

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

---

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

---

# THEATRICAL EDUCATIONAL SERVICES LIMITED

## CONTENTS

---

	<b>Page</b>
Trustees' report	1 - 4
Independent examiner's report	5
Statement of financial activities	6
Balance sheet	7
Notes to the financial statements	8 - 18

---

# 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 2023	Unrestricted funds 2022	Restricted funds 2022	Total 2022
	Notes	£	£	£	£	£	£
<b>Income from:</b>							
Donations, grants and legacies	3	1,600	25,100	26,700	2,052	5,750	7,802
Charitable activities	4	545,223	-	545,223	632,973	-	632,973
Investments	5	937	-	937	181	-	181
<b>Total income</b>		<u>547,760</u>	<u>25,100</u>	<u>572,860</u>	<u>635,206</u>	<u>5,750</u>	<u>640,956</u>
<b>Expenditure on:</b>							
Charitable activities	7	644,433	28,100	672,533	670,906	2,750	673,656
Taxation	10	(36,571)	-	(36,571)	(5,928)	-	(5,928)
<b>Total expenditure</b>		<u>607,862</u>	<u>28,100</u>	<u>635,962</u>	<u>664,978</u>	<u>2,750</u>	<u>667,728</u>
<b>Net expenditure for the year/ Net movement in funds</b>		(60,102)	(3,000)	(63,102)	(29,772)	3,000	(26,772)
Fund balances at 1 January 2023		<u>(61,766)</u>	<u>3,000</u>	<u>(58,766)</u>	<u>(31,994)</u>	<u>-</u>	<u>(31,994)</u>
<b>Fund balances at 31 December 2023</b>		<u>(121,868)</u>	<u>-</u>	<u>(121,868)</u>	<u>(61,766)</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 £	£
<b>Fixed assets</b>					
Goodwill	11		6,400		6,925
Tangible assets	12		53,032		65,569
<b>Current assets</b>					
Debtors	13	118,079		90,294	
Cash at bank and in hand		166,583		172,188	
		<u>284,662</u>		<u>262,482</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(450,906)</u>		<u>(368,796)</u>	
Net current liabilities			(166,244)		(106,314)
<b>Total assets less current liabilities</b>			(106,812)		(33,820)
<b>Creditors: amounts falling due after more than one year</b>	16		(15,056)		(24,946)
<b>Net liabilities</b>			<u>(121,868)</u>		<u>(58,766)</u>
<b>Income funds</b>					
Restricted funds	18		-		3,000
Unrestricted funds			<u>(121,868)</u>		<u>(61,766)</u>
			<u>(121,868)</u>		<u>(58,766)</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
	545,223	632,973

# 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

### 6 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
	3	3

#### 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
	112,358	120,478

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

	2023 Number	2022 Number
£60,001 to £70,000	-	1
£70,001 to £80,000	1	-

# 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>
<b>Analysis by fund</b>						
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 £
<b>Cost</b>	
At 1 January 2023 and 31 December 2023	40,500
<b>Amortisation and impairment</b>	
At 1 January 2023	33,575
Amortisation charged for the year	525
At 31 December 2023	34,100
<b>Carrying amount</b>	
At 31 December 2023	6,400
At 31 December 2022	6,925

### 12 Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>			
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
<b>Depreciation and impairment</b>			
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
<b>Carrying amount</b>			
At 31 December 2023	27,758	25,274	53,032
At 31 December 2022	38,503	27,066	65,569

### 13 Debtors

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
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
		450,906	368,796

### 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 £
<b>Defined contribution schemes</b>		
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>          </u>	<u>          </u>	<u>          </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>          </u>	<u>          </u>	<u>          </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>          </u>	<u>          </u>	<u>          </u>	<u>          </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>          </u>	<u>          </u>	<u>          </u>	<u>          </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 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 December 2023 are represented by:						
Intangible fixed assets	6,400	-	6,400	6,925	-	6,925
Tangible assets	53,032	-	53,032	65,569	-	65,569
Current assets/(liabilities)	(166,244)	-	(166,244)	(109,314)	3,000	(106,314)
Long term liabilities	(15,056)	-	(15,056)	(24,946)	-	(24,946)
	<u>(121,868)</u>	<u>-</u>	<u>(121,868)</u>	<u>(61,766)</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.