr Lee for the first 4 months of 2021 to assist the charity financially in the Pandemic.

THEATRICAL EDUCATIONAL SERVICES LIMITED

England & Wales - Charity number 1166152

Accounts

Charity registration number 1166152

Company registration number 03293892 (England and Wales)

THEATRICAL EDUCATIONAL SERVICES LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

THEATRICAL EDUCATIONAL SERVICES LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	A W Jeckells J R Ronane A Chevannes	(Appointed 17 May 2021)
Secretary	Havercroft Nominees Limited	
Charity number	1166152	
Company number	03293892	
Registered office	83 Borough Road Southwark London SE1 1DN	
Independent examiner	John Pudduck FCCA Martlet House E1, Yeoman Gate Yeoman Way Worthing West Sussex BN13 3QZ	

THEATRICAL EDUCATIONAL SERVICES LIMITED

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THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their report and independently examined financial statements for the year to 31st December 2021.

Reference and administrative information set out on page one forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). For the year ending 31st December 2021, the company was entitled to exemption from audit under section 477 of the companies act relating to small companies.

Objectives and activities

The Advancement of Education and training in Musical Theatre Performance; and the advancement of the arts particularly but not exclusively in the medium of musical theatre.

Public Benefit

The Trustees are aware of the Charity Commission guidance regarding public benefit, and confirm that they have complied with the duty in section 4 of the charities act 2011 to have due regard to it. They consider that the information which follows in this annual report, about the organisation's aims, activities and achievements demonstrates public benefit in relation to the delivery of the objects of the company.

Structure, governance and management

The school was established as a full time training establishment in January 1995 and incorporated as a Company Limited by Guarantee on 18th December 1996. The Company was registered as a Charity on 21st March 2016.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

A W Jeckells

J R Ronane

N J Bell

A Chevannes

(Resigned 31 December 2021)

(Appointed 17 May 2021)

In accordance with the Articles of Association, a Trustee shall hold office indefinitely unless they resign, are removed or are disqualified.

The Trustees have been appointed with due consideration to their background and experience, in respect to delivering the objects of the company.

Adrian Jeckells is both a Trustee and an employee of the company in the capacity of Principal. All other Trustees give their time voluntarily and receive no benefits from the charity. There must be at least three Trustees and no more than six, at any one time.

Meetings of the Board of Trustees

The Trustees meet at regular intervals throughout the year, depending on the importance of matters to be discussed, and such meetings are run in accordance with the Articles of Association.

Financial management

Where appropriate, systems or procedures have been established to mitigate the risk the charity faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions, and projects. Finance management is closely monitored with a Finance Manager being employed by the charity. Accounts are regularly prepared for inspection and discussion by the Trustees upon the calling of a Board Meeting.

Key Staff

London School of Musical Theatre employs three staff to administer the course; The Principal (Full-time), Course Manager (Full time) and Finance Manager (Part-time). All artistic/teaching staff are engaged on a freelance basis in line with their self-employed tax status.

THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance

Due to the coronavirus pandemic the students that were due to commence their training in September 2020, eventually started in May 2021.

Despite the logistic challenge of such a delay, we were able to deliver a course to the students which matched their expectations and our high standards.

The school had monitored the impact of the coronavirus on the industry, and in the context of group activity. We wisely chose to delay to minimise the effect on the training. The student cohort were supported throughout their absence from the start of training with pastoral care administered by the Course Manager and Principal, with regular full intake online video meetings to maintain the company cohesiveness and peer support.

Towards the end of 2021 the school presented two highly regarded and hugely successful shows at the Union Theatre in central London. Children of Eden was directed by Graham Hubbard who had been an original cast member of the piece back in 1992 when it first emerged in the West End, and the highly regarded Shaun Kerrison directed The Drowsy Chaperone. Both shows elicited an enthusiastic response from the public and the industry.

The following are the reviews of the two productions from musicaltheatrereview.com:

Children of Eden, performed by London School of Musical Theatre students, continues at the Union Theatre, London until 18 December 2021.

Star rating: four stars ★ ★ ★ ★ ☆

It's a simple piece which more or less follows the Biblical account of the creation on into the descendants of Adam and Eve, blighted by the curse of Cain. Noah and his family with hints of Jonah, Abraham and Isaac follow.

Premiered in 1991 it never really caught on commercially but it is a perfect show for a drama school – lots of meaty main roles, smaller solo parts and plenty of ensemble work.

London School of Musical Theatre (LSMT) has really run with this gentle epic which celebrates family life along with love, redemption and forgiveness.

My first accolade goes to director Graham Hubbard and Christopher Tendai who staged some of the choreography. Somehow they manage to get 20 people on and off and moving dynamically on David Shields' ingenious split level set in the Union Theatre's very small space without it ever looking crowded or contrived.

The serpent sequence, in which a team of seven female cast members in shiny red wigs, fishnets and bustiers form the seductive, writhing beast, is particularly memorable.

Anneka Needham is serenely magisterial as Father, the controlling "God" figure. She commands the stage with authority and sings beautifully.

So does Hannah Edser as Eve and Mother Noah, first appearing as a young innocent and eventually becoming an anxious matriarch – a fine performance.

Ollie Wray matches her well, as Adam and Noah – the former in simple jeans and the latter in naval uniform. He is a totally convincing actor and sings with warmth.

There's a startling moment when João Basilio sings four lines from the balcony and suddenly we're in a different world. He has a gloriously accurate high tenor voice and I wasn't surprised to read in the programme that he studied classical music first. Let's hear more of him very soon, please.

But I think it is the ensemble work which I shall remember most about this production. Whether they are kneeling, stamping, silent or still the grey robed storytellers are effective without ever being showy.

THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Stephen Schwartz's score includes some outstanding music, accompanied here by a good four piece band (MD Tim Jackson) concealed behind a curtain at the side of the stage. The woodwind work (Rosie Reed) in particular is very evocative. Influences of Haydn's Creation are very clear in the orchestration.

When the music is choral Hubbard allows his cast to stand and deliver so that the music does the work – and we're allowed to listen to it without distraction and I like that.

The 'Children of Eden' number which ends Act I, for example, is so movingly sung in this production that I had to find a tissue. And I don't know whose idea it was to have the cast show climate change photographs at the same time but it's very powerful – as is the Extinction Rebellion reference at the beginning of Act II. Eden is indeed a metaphor for our times.

Susan Elkin

The Drowsy Chaperone was performed by London School of Musical Theatre students at the Union Theatre, London.

Star rating: five stars ★ ★ ★ ★ ★

This might not have been an in-house production at the Union Theatre, but that doesn't mean it wasn't of the same top quality. This London School of Musical Theatre production of The Drowsy Chaperone was a pure thrill from beginning to end.

In these grim and heavy times, such a light, funny and fast-paced musical-within-a-comedy was the perfect choice indeed, especially since producer Adrian Jeckells had the good idea to make some appropriate tweaks and take some liberties to ensure the show was also relevant to today.

Despite its Tony-winning successful run on Broadway, Lisa Lambert and Greg Morrison's tuneful score and Bob Martin and Don McKellar's hilarious book lasted barely a hundred performances at the Novello Theatre in the West End in 2007, and, apart from an excellent in-house production at Upstairs at the Gatehouse a few years later, this was a rare occasion for a London audience to get another crack at this little gem of a show — and what a cast.

As the Man in Chair, Nicholas Follows is much more engaging and closer to the audiences than in the original. As for Grace McGill, she owes nothing to Sutton Foster as diva Janet van de Graaff, not even the high extensions and long notes. As womaniser Adolpho, Martim Fornetti also impresses. The choreography by tap dancing expert Jo McShane is of West End calibre, and so are the sets and period costumes by David Shields and clever direction by Shaun Kerrison.

It's interesting — after seeing this highly professional production, the Jerry Herman concert at the Royal Academy and Bandstand at Arts Ed last month — to realise that school productions are now often more entertaining than West End shows. Maybe it's because they don't have the same commercial imperatives, maybe it's because we have the chance today to see the stars of tomorrow.

Patrick Honoré

THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Student Funding Support

There were 40 graduating students in the year ending 31st December 2021, and the fees were £16,100. The course had a delayed start which resulted in it finishing at the end of February 2022.

The Trustees understand that LSMT must operate for the public benefit, and in particular are committed to supporting those that need financial assistance in order to attend our organisation. In total we distributed £52,000 (2020: £46,000) in funding which represents a considerable percentage of our overall turnover and demonstrates our continued commitment to this aim.

LSMT gave grants against fees, as follows:

Fiona Stephenson Grant	- £1,500
George Peabody Performing Arts Grant	- £5,000

A further £45,500 was distributed in different amounts ranging from £500 to £5,000 according to the need and submitted grant application of the individual.

Support For Ethnic Diversity and Inclusivity

LSMT is determined to be at the forefront of change and to be proactive in its approach to increasing representation, equality and opportunity for performers from African and Caribbean heritage, South, East and South East Asian heritage, Middle Eastern heritage and those individuals that identify as bi-racial or multi-racial.

We appointed a new trustee in 2021 which diversified the ethnicity of our board, and we have increased representation of staff from diverse heritage across the entire teaching faculty in all departments to better represent the community in which we operate.

The intention of increasing diverse ethnic and cultural representation in our staff is to assure students who attend, that our organisation recognises their contribution to the industry and also that they have people to approach to discuss all aspects of representation and recognition should they wish to explore this aspect.

We engage a specialist firm, EB Consultancy, which is run by the head of inclusion and diversity at Brit School, Emma Balaam, to deliver training and guidance to our organisation in:

Inclusive Practice
Unconscious Bias
Diversity in Arts Education.

LSMT Building

In 2016 we undertook an extensive refurbishment of our current building. At that time a five year lease was issued by our landlord, Peabody, on very reasonable terms including a rent free period. A new landlord now owns the site and is currently exploring the potential for redevelopment.

We have secured a three year lease extension which took effect from July 2021 at well below market rates which will assist in our endeavour to stabilise our financial position in the medium term.

However, the period absent from the site during any building works might prevent us from awaiting this outcome and we continue our search for suitable premises to replace our current home.

THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Financial review

The charity suffered a deficit for the year of £1,696, compared to the previous deficit of £62,155 which was an extended accounting period of 16 months to 31 December 2020.

The deficit can be attributed to the pandemic lock-down which occurred in the first few months of 2021 resulting in the start of the 2021 course being delayed and not being completed until the end of February 2022. In the accounts the fee income has been apportioned accordingly by reference to costs incurred in each accounting period.

Some costs have reduced proportionately, such as tutors fees, but others haven't and consequently, due to this and the lower income, the deficit has resulted.

In the first four months of 2021 both the Principal and Course Manager were placed on 50% (20 hours) furlough until the commencement of the next course (May 3rd). This enabled the organisation to claim government financial support during this period.

The above measure along with the full retention of the student intake kept the organisation a going concern and on track for financial stabilisation.

Lock-downs are now, hopefully, behind us. During the current year the 2022 course will begin and end in the calendar year with a half complement of 20 students and in September an overlapping course of 30 students will commence and run until July 2023, after which, it is planned, the pre-pandemic course level of 40 plus students will return.

Due to course fees being paid in advance we have been able to meet all financial obligations as they fall due, although astute financial management aims to ensure that funding is adequate to complete each course. These financial obligations include a Coronavirus Bounce-Back Loan which is being repaid in instalments and is due to be fully repaid in May 2026.

In consideration of the above the Trustees consider the charity to be a going concern for at least the foreseeable future.

Reserves

The Trustees have examined the charity's requirement for reserves in light of the main risks to the organisation.

The intention in the future is to hold reasonable levels of reserves in the organisation to protect against unforeseen circumstances and potential risks without over retention, which would be contrary to our charitable delivery.

At the end of the accounting year to December 2021 the charity does not have reserves, but as explained above, with the pandemic behind us a stronger and more sustainable balance sheet is projected.

Funding sources

The charity charges a set fee for the course it provides.

Some students secure funding from outside charitable bodies and trusts which are either paid directly to ourselves as a grant against fees or to the student directly to fund attendance.

THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Risk Management including Current Risks

The principal risk faced by the charity lies in failing to generate sufficient income and resulting surpluses to build up reserves to face any difficult times that may arise in the future.

The charity needs a certain number of students to register in order to make each course viable. The charity consistently seeks to maintain its excellent reputation by facilitating graduates into London West End Theatre, television and film, thereby ensuring its attractiveness to future intakes of students. The promotion of vocational training during times when the industry itself is not fully functioning becomes considerably harder.

The operational risk of further lockdowns is mitigated by the preparedness now established in the previous lockdowns in 2020 and 2021. This includes enacting strict protocols regarding social distancing, sanitising and ventilation so that on-site delivery can continue to a satisfactory extent.

Plans for Future Periods

The charity plans to continue its activities to serve the community in which it operates in the forthcoming years.

The charity plans to continue stabilising and strengthening its financial health.

The organisation plans to continue to offer subsidised places on our course to financially disadvantaged applicants.

A further objective of the organisation must now be to seek a permanent home to deliver its activities.

The trustees' report was approved by the Board of Trustees.

A W Jeckells

Trustee

Dated: 4 August 2022

THEATRICAL EDUCATIONAL SERVICES LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THEATRICAL EDUCATIONAL SERVICES LIMITED

I report to the trustees on my examination of the financial statements of Theatrical Educational Services Limited (the charity) for the year ended 31 December 2021.

Responsibilities and basis of report

As the trustees of the charity (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 financial statements of the charity 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 financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable 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 , 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 that in any material respect:

- 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).

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 financial statements to be reached.

John Pudduck FCCA

Martlet House
E1, Yeoman Gate
Yeoman Way
Worthing
West Sussex
BN13 3QZ

Dated: 4 August 2022

THEATRICAL EDUCATIONAL SERVICES LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 (16 months) £	Unrestricted funds 2020 (16 months) £	Restricted funds 2020 (16 months) £	Total 2020 (16 months) £
Income from:					
Donations, grants and legacies	3	11,531	1,050	2,000	3,050
Charitable activities	4	558,941	656,114	-	656,114
Investments	5	73	603	-	603
Total income		<u>570,545</u>	<u>657,767</u>	<u>2,000</u>	<u>659,767</u>
Expenditure on:					
Charitable activities	6	583,265	736,156	3,000	739,156
Taxation	10	(11,024)	(17,234)	-	(17,234)
Total expenditure		<u>572,241</u>	<u>718,922</u>	<u>3,000</u>	<u>721,922</u>
Net expenditure for the year/ Net movement in funds		(1,696)	(61,155)	(1,000)	(62,155)
Fund balances at 1 January 2021		(30,298)	30,857	1,000	31,857
Fund balances at 31 December 2021		<u>(31,994)</u>	<u>(30,298)</u>	<u>-</u>	<u>(30,298)</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THEATRICAL EDUCATIONAL SERVICES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Goodwill	11		7,450		7,975
Tangible assets	12		94,024		123,684
Current assets					
Debtors	13	390,573		664,174	
Cash at bank and in hand		38,924		5,824	
		<u>429,497</u>		<u>669,998</u>	
Creditors: amounts falling due within one year	15	<u>(528,128)</u>		<u>(787,472)</u>	
Net current liabilities			<u>(98,631)</u>		<u>(117,474)</u>
Total assets less current liabilities			2,843		14,185
Creditors: amounts falling due after more than one year	16		<u>(34,837)</u>		<u>(44,483)</u>
Net liabilities			<u><u>(31,994)</u></u>		<u><u>(30,298)</u></u>
Income funds					
Unrestricted funds			<u>(31,994)</u>		<u>(30,298)</u>
			<u><u>(31,994)</u></u>		<u><u>(30,298)</u></u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

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

The financial statements were approved by the Trustees on 4 August 2022

A W Jeckells
Trustee

Company Registration No. 03293892

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

Theatrical Educational Services Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 83 Borough Road, Southwark, London, SE1 1DN.

1.1 Reporting period

The charity extended its accounting period from 31 August 2020 to 31 December 2020. The reason for doing so was due to the rescheduling of the school year due to interruptions caused by the Covid-19 pandemic. The figures in the accounts for the current year are for a 12 month period but the comparative period covers 16 months and therefore the figures are not entirely comparable.

1.2 Accounting convention

The financial statements have been prepared in accordance with the charity's constitution, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.3 Going concern

As shown in the balance sheet the charity has net liabilities, which is an indicator of potential insolvency.

However in 2016 a significant amount was spent on leasehold improvements in advance of the school returning to the premises at Borough Road. These improvements, amounting to £346k, were being amortised over the initial lease term of 5 years in accordance with accounting standards, until the lease was recently extended. In reality the charity should benefit from the leasehold improvements over a much longer period subject to future lease extensions at Borough Road being negotiated. Therefore the balance sheet would look more favourable if a longer lease term had been negotiated from the outset.

After 2 delays in the courses caused by lockdowns due to the Coronavirus pandemic the school is back to operating normally again. What would have been the 2020/21 course commenced on 3 May 2021 and finished in February 2022. A single intake has followed in March 2022 finishing in December 2022 and an intake of about 30 students is due to commence in September 2022 with plans afoot to ensure the necessary accommodation is available for the overlap. From September 2023 a full intake of at least 40 students is anticipated.

The trustees are therefore confident that they can continue operating fully for at least the next 12 months and meet debts as they fall due. The trustees therefore consider that it is appropriate for the accounts to continue to be prepared on the going concern basis.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.5 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Turnover is measured at the fair value of the consideration received or receivable and is in the main derived from the annual course, from which the revenue is recognised as the courses are delivered. In the event of a school year spanning more than one accounting period course revenue is apportioned between the accounting periods by reference to costs incurred in each period.

Revenue from auditions are recognised when the auditions are incurred.

Revenue from the ticket sales of school productions are recognised when the productions are incurred.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is recognised on an accruals basis as a liability is incurred.

1.7 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill shall be considered to have a finite useful life, and shall be amortised on a systematic basis over its 20 year life.

1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over lease term
Fixtures, fittings and equipment	15% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Accounts payable are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations, grants and legacies

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2021	2020	2020	2020
	(16 months)	(16 months)	(16 months)	(16 months)
	£	£	£	£
Donations and gifts	1,531	1,050	2,000	3,050
Coronavirus Job Retention Scheme	10,000	-	-	-
	<u>11,531</u>	<u>1,050</u>	<u>2,000</u>	<u>3,050</u>

4 Charitable activities

	Unrestricted funds	Unrestricted funds
	2021	2020
	(16 months)	(16 months)
	£	£
Course fees	544,180	651,438
Audition income	190	3,320
Box income	9,846	60
Rental income	2,790	238
Other income	1,935	1,058
	<u>558,941</u>	<u>656,114</u>

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Investments

	Unrestricted funds	Unrestricted funds (16 months) 2020 £
Bank interest receivable	73	603

6 Charitable activities

	Charitable activities 2021 £	Support costs 2021 £	Total 2021 £	Charitable activities 2020 (16 months) £	Support costs 2020 (16 months) £	Total 2020 (16 months) £
Staff costs	78,807	48,025	126,832	100,119	56,387	156,506
Depreciation	31,464	-	31,464	42,835	-	42,835
Rent, rates, and water	83,117	-	83,117	91,798	-	91,798
Trade mark licence	20,000	-	20,000	40,000	-	40,000
London School of Musical Theatre grants and charitable awards	52,000	-	52,000	48,000	-	48,000
Costs of production	104,118	-	104,118	141,472	-	141,472
Advertising and promotion	4,283	-	4,283	5,137	-	5,137
Tutors fees	88,913	-	88,913	119,704	-	119,704
Establishment expenses	27,097	13,667	40,764	30,631	21,575	52,206
Office expenses	3,617	1,825	5,442	3,742	4,773	8,515
Travel and subsistence and outings	1,200	904	2,104	2,851	1,957	4,808
Miscellaneous expenses	-	1,224	1,224	-	1,864	1,864
Student maintenance grant	2,500	-	2,500	-	-	-
Cost of goods for resale	775	-	775	588	-	588
	<u>497,891</u>	<u>65,645</u>	<u>563,536</u>	<u>626,877</u>	<u>86,556</u>	<u>713,433</u>
Share of support costs (see note 7)	-	14,329	14,329	-	19,705	19,705
Share of governance costs (see note 7)	-	5,400	5,400	-	6,018	6,018
	<u>497,891</u>	<u>85,374</u>	<u>583,265</u>	<u>626,877</u>	<u>112,279</u>	<u>739,156</u>
Analysis by fund						
Unrestricted funds	497,891	85,374	583,265	623,877	112,279	736,156
Restricted funds	-	-	-	3,000	-	3,000

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

7 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	(16 months)	(16 months)	(16 months)
				£	£	£
Professional fees	11,848	-	11,848	13,024	-	13,024
Provision for bad debts	26	-	26	4,594	-	4,594
Interest paid and bank charges	2,455	-	2,455	2,087	-	2,087
Accountancy fees	-	5,400	5,400	-	6,018	6,018
	<u>14,329</u>	<u>5,400</u>	<u>19,729</u>	<u>19,705</u>	<u>6,018</u>	<u>25,723</u>
Analysed between						
Charitable activities	<u>14,329</u>	<u>5,400</u>	<u>19,729</u>	<u>19,705</u>	<u>6,018</u>	<u>25,723</u>

Governance costs includes a payment to the accountants of £600 (2020- £600) for the independent examination fee.

8 Trustees

During the year Mr A Jeckells was paid a salary during the 12 month period of £63,000 (Period to 31 December 2020: £77,250) and pension contributions of £12,000 (Period to 31 December 2020: £16,000) have been paid by the charity for his benefit.

The emoluments paid to Mr Jeckells is in accordance clause 6 of the Articles of Association concerning allowed payments for reasonable and proper remuneration for services rendered to the charity as the Principal.

9 Employees

The average monthly number of employees during the year was:

	2021	2020
	Number	Number
	<u>3</u>	<u>3</u>
Employment costs	2021	2020
	£	(16 months) £
Wages and salaries	100,750	125,983
Social security costs	5,639	10,157
Other pension costs	12,765	16,992
	<u>119,154</u>	<u>153,132</u>

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

9 Employees

(Continued)

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2021 Number	2020 Number
£60,001 to £70,000	1	-
£70,001 to £80,000	-	1
	<u> </u>	<u> </u>

10 Taxation

	Unrestricted funds 2021	Unrestricted funds (16 months) 2020 £
Theatre tax relief	(11,024)	(17,234)
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

Theatrical Educational Services, as a registered charity, is exempt from corporation tax under Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of the Chargeable Gains Act 1992 to the extent that surpluses are applied to its charitable purposes.

The charity does however qualify for Theatre Tax Relief in respect of certain expenditure it incurs on its theatrical productions, resulting in the tax credits included in the accounts as above.

11 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2021 and 31 December 2021	40,500
	<u> </u>
Amortisation and impairment	
At 1 January 2021	32,525
Amortisation charged for the year	525
	<u> </u>
At 31 December 2021	33,050
	<u> </u>
Carrying amount	
At 31 December 2021	7,450
	<u> </u>
At 31 December 2020	7,975
	<u> </u>

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 January 2021	346,449	123,534	469,983
Additions	-	1,279	1,279
	<u>346,449</u>	<u>124,813</u>	<u>471,262</u>
At 31 December 2021	346,449	124,813	471,262
Depreciation and impairment			
At 1 January 2021	256,604	89,695	346,299
Depreciation charged in the year	25,671	5,268	30,939
	<u>282,275</u>	<u>94,963</u>	<u>377,238</u>
At 31 December 2021	282,275	94,963	377,238
Carrying amount			
At 31 December 2021	<u>64,174</u>	<u>29,850</u>	<u>94,024</u>
At 31 December 2020	<u>89,845</u>	<u>33,839</u>	<u>123,684</u>

13 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Accounts receivable	344,757	600,851
Corporation tax recoverable	11,025	17,234
Other debtors	28,311	18,700
Prepayments and accrued income	6,480	27,389
	<u>390,573</u>	<u>664,174</u>

14 Loans and overdrafts

	2021	2020
	£	£
Bank overdrafts	-	9,322
Bank loans	44,483	49,482
Directors' loans	1,638	1,638
Loans from related parties	-	25,000
	<u>46,121</u>	<u>85,442</u>
Payable within one year	11,284	40,959
Payable after one year	<u>34,837</u>	<u>44,483</u>

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Loans and overdrafts

(Continued)

The bank loan was obtained on 12 May 2020 under the government's Bounce Bank Loan scheme in order to assist with the financial effects of the Coronavirus epidemic.

The loan is repayable in monthly instalments over a five year period commencing on the first anniversary after the loan was taken out. The interest for the first year of the loan was paid for by the government via a Business Interruption Payment. Interest charges for the charity are accruing at a rate of 2.5% per annum from 12 June 2021.

15 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	14	9,646	14,321
Other borrowings		1,638	26,638
Other taxation and social security		2,779	3,636
Accounts payable		43,335	71,459
Other creditors		200	200
Accruals and deferred income		470,530	671,218
		<u>528,128</u>	<u>787,472</u>

16 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans	14	34,837	44,483

17 Related party transactions

Transactions with related parties

During the period the charity entered into the following transactions with related parties:

Mr Lee was paid a salary of £6,000 (Period ended December 2020: £7,400) during the period for his work as financial controller. He was also paid £20,000 in respect of a Trade Mark licence agreement for the use of his intellectual property (Period ended December 2020: £40,000). The TM licence agreement has been in operation since 28th November 2007. He has waived payment in respect of this agreement for the first four months of 2021 as the school was unable to fully trade due to pandemic restrictions.

Document Activity Report

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Adrian Jeckells Approved Thu, 04 Aug 2022 11:10:30 GMT

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Date	Activity
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THEATRICAL EDUCATIONAL SERVICES LIMITED

England & Wales - Charity number 1166152

Accounts

Charity Registration No. 1166152

Company Registration No. 03293892 (England and Wales)

THEATRICAL EDUCATIONAL SERVICES LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

THEATRICAL EDUCATIONAL SERVICES LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	A W Jeckells J R Ronane N J Bell A Chevannes	(Appointed 17 May 2021)
Secretary	Havercroft Nominees Limited	
Charity number	1166152	
Company number	03293892	
Registered office	83 Borough Road Southwark London SE1 1DN	
Independent examiner	John Pudduck FCCA Martlet House E1, Yeoman Gate Yeoman Way Worthing West Sussex BN13 3QZ	

THEATRICAL EDUCATIONAL SERVICES LIMITED

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THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE PERIOD ENDED 31 DECEMBER 2020

The Trustees present their report and independently examined financial statements for the period 1st September 2019 to 31st December 2020.

Due to the Coronavirus Pandemic our activities were suspended for five months mid-course and this report therefore covers a longer period than the usual 12 months in order to include relevant activity.

Reference and administrative information set out on page one forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). For the period ending 31st December 2020, the company was entitled to exemption from audit under section 477 of the companies act relating to small companies.

Objectives and activities

The Advancement of Education and training in Musical Theatre Performance; and the advancement of the arts particularly but not exclusively in the medium of musical theatre.

Public Benefit

The Trustees are aware of the Charity Commission guidance regarding public benefit, and confirm that they have complied with the duty in section 4 of the charities act 2011 to have due regard to it. They consider that the information which follows in this annual report, about the organisation's aims, activities and achievements demonstrates public benefit in relation to the delivery of the objects of the company.

Structure, governance and management

The school was established as a full time training establishment in January 1995 and incorporated as a Company Limited by Guarantee on 18th December 1996. The Company was registered as a Charity on 21st March 2016.

The trustees, who are also the directors for the purpose of company law, and who served during the Period and up to the date of signature of the financial statements were:

A W Jeckells

J R Ronane

N J Bell

D R C Stewart (Resigned 10 June 2020)

A Chevannes (Appointed 17 May 2021)

In accordance with the Articles of Association, a Trustee shall hold office indefinitely unless they resign, are removed or are disqualified.

The Trustees have been appointed with due consideration to their background and experience, in respect to delivering the objects of the company.

Adrian Jeckells is both a Trustee and an employee of the company in the capacity of Principal. All other Trustees give their time voluntarily and receive no benefits from the charity. There must be at least three Trustees and no more than six, at any one time. There were no appointments to the board in the period of this report. David Stewart resigned his position in July 2020 and in May 2021 we have appointed a new trustee.

Meetings of the Board of Trustees

The Trustees meet at regular intervals throughout the year, depending on the importance of matters to be discussed, and such meetings are run in accordance with the articles of association.

Key Staff

London School of Musical Theatre employs three staff to administer the course; The Principal (Full-time), Course Manager (Full time) and Finance Manager (Part-time). All artistic/teaching staff are engaged on a freelance basis in line with their self-employed tax status.

THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2020

Achievements and performance

2020 was an extremely difficult year to navigate for the organisation, but despite the challenging situation we were able to deliver a course to the students which matched their expectations and our high standards. The first pandemic lockdown occurred after the students that had commenced in September 2019 had completed three terms of training but before the vital production and agent terms.

When we were forced to suspend the training in order to comply with government regulations and for the safety and well being of our staff and students, we made the decision that we would not compromise by moving classes online, as it was our belief that the nature of our training could not be fully delivered in that way.

We decided to offer the students extra online classes during their absence on-site, but this was given as additional provision to maintain their skill-base not as a replacement for in person delivery.

The student cohort were supported throughout their absence from face to face training with pastoral care administered by the Course Manager and Principal, with regular 'Zoom' full intake meetings to maintain the company cohesiveness and peer support.

Throughout the five months the students were away from the building the school worked relentlessly on drawing up a full action plan involving risk assessment of premises and viral transmission mitigation to ensure a covid safe environment when the students returned. This involved constant monitoring of the government guidance regarding social distancing, sanitising and ventilation.

LSMT decided to hire a second site in order to fulfill social distancing requirements, as well as enact strict protocols of hand cleansing and mask wearing.

In September 2020 the students returned to the building under the strict regulations to commence rehearsals for their socially distanced and filmed productions as outlined below.

After the filming of The Bridewell presentations the students had a brief respite before returning for daily individual appointments to audition one on one for agents. These auditions were run in a socially distanced way with all mitigations in place.

On 9th December the student cohort graduated having received a full training, including the experience of production and the opportunity to audition for 18 agents. Out of 41 graduating students we were able to place over 80% of them with agent representation despite the situation within the Industry.

Presentations To The Public

This year saw the presentation of an original work at the end of term two; Under The Canvas Sky, with Music written by our Resident Composer, Charles Miller and book and lyrics by Kevin Hammonds. This was presented in-house in the school's main hall, fully costumed and lit, with some elements of set. The performance was free to the public, which consisted of friends and family, as well as invited industry members.

The organisation presented two main shows at The Bridewell Theatre, which is part of the St Bride Foundation (registered charity 207607). These were fully produced, with a professional team including Director, Designer, Choreographer, Musical Director and Production Manager.

We had planned to present Merrily We Roll Along and Made In Dagenham for the production season. However, upon the suspension of activity in March it was soon decided that the safest and most prudent course of action to account for any restrictions in place and for the well being of the students would be to present professionally filmed productions via on-line delivery, available to an audience remotely. This would allow the educational experience of a full production process to be offered to our students, but in a safe environment and with less risk of the project being cancelled due to restrictions placed on live Theatre.

The rights were no longer available for Merrily We Roll Along and Made In Dagenham in the context of a non-live and filmed presentation, so the school took the decision to present two pieces that had been commissioned by ourselves and would therefore allow us to present as we required. This also allowed us to choose pieces that could be rehearsed and filmed in a socially-distanced format.

THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

We choose to present a work previously commissioned by the school called No One In The World, as this piece was structured to tell the individual journeys of 15 performers arriving in New York to follow their aspirations and would afford the creative team a chance to maintain social distancing in the staging. This show was double cast. This piece had previously been written by our resident composer Charles Miller with book and lyrics by Kevin Hammonds and was now an established part of the LSMT Musical Theatre canon. The second piece was a brand new commission called Oregano, once again with music by our resident composer but with a book and lyrics by playwright Sean Cook. This piece was written with the pandemic circumstances and limitations in mind. Rehearsals began in September, with the primary concern being the well-being and health of all involved.

The school hired an additional space at The Union Theatre to ensure separation of each company and reduce transmission in the event of any cases of the virus.

The rehearsals were conducted with all government advised risk mitigations in place including social distancing, additional ventilation, hand-cleansing stations, temperature monitoring on arrival and mask wearing when instructed.

The productions moved into the theatre individually during October.

The Filming

Having chosen to film our musicals it was important to engage a professional company to join our creative team at an early stage. We were pleased to contract independent videographer Julian Langham. He is a London based filmmaker who immediately engaged in discussion and brought expertise and practical technical support to the projects. He attended site visits, design meetings, production meetings and watched studio runs of both shows. Once at the theatre we removed 5 rows of seats and stationed 5 fixed camera positions around the auditorium, augmented by a central roving camera that followed the action and provided the close ups. Julian watched the dress rehearsals and offered constructive advice regarding lighting and sound. The audio was mixed from our multi channel sound desk alongside a central ambient mic positioned in the auditorium – our sound team provided Julian with the final mix to accompany Post-production.

Julian edited the action from the 6 cameras, sent a rough cut to the producer for comment before finalizing the finished films.

The students learnt a brand new set of skills enforced by this scenario. They have also been furnished with audio files of their solos that they can use as part of their show reels.

Uploading and Audience Reach

The films were uploaded onto our private Youtube channel . We chose streaming dates and advertised this to parents, agents and industry professionals.

Each company was shown twice on two separate dates.

No One in the World: Cast A generated 989 views, Cast B 884, and Oregano 908.

The material now remains as an archive of this challenging time and something that the organisation, creative team and students can be immensely proud of achieving.

THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

Student Funding Support

There were 41 graduating students in the period ending 31st December 2020, and the fees were £15,750.

One student was fortunate to receive an award against fees of £2,000 from Chloe and Liam Together Forever Trust (Charity Number 1178806). The Institute of Entertainment and Arts Management awarded £500 towards fees for one of our students and a further £250 for another which will be received by the organisation at a presentation in summer 2021 once restrictions allow.

LSMT gave grants against fees, as follows:

Fiona Stephenson Grant - £4000

George Peabody Performing Arts Grant - £4000

General Training Grants as Follows:

1 Award of £4,000

2 Awards of £3,500

2 Awards of £3,000

5 Awards of £2,000

2 Awards of £1,500

8 Awards of £1,000

The Trustees understand that LSMT must operate for the public benefit, and in particular are committed to raising our support for those that need financial assistance in order to attend or organisation. In total we distributed £46,000 in funding which represents a considerable percentage of our overall turnover and demonstrates our continued commitment to this aim.

Support For Ethnic Diversity and Inclusivity

During 2020 the world experienced the Black Lives Matters movement. As a result of this many institutions within the UK entertainment industry and arts education sector examined their role and approach towards the goal of increasing diversity and inclusivity within the Industry.

LSMT is determined to be at the forefront of change and to be proactive in its approach to increasing representation, equality and opportunity for performers from African and Caribbean heritage, South, East and South East Asian heritage, Middle Eastern heritage and those individuals that identify as bi-racial or multi-racial. The following measures have been initiated towards this objective:

More student representation from Diverse Ethnic Backgrounds

We introduced a grant in 2018 specifically aimed at funding students of diverse ethnicity to attend our organisation (George Peabody Performing Arts Grant). It is our intention to extend this scheme in the future. We shall be offering more grants and allocate more of our funding towards this goal. We may also initiate a targeted advertising campaign, along with outreach to community organisations and FE organisations.

More Staff of Diverse Ethnicity

We have recently appointed a suitable new Trustee to diversify the ethnicity of our board. We will be recruiting more staff of diverse heritage across the entire teaching faculty in all departments, to better represent the community in which we operate.

A supportive environment for our students and staff from all backgrounds

We have engaged a specialist firm, EB Consultancy, which is run by the head of inclusion and diversity at Brit School, Emma Balaam, to deliver training/guidance to our organisation in:

Inclusive Practice

Unconscious Bias

Diversity in Arts Education

Establishment of an Alumni Advisory Panel

We contacted all our graduates from our targeted diverse ethnicities to invite them to advise on our future approach and to contribute to the process from the perspective of first hand experience of our training.

The response was very positive and the first meeting of this alumni panel took place via Zoom in August 2020. The panel gave excellent advice to the Principal and Course Manager through an open forum.

THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

LSMT Building

In 2016 we undertook an extensive refurbishment of our current building. At that time a five year lease was issued by our landlord, Peabody, on very reasonable terms including a rent free period.

The understanding was that at the expiry of this lease we would be offered a long term tenure as part of their planned redevelopment of the entire area known as The Borough Triangle. In summer of 2020 we received an unexpected letter from new landlords. The whole site had been sold to Berkeley Homes. Our new landlord is exploring the potential of including our organisation in their planned redevelopment, but there is nothing definitive at present.

We have secured a three year lease extension to take effect from July 2021 at well below market rates which will assist in our endeavour to stabilise our financial position in the medium term.

Financial review

Going Concern

When the pandemic occurred and we were forced to cease activity we actioned the following measures to ensure financial stability and the prospect of a viable return to trading when restrictions lifted:

1. We extended the term of a £50,000 overdraft facility that was due to finish.
2. We approached our landlord and a six month (£35,000) suspension of rent was agreed.
3. We secured a £50,000 government backed Bounce Back Loan.
4. We contacted the upcoming cohort of students due to start in September 2020 and postponed them to 2021. We managed to retain all 40 students.

In addition to the above measures enacted during the period of this report, in the first four months of 2021 both the Principal and Course Manager were placed on 50% (20 hours) furlough until the commencement of the next course (May 3rd).

The above measures kept the organisation viable, particularly the retention of the student intake, which has enabled a serious inflow of funds between January and May 2021.

In consideration of the above the Trustees consider the organisation to be a going concern, and on track for financial stabilisation in the near future.

Reserves

The Trustees have examined the charity's requirement for reserves in light of the main risks to the organisation.

The intention in the future is to hold reasonable levels of reserves in the organisation to protect against unforeseen circumstances and potential risks without over retention, which would be contrary to our charitable delivery.

Funding sources

The charity charges a set fee for the course it provides.

Some students secure funding from outside charitable bodies and trusts which are either paid directly to ourselves as a grant against fees or to the student directly to fund attendance.

THEATRICAL EDUCATIONAL SERVICES LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

Risk Management including Current Risks

The principal risks faced by the charity lie in obtaining sufficient income and reserves to achieve its objectives and the potential for further lockdowns due to the Coronavirus pandemic.

The charity needs a certain number of students to register in order to make each course viable. The charity consistently seeks to maintain its excellent reputation by facilitating graduates into London West End Theatre, television and film, thereby ensuring its attractiveness to future intakes of students. The promotion of vocational training during times when the industry itself is not fully functioning becomes considerably harder.

The operational risk of further lockdowns is mitigated by the preparedness now established in the previous lockdowns in 2020 and 2021. This includes enacting strict protocols regarding social distancing, sanitising and ventilation so that on-site delivery can continue to a satisfactory extent.

Financial management

Where appropriate, systems or procedures have been established to mitigate the risk the charity faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions, and projects. Finance management is closely monitored with a Finance Manager being employed by the charity. Accounts are regularly prepared for inspection and discussion by the Trustees upon the calling of a Board Meeting.

Plans for Future Periods

The charity plans to continue its activities to serve the community in which it operates in the forthcoming years.

The charity plans to stabilise and strengthen its financial health post pandemic.

The organisation plans to continue to offer subsidised places on our course to financially disadvantaged applicants.

A further objective of the organisation must now be to seek a permanent home to deliver its activities.

The trustees' report was approved by the Board of Trustees.

A W Jeckells

Trustee

Dated: 15 July 2021

THEATRICAL EDUCATIONAL SERVICES LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THEATRICAL EDUCATIONAL SERVICES LIMITED

I report to the trustees on my examination of the financial statements of Theatrical Educational Services Limited (the charity) for the Period ended 31 December 2020.

Responsibilities and basis of report

As the trustees of the charity (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 financial statements of the charity 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 financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable 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 , 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 that in any material respect:

- 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).

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 financial statements to be reached.

John Pudduck FCCA

Martlet House
E1, Yeoman Gate
Yeoman Way
Worthing
West Sussex
BN13 3QZ

Dated: 15 July 2021

THEATRICAL EDUCATIONAL SERVICES LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
Income from:							
Donations and legacies	3	1,050	2,000	3,050	-	8,750	8,750
Charitable activities	4	656,114	-	656,114	665,449	-	665,449
Investments	5	603	-	603	-	-	-
Total income		<u>657,767</u>	<u>2,000</u>	<u>659,767</u>	<u>665,449</u>	<u>8,750</u>	<u>674,199</u>
Expenditure on:							
Charitable activities	6	736,156	3,000	739,156	664,351	7,750	672,101
Taxation	9	(17,234)	-	(17,234)	(14,696)	-	(14,696)
Total resources expended		<u>718,922</u>	<u>3,000</u>	<u>721,922</u>	<u>649,655</u>	<u>7,750</u>	<u>657,405</u>
Net (expenditure)/income for the year/ Net movement in funds							
		(61,155)	(1,000)	(62,155)	15,794	1,000	16,794
Fund balances at 1 September 2019		<u>30,857</u>	<u>1,000</u>	<u>31,857</u>	<u>15,063</u>	<u>-</u>	<u>15,063</u>
Fund balances at 31 December 2020		<u>(30,298)</u>	<u>-</u>	<u>(30,298)</u>	<u>30,857</u>	<u>1,000</u>	<u>31,857</u>

The statement of financial activities includes all gains and losses recognised in the Period.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THEATRICAL EDUCATIONAL SERVICES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Goodwill	10		7,975		8,675
Tangible assets	11		123,684		161,883
Current assets					
Debtors	12	664,174		134,067	
Cash at bank and in hand		5,824		421,172	
		<u>669,998</u>		<u>555,239</u>	
Creditors: amounts falling due within one year	14	<u>(787,472)</u>		<u>(693,940)</u>	
Net current liabilities			(117,474)		(138,701)
Total assets less current liabilities			<u>14,185</u>		<u>31,857</u>
Creditors: amounts falling due after more than one year	15		(44,483)		-
Net (liabilities)/assets			<u>(30,298)</u>		<u>31,857</u>
Income funds					
Restricted funds			-		1,000
Unrestricted funds			(30,298)		30,857
			<u>(30,298)</u>		<u>31,857</u>

THEATRICAL EDUCATIONAL SERVICES LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2020

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the Period ended 31 December 2020.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the Period in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 15 July 2021

A W Jeckells
Trustee

Company Registration No. 03293892

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Theatrical Educational Services Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 83 Borough Road, Southwark, London, SE1 1DN.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's constitution, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

As shown in the balance sheet the charity has net liabilities, which is an indicator of potential insolvency.

However in 2016 a significant amount was spent on leasehold improvements in advance of the school returning to the premises at Borough Road. These improvements, amounting to £346k, were being amortised over the initial lease term of 5 years in accordance with accounting standards, until the lease was recently extended. In reality the charity should benefit from the leasehold improvements over a much longer period subject to future lease extensions at Borough Road being negotiated. Therefore the balance sheet would look more favourable if a longer lease term had been negotiated from the outset.

After 2 delays in the courses caused by lockdowns due to the Coronavirus pandemic the school is back to operating normally again. What would have been the 2020/21 course commenced on 3 May 2021 and will finish in February 2022. A single intake will follow in March 2022 finishing in December 2020 and a full intake will commence in September 2022 with plans afoot to ensure the necessary accommodation is available for the overlap.

The trustees are therefore confident that they can continue operating fully for at least the next 12 months and meet debts as they fall due. The trustees therefore consider that it is appropriate for the accounts to continue to be prepared on the going concern basis.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Turnover is measured at the fair value of the consideration received or receivable and is in the main derived from the annual course, from which the revenue is recognised as the courses are delivered.

Revenue from auditions are recognised when the auditions are incurred.

Revenue from the ticket sales of school productions are recognised when the productions are incurred.

1.5 Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill shall be considered to have a finite useful life, and shall be amortised on a systematic basis over its 20 year life.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over lease term
Fixtures, fittings and equipment	15% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Accounts payable are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.14 Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Restricted funds
	2020	2020	2020	2019
	£	£	£	£
Donations and gifts	1,050	2,000	3,050	8,750

4 Charitable activities

	2020	2019
	£	£
Course fees	651,438	643,478
Audition income	3,320	5,705
Box income	60	12,701
Charitable rental income	238	2,930
Other income	1,058	635
	656,114	665,449

5 Investments

	Unrestricted funds	Total
	2020	2019
	£	£
Interest receivable	603	-

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

6 Charitable activities

	Charitable activities 2020 £	Support costs 2020 £	Total 2020 £	Charitable activities 2019 £	Support costs 2019 £	Total 2019 £
Staff costs	100,119	56,387	156,506	78,713	46,703	125,416
Depreciation and impairment	42,835	-	42,835	74,859	-	74,859
Rent, rates, and water	91,798	-	91,798	61,338	-	61,338
Trade mark licence	40,000	-	40,000	30,000	-	30,000
London School of Musical Theatre grants and charitable awards	48,000	-	48,000	46,250	-	46,250
Costs of production	141,472	-	141,472	128,202	-	128,202
Advertising and promotion	5,137	-	5,137	10,337	-	10,337
Tutors fees	119,704	-	119,704	118,561	-	118,561
Professional fees	-	19,042	19,042	-	15,778	15,778
Establishment expenses	30,631	21,575	52,206	26,155	18,648	44,803
Office expenses	3,742	4,773	8,515	3,643	978	4,621
Provision for bad debts	-	4,594	4,594	-	3,970	3,970
Interest paid and bank charges	-	2,087	2,087	-	2,097	2,097
Travel and subsistence and outings	2,851	1,957	4,808	3,796	639	4,435
Miscellaneous expenses	-	1,864	1,864	-	1,434	1,434
Cost of goods for resale	588	-	588	-	-	-
	<u>626,877</u>	<u>112,279</u>	<u>739,156</u>	<u>581,854</u>	<u>90,247</u>	<u>672,101</u>
	<u>626,877</u>	<u>112,279</u>	<u>739,156</u>	<u>581,854</u>	<u>90,247</u>	<u>672,101</u>
Analysis by fund						
Unrestricted funds	623,877	112,279	736,156	574,104	90,247	664,351
Restricted funds	3,000	-	3,000	7,750	-	7,750
	<u>626,877</u>	<u>112,279</u>	<u>739,156</u>	<u>581,854</u>	<u>90,247</u>	<u>672,101</u>

7 Trustees

During the year Mr A Jeckells was paid a salary during the 16 month period of £77,250 (Year to 31 August 2019: £61,500) and pension contributions of £16,000 (Year to 31 August 2019: £12,000) have been paid by the charity for his benefit.

The emoluments paid to Mr Jeckells is in accordance clause 6 of the Articles of Association concerning allowed payments for reasonable and proper remuneration for services rendered to the charity as the Principal.

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

8 Employees

The average monthly number of employees during the Period was:

	2020	2019
	Number	Number
	3	3
	<u>3</u>	<u>3</u>
Employment costs	2020	2019
	£	£
Wages and salaries	125,983	97,500
Social security costs	10,157	7,279
Other pension costs	16,992	12,634
	<u>153,132</u>	<u>117,413</u>
	<u>153,132</u>	<u>117,413</u>

9 Taxation

	Unrestricted funds	Total
	2020	2019
		£
Theatre tax relief	(17,234)	(14,696)
	<u>(17,234)</u>	<u>(14,696)</u>
	<u>(17,234)</u>	<u>(14,696)</u>

Theatrical Educational Services, as a registered charity, is exempt from corporation tax under Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of the Chargeable Gains Act 1992 to the extent that surpluses are applied to its charitable purposes.

The charity does however qualify for Theatre Tax Relief in respect of certain expenditure it incurs on its theatrical productions, resulting in the tax credits included in the accounts as above.

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

10 Intangible fixed assets

	Goodwill £
Cost	
At 1 September 2019 and 31 December 2020	40,500
Amortisation and impairment	
At 1 September 2019	31,825
Amortisation charged for the Period	700
At 31 December 2020	32,525
Carrying amount	
At 31 December 2020	7,975
At 31 August 2019	8,675

11 Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 September 2019	346,449	119,599	466,048
Additions	-	3,935	3,935
At 31 December 2020	346,449	123,534	469,983
Depreciation and impairment			
At 1 September 2019	222,376	81,788	304,164
Depreciation charged in the Period	34,228	7,907	42,135
At 31 December 2020	256,604	89,695	346,299
Carrying amount			
At 31 December 2020	89,845	33,839	123,684
At 31 August 2019	130,776	31,107	161,883

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

12 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Accounts receivable	600,851	97,678
Corporation tax recoverable	17,234	14,696
Other debtors	18,700	17,500
Prepayments and accrued income	27,389	4,193
	<u>664,174</u>	<u>134,067</u>

13 Loans and overdrafts

	2020	2019
	£	£
Bank overdrafts	9,322	-
Bank loans	49,482	-
Directors' loans	1,638	-
Loans from related parties	25,000	-
	<u>85,442</u>	<u>-</u>
Payable within one year	40,959	-
Payable after one year	44,483	-
	<u>85,442</u>	<u>-</u>

The bank loan was obtained on 12 May 2020 under the government's Bounce Bank Loan scheme in order to assist with the financial effects of the Coronavirus epidemic.

The loan is repayable in monthly instalments over a five year period commencing on the first anniversary after the loan was taken out. The interest for the first year of the loan was paid for by the government via a Business Interruption Payment. Interest charges for the charity are accruing at a rate of 2.5% per annum from 12 June 2021.

14 Creditors: amounts falling due within one year

	Notes	2020	2019
		£	£
Bank loans and overdrafts	13	14,321	-
Other borrowings		26,638	-
Other taxation and social security		3,636	2,625
Accounts payable		71,459	6,243
Other creditors		200	139
Accruals and deferred income		671,218	684,933
		<u>787,472</u>	<u>693,940</u>

THEATRICAL EDUCATIONAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

15 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Bank loans	13	44,483	-

16 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:						
Intangible fixed assets	7,975	-	7,975	8,675	-	8,675
Tangible assets	123,684	-	123,684	161,883	-	161,883
Current assets/ (liabilities)	(117,474)	-	(117,474)	(138,701)	-	(138,701)
Long term liabilities	(44,483)	-	(44,483)	-	-	-
	<u>(30,298)</u>	<u>-</u>	<u>(30,298)</u>	<u>31,857</u>	<u>-</u>	<u>31,857</u>

17 Related party transactions

Transactions with related parties

During the period the charity entered into the following transactions with related parties:

In December 2020 Mr G Lee, who is the school's original founder and is now financial controller, lent the charity £25,000 interest-free on a short term basis. The loan has been repaid since the year-end.

Mr Lee was paid a salary of £7400 (Year ended August 2019: £4000) during the period for his work as financial controller. He was also paid £40,000 in respect of a Trade Mark licence agreement for the use of his intellectual property (Year ended August 2019: £30,000). The TM licence agreement has been in operation since 28th November 2007. He has waived payment in respect of this agreement for the first four months of 2021 as the school was unable to fully trade due to pandemic restrictions.