

**MOUNTVIEW ACADEMY OF THEATRE  
ARTS LIMITED**  
(a company limited by guarantee)

Charity Number 274166  
Company Number 01019858

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31ST AUGUST 2020**



# **Mountview Academy of Theatre Arts Limited**

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**Mountview Academy of Theatre Arts Limited**  
**Reference and Administrative Information**  
**For the year ended 31 August 2020**

**Regulatory Information**

<b>Company Number</b>	01019858	
<b>Charity Number</b>	274166	
<b>Directors and Trustees</b>	Sir Brendan Barber Lady Susan Chinn Laura Gander-Howe Dame Vikki Heywood Trevor Jackson Benjamin Lafayette Andrew Parker André Ptaszynski John Reiss Johnson Situ Giles Terera Vincent Wang	Appointed 24 October 2019  Deceased 29 July 2020
<b>Secretary</b>	Jeremy Smeeth	
<b>Principal &amp; Artistic Director</b>	Stephen Jameson	
<b>Executive Director</b>	Sarah Preece	
<b>Registered Office &amp; Principal Address</b>	120 Peckham Hill Street London SE15 5JT	
<b>Auditors</b>	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD	
<b>Bankers</b>	Unity Trust Bank PLC Nine Brindley Place Birmingham B1 2HB  Bank of Scotland 14-16 Cockspur Street London SW1Y 5BL  Close Brothers Limited 10 Crown Place London EC2A 4FT	
<b>Solicitors</b>	Bates Wells Braithwaite 2-6 Cannon Street London EC4M 6YH	

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## Trustees' Report – September 2019 to August 2020

### INTRODUCTION

The Trustees hereby present their report and financial statements for the year ended 31 August 2020. The reference and administrative information set out on page 1 forms part of this report.

As for every organisation and every person, much of this year has been dominated by the Covid-19 pandemic which has swept the globe since early 2020. In September 2019 Mountview started its second year of operation in its new, purpose-built home in the centre of Peckham, South London. With healthy student recruitment numbers and some good progress already achieved on the development of our new commercial and revenue fundraising income streams, we looked ahead to the coming academic year with confidence and excitement.

By March 2020, the UK was in a stay at home lockdown and we had to rapidly shift to full online learning, teaching and working; a situation that endured for the remainder of the financial year. Our teaching and administrative staff worked tirelessly to ensure this shift was successful, and our students demonstrated incredible determination, dedication and resilience in their approach to this new way of learning. It is testament to this hard work of students and staff alike that all our student cohorts achieved their academic qualifications or progression for the year, and that we secured full student recruitment for our September 2020 intake. The Trustees and Executive team acted quickly to assess the financial risks facing Mountview, both in the short and longer term, and opened a dialogue with the London Borough of Southwark (LBS), our ever-supportive partner, to seek a variation to our loan financing agreement with them. This was successfully agreed in July 2020, and has provided Mountview with an essential break in interest and capital payments until October 2022, after which time annual fixed repayments will be made together with associated interest costs. Short term risks were also greatly helped by access to the government's Coronavirus Job Retention Scheme (CRJS), which helped to preserve the salary levels of staff put on temporary furlough.

Following the year end, we returned to the building in September 2020, operating on a model of blended learning, combining Covid-secure in-person teaching with continued online provision. Despite the constraints of this model and the ongoing social and financial pressures they have faced during this time, our students have again fully committed to their learning during this academic year, even when we were forced back into full online provision at the beginning of 2021.

The other defining issue of this year was the impact of the killing of George Floyd in Minneapolis in May 2020. The subsequent wave of Black Lives Matter protests not only highlighted the intense shock, anger and grief experienced by so many people around the world, but also foregrounded the issue of endemic structural and systemic racism in our societies and institutions. As in many education settings, our Black students led our wider student body in holding Mountview to account on these issues, both as an individual organisation and as part of an institutional system. In response to their call to action, Mountview committed to playing its part in addressing these issues, publishing a Black Lives Matter Statement of Intent and developing a target-driven Action Plan, which is overseen by a working group of trustees and staff. Our first progress update was published in November 2020, showing that 24 out of 26 promised actions were complete or already in progress. We remain committed to completing the full action plan and embedding its outcomes in our anti-racism strategies for the future.

At the time of writing this report our world is still in a state of social and financial upheaval. However, the vaccination programme being rolled out across the UK and in many other countries, and the positive effect it is already having on the pandemic, offers hope that life can return to some kind of normality during 2021. The Trustees would like to thank all Mountview's students, staff, freelance workers, commercial partners, funders and stakeholders for their resilience, hard work and support during this deeply challenging time. We look forward to a brighter future very soon.

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## STRATEGIC REPORT

### Charitable Objects and Principal Activities

The principal charitable aim of Mountview Academy of Theatre Arts Limited ('Mountview', 'the Academy', 'the Charity') continues to be the promotion and provision of vocational education amongst members of the public; developing the public's appreciation and understanding of the arts.

The primary activity of the Charity is the provision of high quality education and training at foundation, undergraduate degree and postgraduate degree levels, and via various short courses, for:

- Students who wish to work professionally as actors and performers, or production professionals, in the theatre, music and related industries;
- Part-time students and members of the local community, both adults and children, who wish to develop their creativity and skills.

From its new home in Peckham, South London, Mountview also presents a public programme of student productions, hosts incoming external events and productions and provides office, rehearsal and retail space to a variety of community, not for profit and commercial tenants and hirers. Proceeds from these activities are all invested back into the charitable work of the Academy.

### Mission and Strategic Objectives

#### Overview

Mountview is one of the UK's leading drama schools. We have a worldwide reputation for excellence in education and training.

Our vision is Excellence, Access and Innovation:

Excellence: To produce the next generation of leading actors and creative artists.

Access: To train the most talented people regardless of background or income.

Innovation: To create challenging work in collaboration with the finest directors, writers and composers at our new fit-for-purpose theatre and training facility in the heart of Peckham.

#### Excellence

Our last Higher Education Review (Alternative Providers) was conducted by the Quality Assurance Agency (QAA) in 2017, and followed up the next year by a regular monitoring visit. QAA confirmed their highest level of satisfaction, that we met all requirements and UK expectations. The University of East Anglia (UEA), our validating partner undertook their 5-year Institutional Review in 2019 and confirmed our excellence as a provider, and in the same year we also received an excellent inspection report from Council for Dance, Drama and Musical Theatre (CDMT) who accredit our provision.

Students on our undergraduate Performance courses have the opportunity to obtain a Diploma in Professional Acting/Musical Theatre from Trinity College London, one of our Academic Partners. This Further Education provision means that these courses are subject to inspection by the Office for Standards in Education, Children's Services and Skills (Ofsted). Our most recent inspection was in autumn 2015, and we were delighted to be deemed an Outstanding provider across all elements of the inspection. Our courses were also successfully revalidated by Trinity in 2020.

In the 2020 National Student Survey (NSS) our response rate was 91% (down 6% on the previous year) and our overall satisfaction was 89%, putting Mountview in the top 4 drama schools in the sector. Considering that around half of the survey period fell during the pandemic, we were very pleased with these results.

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## Access

In 2019/20 142 students received Dance and Drama Awards (DaDA) funding from the Education and Skills Funding Agency to complete the Trinity College Diploma. The Dance and Drama Awards continue to provide the principal source of financial support for students showing exceptional potential to succeed in the theatre industry and are vital to the ongoing diversity of our student intake.

In addition, several students on our programmes are supported by fees and hardship bursaries afforded through generous donations to Mountview and from the Peter Coxhead Scholarship Fund and the newly established Judi Dench Fund for Access to Drama Training. We have increased our financial support provision during the Covid-19 pandemic, in recognition of the financial challenges faced by many of our students and their families.

Mountview has developed a Statement of Access, Participation and Public Good, which is published on our website and updated regularly.

## Innovation

Mountview continues to develop its reputation as a home for experiment and innovation and continues to champion new writing. There were two world premieres commissioned and programmed in the public facing repertoire this year – *The Stunners' Opera* by Howard Goodall CBE and Joanne Harris MBE and an actor musician piece for family audiences based on the Hans Christian Anderson's *The Sandman* by John Ward and David Hewson.

Mountview's new building has continued to provide a significant resource for innovation. The new facilities which are used by community groups and commercial entities as well as for core teaching allow students and visitors to work alongside each other. The pandemic curtailed this hive of activity during the second half of the year, but the myriad ways that our students and staff have connected online with each other, our local community and the theatre industry is testament to the creative and innovative spirit at the heart of Mountview.

## **Impact and Achievements**

### Academic Programmes

2019/20 was another busy and successful year for Mountview across all academic programmes, in spite of the challenges posed by the pandemic. Student applications increased from 4150 in 2018/19 to 4207 in 2019/20. The total enrolment across all years of study in 2019/20 was 458 full-time students (2018/19 - 459) and 30 part-time students (2018/19 - 34). Total enrolment for the academic year 2020/21 has risen to 538. We are therefore now close to our ambition of 550 students per year experiencing the excellence of Mountview's dramatic training.

Retention of students remains excellent and when the occasional student interrupts their study it is nearly always for medical reasons and they regularly return to complete in the following September. Levels of student withdrawals or interruptions of study fell from 3% of total enrolment in 2018/19 to 1% in 2019/20. External examiners' reports commend the standards achieved by students and the robust assessment systems in place.

All higher education courses are validated by UEA with whom we continue to have an excellent working relationship. The revalidation of the BA Performance course in 2019 made significant changes to all three pathways (Acting, Musical Theatre and Actor Musicianship), using four themes to ensure a holistic overview: Wellbeing, Inclusivity, 21st Century Readiness and Collaboration. This work was highly commended by UEA and in the first year of the changes saw an invigorated curriculum and staff team. All this was despite the intervention of the pandemic reshaping all delivery to online and blended learning modes. The MA Musical Direction and MA Theatre Directing courses were also revalidated and gained commendations from the external panel and UEA.

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As noted above, students in receipt of DaDA funding complete the Diploma in Professional Acting or Professional Musical Theatre validated by Trinity College, London and additionally complete their BA Performance, gaining two NQF level 6 awards. Again, Trinity College are a supportive and engaged partner in the management of these awards.

Mountview's one-year Foundation Courses in Musical Theatre and in Acting continue to be successful in preparing students for full time training.

## Quality Assurance

As noted above, Mountview continues to achieve excellent results in all inspections and ongoing metrics required by external validation partners and quality assurance agencies. Mountview has also met all its regulatory obligations to the Office for Students (OfS) in the year, including submission of all statutory data returns to the Higher Education Statistics Agency (HESA).

Our previous Learning, Teaching and Assessment Strategy was completed in 2018/19, a year earlier than planned, in part due to the move to our new Peckham premises. There were six priorities: Championing Innovation, Collaboration, Industry Ready Graduates, Lifelong Learning, Using Technology and Supporting Learning. The creation of a new strategy was started in 2019/2020, and this development phase has been extended into 2020/21 due to the pandemic; it will now come into effect in 2021/22.

The quality of teaching continues to be assessed internally as an ongoing part of staff development and support. There is a strong culture of peer to peer observations in addition to discipline specific observations and cross department observations. The in-house Lesson Observations Report 2018/19 showed that there was continued improvement made in relation to the areas identified for development and excellent evidence of best practice being shared.

## Student Support

Training at Mountview requires a strong financial and emotional commitment from students, together with a robust academic and physical work ethic. Even before the added challenges posed by the pandemic, we had continued to see an increase in the need for student support across all these areas; and of course this has been exacerbated by pandemic-related anxiety and social isolation.

Mountview has strong pastoral care provision through our network of Personal Tutors and our Student Welfare Manager. During the year we have significantly increased capacity in our student counselling service, now offering students a choice of four counsellors from diverse cultural backgrounds and with varied therapeutic approaches. As noted above, we have also significantly increased our levels of student financial support to help students in need navigate through this difficult period.

## Artistic Programme and Events

Our graduating third year students began the year with public productions in repertoire in our 200-seat Mountview Theatre and 80-seat Backstage Theatre. Productions featured classics including *Romeo and Juliet* and *Guys and Dolls*, the first production of *Emilia* by Morgan Lloyd Malcolm since its West End run and, as noted above, new commissions *The Stunners' Opera* and *The Sandman*.

When lockdown led to students finishing their courses online, alternative assessments for performance modules were put in place to provide comparable learning opportunities digitally.

During lockdown the school launched Mountview LIVE, a series of online conversations with leading industry professionals, led by Mountview alumnus, trustee and Olivier Award-winning actor Giles Terera MBE. Participants included Mountview's President Dame Judi Dench, Oscar-winning actor and writer Lin-Manuel Miranda, Noma Dumezweni, Stephen Daldry CBE, Glenda Jackson CBE and Adrian Lester CBE. All conversations are free to view on Mountview's YouTube channel.



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## Graduate Outcomes - Academic

Student achievement rates remain consistently high at Mountview. 97% of BA graduates achieved a First class and Upper Second class degree classification, a 7% increase on the previous year. 93% of postgraduate degrees were achieved at Distinction or Merit, an increase of 2% on the previous year.

Results this year were higher than usual as a result of our students being resilient, brave, focussed and determined in their learning, particularly across the time of the pandemic lockdown; this was also enhanced by the constantly improving quality of our teaching. Students arriving at Mountview with little or no prior attainment all achieved well, with 100% of students receiving final awards.

Our graduation ceremony for 2019/20 leavers, which would usually take place in November, has had to be postponed this year, but we look forward to welcoming back all our graduates for the ceremony as soon as it is safe to do so.

Students in this year were nominated for and awarded scholarships and bursaries from the following: Andrew Lloyd Webber Foundation Scholarship, Sir John Gielgud Charitable Trust, Lilian Baylis Award, Laurence Olivier Bursary, Lionel Bart Foundation, South Square Trust, and Leverhulme Trust.

## Graduate Outcomes - Professional

Future careers guidance for Mountview students is led by our Industry Liaison and Professional Development Manager. During their second year of study, all BA performance students receive a range of industry led classes covering many practical aspects of working in the performing arts industry. During the third year of study, the Industry Liaison and Professional Development Manager takes on a vital one-to-one role with students, supporting them throughout their public performances and showcases and dealing with individual agent interest and signing. Due to remote learning, the usual facility of a panel week and live auditions with industry professionals was not possible this year. As an alternative, online meetings were set up with leading industry directors, casting directors and other specialists for graduating BA performance students during January and February 2020. Bespoke industry liaison support is given to Theatre Production Arts and Postgraduate students, who also receive additional support from their Heads of Course and other departmental staff.

2019/20 has of course imposed limitations on the nature of industry liaison work, as it has on all of Mountview's activities. However, we have maintained a strong programme of online activity throughout the year. A testament to the success of this online support for students is that we have seen no decrease in the high agent representation rates we usually see for all performance courses. In fact, representation rates have climbed still further in this year, with our overall undergraduate representation rate hitting 100% and our overall postgraduate rate at 87%.

Whilst employment rates are inevitably down on prior years, due to the devastating impact of the pandemic on the theatre industry, 46% of our graduating BA students have still found performance employment opportunities after finishing at Mountview, principally in recorded media and online initiatives.

Notable professional highlights for recent students and current students were:

- 2020 graduate Noah Thomas landed the titular role of Jamie in the West End hit musical *Everybody's Talking About Jamie* and won Best Actor at the Black British Theatre Awards 2020.
- 2019 graduate Lucy Anderson was nominated for Best Supporting Actress at the 2020 Olivier Awards and Stage Newcomer Awards for her role in *Dear Evan Hansen*.
- 16 graduates from the 2020 Musical Theatre cohort were asked to sing at a special socially distanced gala for Magic Radio at the London Palladium in September 2020. This was the first major musical theatre event since the beginning of the pandemic
- A mixed cast of current third year Musical Theatre, Actor Musician and Acting students also participated in the first full musical production during the pandemic *Songs for A New World*, again at the London Palladium, in October 2020.

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## Public and Community Benefit

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit. Mountview offers a diverse portfolio of full and part time courses, enabling people of all ages and backgrounds to enrich their knowledge, skills and experience of the theatre arts sector.

Mountview continued and broadened its work in the community through 2019/20. Whilst the pandemic deeply impacted this work, we still managed to deliver a number of projects in this year:

### *Generation Ne\*t – Young People's Work:*

As young people's work and progression routes into higher education/vocational training are central to our work, the Generation Ne\*t programme continued to receive primary focus in 2019/2020, and we succeeded in our aim of attracting more interest from the 12-14 and 15-18 age groups.

Over 250 young people enrolled on our weekend Generation N\*xt workshops in the autumn and spring terms, with at least 130 of these receiving a Southwark Young People's Bursary from Mountview to subsidise the workshop fees. Due to the pandemic, we delivered our summer term of classes online. These classes were delivered free of charge and designed to deliver creative engagement for as many young people as possible during the lockdown. Over 100 young people attended online.

### *Bridge Projects:*

These projects deliver drama training in local schools with the aim of signposting young people to further training opportunities and identifying local young people of natural talent. The programme ran in the autumn and spring terms, with 65 students taking part from five local schools. Further Bridge Projects will continue in 2020/2021.

### *Local Partnerships:*

We have continued to open Mountview up to partnerships with local artists and companies, with the aim of diversifying our output and forging strong links in the Peckham community. In this year, these partnerships have included work with the Movement Factory on Generation N\*xt dance classes and with EW TKD to offer twice-weekly accessible Tae Kwon Do classes for all ages and experience levels.

### *BA Scouting Outreach Scheme:*

Recognising that there is a significant pool of talent who would not traditionally consider drama training to be accessible, we work with a nationwide network of scouting partners – from youth clubs to arts centres – to find diverse applicants across the country. Those identified receive free auditions and support, removing initial barriers and ensuring we develop the very best young artists irrespective of social, financial or cultural background.

We had another successful year with this scheme, working with a range of youth theatre partners to offer free auditions for nominated participants. From 43 partner organisations we auditioned 78 applicants, of which 17 were taken through to the recall audition stage and 4 were offered places on our BA programmes.

Our Outreach work for our Theatre Productions Arts courses has also significantly expanded this year. Using the scouting network and developing relationships with several other schools and colleges, we are seeing steady increases in the numbers and diversity of applicants to these courses.

### *Engagement with Mountview Productions:*

We were able to once again offer students from local schools and a local care home free tickets to our third-year productions. A total of approximately 170 people attended shows under this scheme.

## Business Planning – 'New Model Drama School'

As part of the capital project to build our new premises, Mountview produced a 35-year business plan to support its planned operations in these premises and evidence its ability to service and repay the loan

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financing provided by London Borough of Southwark – this plan was scrutinised and approved by the Trustees and Southwark Council and independently reviewed by external consultants.

Our resulting new business model has seen us increasing student numbers (full time and part time) to close to 550, whilst welcoming an increasing number of users of the building during evenings, weekends and school holidays. The building has, at its heart, retained its primary focus as a vocational academy of excellence during the academic year and is becoming a professional development and community skills learning centre out of hours. The addition of a public facing, fit-for-purpose theatre has enabled us to deliver our world class repertoire onsite, while opening our doors to the local community of Peckham and beyond. In future, it will provide enhanced opportunities for apprenticeships and training in technical theatre practice.

New retail units and offices, together with opportunities for space hire, community classes and new vocational training courses are generating additional income streams to support our charitable objectives; whilst the growth curve of these income streams has been slower than originally planned, and has been further restricted by Covid-19 limitations, we are confident that over the last two years we have laid solid foundations which will allow these income streams to grow rapidly once the pandemic recedes.

Loan interest started to be payable from October 2019 onwards, and for the first quarter to December 2019 we paid £227,749 interest, together with a capital repayment of £500,000. When the coronavirus struck, the trustees opened a dialogue with London Borough of Southwark to negotiate a period of reduced interest and capital payments on the loan, in order to mitigate the uncertainties of the situation and the potential significant financial and operational risks faced by the Charity. LBS agreed to a generous set of measures which included:

- Suspension of payments of capital and interest until October 2022; with no interest accruing during this period;
- Extension of the loan term to 42 years (September 2051);
- Minimum annual payments from Mountview to the Council of £300,000, with effect from October 2022 for the full 42-year term; and
- Flexibility to overpay in any year.

As ever, the Trustees are immensely grateful to LBS for their continued support. This agreement will ensure that Mountview can flourish in the future and deliver fully on the community benefits we are determined to bring to Peckham and the wider borough.

As part of Mountview's move to larger premises and development of this new business model, the Trustees approved a programme of investment in strategic and operational staff growth, in order to build the required organisational capacity for success; these investments have begun to bear fruit and will reap further rewards in future periods in terms of income growth and organisational effectiveness. The Coronavirus Job Retention Scheme has been a vital resource, in the year and beyond, to sustain our workforce and retain its skills and expertise for the future

## Business Planning – Core Objectives

The development and realisation of our new site and new business model has underpinned our continued progress in achieving our core business planning priorities. The table below summarises progress against these objectives over the last five years:

Business Planning Objective	Status – August 2020
Be recognised as one of the five top drama schools in the UK with a reputation for <u>innovation, excellence and access</u> within the theatre, arts and training sectors and more broadly	Achieved - Mountview's national and international profile has developed significantly. We are a leader in access to training, programme and curriculum development, and community engagement.

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Further strengthen links with the professional theatre, film and broadcasting industries, sharing ideas, resources and a spirit of innovation in pursuit of excellence	Achieving - Mountview has continued to strengthen links with these industries, most notably in theatre in terms of commissioning, masterclasses etc. Further developing our links in film, broadcasting and digital will be carried forward to the next planning cycle.
Move to newly refurbished premises following a successful fundraising campaign	Achieved - Our new premises opened in the centre of Peckham in September 2018, on time, on budget and with our full fundraising target achieved.
Broaden and diversify our funding base with a view to creating a secure and sustainable future and the ability to further invest in student support and facilities	Achieving - Our revenue fundraising and commercial income strategies were building well before the pandemic. We are confident that the building blocks are in place for these strategies to bounce back strongly during 2021/22.
Simplify accountability requirements through a strategic review of key funding, validating and accrediting partners	Achieved – We signed a new five-year partnership agreement in 2019 with UEA, who validate all our HE provision. In addition, our Trinity Diploma was revalidated in 2020.
Grow from just under 400 students to 600 over the whole of our portfolio of training provision	Achieving – Domestic and international student numbers have increased to almost 550 students per year. Our international summer school programme, which was piloted in 2019 but has been impacted by Covid-19 restrictions since then, will come back on stream fully in 2022.
Develop and introduce a number of new undergraduate and a range of new postgraduate programmes	Achieved – As noted above.
Increase the number of international partners and students and develop Mountview's reputation internationally	Achieved - The number of international fee paying students enrolled rose from 6 in 2015/16 to 46 in 2019/20, thus achieving our strategic targets.
Continue to develop a diverse student population, attracting staff and students from a wide range of backgrounds and cultures.	Achieving - Diversity has been a key priority for Mountview across this period. As noted above, we have made good inroads into diversifying our student base; we know we have more to do in terms of our staff team, and we are in the process of enacting a targeted strategy to address this.
Further expand and strengthen our education, community and outreach programme, providing a wide range of learning, training and work opportunities, particularly in our local borough.	Achieving - We have successfully transferred and grown our work with local young people and local schools from Haringey to Southwark. New local partnerships in Southwark have been successfully developed, including our continuing strong relationship with the local council.
Develop a programme that links our young people's work to our formal training programmes	Achieving – Our growing local community programmes will provide a pipeline for applications to our formal training programmes. Free auditions and several training bursaries are now available for local applicants and workshop participants.

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Continue to capacity build and invest in staff development as the growth in our activity requires and resources allow	Achieving - We have invested heavily in building capacity into our staff teams, from teaching through to venue operations. We have increased wages for our lower paid staff, and now all employees receive at least London Living Wage. We are undertaking a fuller review of our entire staff rewards and benefits system, and continue to promote staff development.
Ensure that all aspects of our work, and the design and use of our premises and facilities, equipment and resources, are accessible and informed by the need to move towards greater environmental sustainability	Achieving - Our new Peckham site is fully accessible and has a high BREEAM environmental rating. Leading inclusive dance company Candoco recently took up residency in the building. In 2019 we engaged a local sustainability consultancy to analyse and improve our carbon footprint. This work will continue when we return fully to the building.

## Business Planning – Looking Ahead

A new business planning cycle was started at the beginning of this financial year, with a view to approving a full new business plan for 2020/21 onwards. However, in view of the significant and continuing impact of the pandemic the decision has been taken to defer the start of this new business plan period to 2022/23. The financial year 2021/22 will focus on consolidation of our student numbers and experience, and revitalising our community programme, fundraising and commercial activities.

## FINANCIAL REVIEW

### Review of Financial Position

For the year ended 31 August 2020 Mountview reported net expenditure of £776,424 including a transfer to designated funds for the capital project of £164,560 and a tax credit provision of £96,618 in relation to Theatre Tax Relief.

Total income of £6,919,152 has decreased by £1,608,111 (19%) from 2018/19. This is mainly due to the capital project coming to an end, resulting in a drop in donations income, and pressure on commercial income streams due to the Covid-19 pandemic. During the year, the charity has received £270,724 grant income from the Coronavirus Job Retention Scheme. The main source of ongoing funding for the charity continues to be tuition fees which contributed 81% of total income. £1,402,320 (25% of tuition income) was received from the Education and Skills Funding Agency in the form of Dance and Drama Awards for individual students.

Total expenditure of £7,792,194 has decreased by £586,025 (7%) from 2018/19. This is mainly due to the COVID-19 pandemic resulting in the closure of the Mountview premises and productions in the second half of the year having to move online. As noted in the introduction to this report, we have agreed a variation to our loan agreement with the London Borough of Southwark. As a result of this variation, interest paid in the year of £227,749 was £450,493 lower than originally budgeted for the year.

During the year, Mountview completed the works on its major capital project, following completion of the theatre fit out and post completion works. Costs this year totalled £551,882 and are included within additions to both land and building leasehold and fixtures, fittings and equipment (found in note 13 to the accounts).

### Investment Policy

Under its Articles of Association, the charity has the power to make any investments that the Trustees see fit. The charity's modest level of reserves requires an investment policy which prioritises accessibility of funds.

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Two fixed notice deposit accounts, one requiring six months' notice and the other twelve months' notice, are held with Close Brothers Treasury. At 31 August 2020 £1,456,445 was held in these accounts, which represented 34% of Mountview's total cash balances at that date. A 30-day notice treasury reserve account is also held with Bank of Scotland, and cash funds surplus to day-to-day requirements are transferred to this account where possible.

## **Reserves policy**

The charity's total reserves have reduced by £776,424 (14%) from 2018/19, largely due to a reduction in income as the capital project has come to an end. This has resulted in a net deficit on designated funds as the charity draws down on the fund for depreciation of the capital asset and loan interest payments.

This deficit on designated funds has been partly offset by a surplus on other unrestricted funds. The charity had planned for a four-year deficit strategy on unrestricted funds, approved by the Trustees to enable Mountview to capacity build and embed its new business model in its new premises. However, operating costs during the year have reduced, due to pandemic-related building closure and lower interest costs, resulting in a net surplus on the unrestricted fund for the year of £302,444. This has resulted in free reserves of £754,403 at the year end.

The Trustees recognise that the charity continues to go through a period of significant change following completion of the capital project and as it grows its new business model. As noted above, the existing financial risks inherent in this growth have been exacerbated by the impact of the pandemic. The Trustees have accordingly renegotiated the repayment terms of its loan with London Borough of Southwark in order to protect its short to mid-term reserves position. Whilst this has significantly reduced the financial risk profile of the charity, the Trustees are aware that general reserve levels are currently still lower than they would wish. The Trustees continue to monitor the financial performance of the charity very closely, with a view to reducing this risk profile further over time and growing general reserves over the next five years to £2m, equivalent to three months' future operating costs.

Further details of all reserve funds are shown in notes 20 and 21 to the accounts.

## **Going Concern**

The activities of Mountview together with factors likely to affect its future development are set out within this report. The financial position of Mountview, its cash flow and liquidity are summarised above and set out in more detail in the Financial Statements and the supporting notes.

The Covid-19 pandemic and the resulting measures and restrictions in place in the UK since March 2020 have resulted in a period of uncertainty which the Trustees anticipate will continue for some time into the future. However, the review of Mountview's financial position, reserves levels, and future plans, together with the renegotiation of the loan with London Borough of Southwark to provide a break in capital and interest payments until October 2022, give the trustees confidence that the charity remains a going concern for the foreseeable future. The Trustees consider Mountview's current and forecast cash resources to be sufficient to cover the working capital requirements of the Charity for at least 12 months from the date of signing this financial report and financial statements.

As noted above, the Charity produced a 35-year business plan to support its operations in its new premises. This included income, expenditure and cash flow projections, together with sensitivity analysis on both capital and operating income levels. The plan is updated regularly and reviewed by the Trustees as part of the annual budget approval process. It has been updated this year to include multiple scenario analyses to assess & manage the impact of the pandemic on finances & operations. Updated financial performance reports and future forecasts are provided regularly to the Finance and Planning Committee and the Board.

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In view of the above review and control measures, the trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern and therefore believe that it is appropriate to prepare the financial statements on a going concern basis.

## **Fundraising**

Mountview is a registered charity and is supported by philanthropic gifts from statutory bodies, charitable trusts and foundations, individuals, and cash and in-kind support from companies. Mountview's Development team deliver the planning and execution of its fundraising activities, supported by the Executive leadership and Development Committee, and overseen by the Board of Trustees.

Following the completion of Mountview's £6.5 million capital campaign, 2019/20 marked a transitional year for fundraising, as our focus shifted from capital to revenue fundraising. We welcomed a new Development Director in May 2020, with a mandate to build on the terrific success of the capital campaign and build a new revenue fundraising function for Mountview. Work is now underway to devise and deliver new case for support materials, implement fundraising systems and create giving schemes to prepare for future growth in fundraising activity, aligned to Mountview's strategic priorities in the immediate and longer-term.

In 2019 / 20 we launched the first of these new revenue fundraising initiatives – the Judi Dench Fund for Access to Drama Training – designed to support the following activities that break down barriers:

### *Mountview's Scouting Network:*

As noted above, working with our network of over 50 scouting partners is a vital part of our strategy to remove initial barriers to training and ensure we develop the very best young artists irrespective of social, financial or cultural background.

### *Scholarship Support:*

A diverse student body is only possible with significant scholarship support. Over 50% of undergraduate students at Mountview are considered to come from low-income families, and receive support for their tuition and/or living costs.

### *Wellbeing and Welfare Support:*

Drama training is intensive, and as well as supporting those with disclosed mental health conditions and neurodiversity, we recognise that wellbeing and welfare provision is vital for all students, ensuring they have the support needed to thrive during their training.

### *Emergency Grants:*

The pandemic has had devastating effect on artists, and many of our students faced unforeseen financial difficulties family incomes impacted, and access to part-time work drastically reduced. We have seen a sharp increase in requests for emergency support, and investment in this area safeguards those most vulnerable when it matters most.

The Judi Dench Fund for Access to Drama Training will ensure a diverse cohort of future theatre makers and performers are found and supported to pursue training at Mountview, and take their first steps to successful careers in the creative industries.

Alongside donations for the Judi Dench Fund, restricted donations were also received for projects including Generation N\*xt. Thanks to the support of our donors, 50% of those taking part were from low-income families in Southwark, supported by bursaries to cover the costs of participation.

Mountview strives for best practice in its fundraising activities. We are registered with the Fundraising Regulator and follow the Fundraising Regulator's Code of Fundraising Practice. We are committed to being

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transparent with our supporters and to ensuring that our fundraising is legal, honest and responsible. We aim to build and maintain solid partnerships based on mutual understanding and shared values.

Whilst we work hard to provide the best possible customer service and deliver to the highest standards for all our supporters, we recognise that despite our best endeavours there may be times when we fall short of their expectations. A Complaints Procedure is accessible on our website, and Mountview received no complaints about its fundraising activities for the reporting period September 2019 to August 2020.

Mountview operates with a small internal Development team, and does not undertake street or telephone fundraising. All Mountview staff and volunteers who fundraise and advocate on behalf of Mountview are expected to:

- Always act in the best interests of Mountview
- Behave in a professional manner and act with integrity when representing Mountview
- Observe legislation relevant to fundraising activities including the Data Protection Act 1998 and Charity Commission law
- Not exploit their position or relationship with supporters for personal gain
- Disclose to the Executive Director any financial or personal interests which might conflict with the interests of Mountview or its donors

We are incredibly grateful for the many individuals, grant-makers and organisations that supported Mountview this year, enabling young people of all ages and from all backgrounds to access high quality experiences and training in drama, dance, music and much more.

## Risk Management

The Finance & Planning Committee has a specific delegated responsibility for identifying and monitoring business, financial and other risk and reporting on these to the Board. The Board throughout this period has given consideration to the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks.

The trustees undertake a detailed risk management strategy that comprises:

- An annual review of the risks the charity may face;
- The establishment of systems and procedures to mitigate those risks identified; and
- The implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

A comprehensive risk and opportunity management tool is reviewed at executive team meetings, Finance & Planning Committee and Board meetings. This tool identifies risk mitigation factors currently in place and sets out an action plan for further mitigation of risks.

The principal short term risks facing the charity, and mitigating actions, as follows:

Short Term Risk	Mitigation
Covid-19 continues to impact operations: substantial reductions in commercial income and pressure on fundraising income and student fees may last longer than anticipated.	The Trustees have undertaken extensive scenario planning and negotiated a temporary halt in loan interest and capital payments to ensure financial headroom.



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Brexit has changed the visa, fees and funding landscape for students coming from the EU, posing a risk to student numbers from these countries.	Student recruitment is monitored regularly by the Executive team and the Finance and Planning Committee. Additional domestic student offers will be made if EU numbers drop.
Some areas of the new building are still subject to snagging and latent defects issues: though several of these issues have been resolved, items such as lift reliability remain a concern.	Final retention negotiations are due to conclude in April/May 2021. Funds will be held back to address the most significant items independently of the contractor.
Staff have been stretched to capacity during the pandemic, leading to a risk of burnout or reduced performance.	The Executive team is leading a programme of staff wellbeing promotion over the coming months to address staff fatigue.
Staff remuneration and benefits remain lower than the trustees would wish, due to financial constraints; steps continue to be taken to improve these, but there is still a risk of demoralised staff and staff churn.	A benefits improvement plan has been presented to the Finance and Planning Committee and will be reflected in the 2021/22 budget and future plans. The Executive is aiming to reduce weekly working hours by September.

And the risks and mitigations in the mid to longer term are:

Mid to Long Term Risk	Mitigation
Longer term forecasts for commercial income are not realised in full, thus putting pressure on our income generation business model and our ability to service debt financing.	We have agreed a loan variation agreement with LBS, which significantly reduces our servicing costs in the short term, thus building a buffer for the period after this. Commercial income forecasts are reviewed regularly and adjusted accordingly.
Our revenue fundraising strategy does not mature in the way modelled in the business plan, resulting in a shortfall on income targets;	We appointed a new Development Director during the year to lead on this strategy, and targets are set in consultation with the Development team. Performance is regularly monitored by the Development and the Finance and Planning Committees and adjusted where necessary.
Student recruitment numbers are impacted by economic, political or social factors, such as: <ul style="list-style-type: none"> <li>regulation of student fees, and associated availability of student loan financing</li> <li>changes to or withdrawal of DaDA funding</li> <li>shifts in the global HE market making the UK and London a less desirable place to study – e.g. Brexit, immigration policies, pandemic legacy travel concerns.</li> </ul>	Ongoing monitoring of developments in government and regulatory policy flags potential issues at an early stage. Lobbying is undertaken through a membership of various representative sector bodies. Business plan student recruitment numbers have so far been achieved, but ongoing performance is monitored regularly.
Income generation shortfalls lead to continued underinvestment in our physical and human resources, thus negatively impacting the student experience and staff morale in the mid-term.	Income mitigation strategies above seek to prevent this situation. Strong budget control and investment in new, efficient work processes and technology will contain overhead operating costs and allow for targeted spend in staff and student-focused areas.

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## Compliance with internal and external regulations

The financial statements comply with current statutory requirements, the Articles of Association and the 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 (Charities SORP FRS 102) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The statements and this report also include the information required by the Office for Students' accounts direction.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Organisational Structure

Mountview Academy of Theatre Arts is a company limited by guarantee and is a registered charity, number 274166. Its governing document is its Articles of Association.

Mountview is managed by a Board of Trustees, chaired by Dame Vikki Heywood CBE. The Trustees are also directors of the charitable company for the purposes of company law, as well as being members of the company.

None of the directors has any beneficial interest in the company. As members of the company, each guarantees to contribute £1 in the event of a winding up.

The Board meets five times per year. This includes an away day - a less formal meeting which involves taking a longer strategic look at the organisation, its work and its plans for the future.

There were two standing sub-committees to the Board during this financial year:

- The Finance & Planning Committee meets two to three weeks before each board meeting and plays an important part in the overall governance structure, giving advice to senior management on financial and operational matters when required and assisting the Board with the fulfilment of its fiduciary duties. The Committee is chaired by Andrew Parker, with Vikki Heywood and Sir Brendan Barber as members during the financial year. There are two regular co-opted members on the committee, Ann Cutting and Elizabeth Holden, and the facility to appoint further co-opted members as and when the company requires specialist advice or strategic guidance.
- The Safeguarding Committee, chaired during the year Laura Gander-Howe, addresses the organisational, legal and societal focus on the areas of safeguarding and student welfare. The Committee meets two to three times a year and ensures that the appropriate safeguarding policies, procedures and controls are in place and operating effectively.

There were also two committees/working groups with significant Board involvement:

- The Development Committee consists of Vikki Heywood, Susan Chinn and Chair of Good Relations PR Annie Fossey. The Development Committee meets with the Development team and Executive Director Sarah Preece monthly to support fundraising activity at Mountview.
- A Black Lives Matter Working Group has also been established to oversee progress of our Black Lives Matter Action Plan. Vikki Heywood, Giles Terera, Benjamin Lafayette, Johnson Situ and Laura Gander-Howe are joined on this group by the joint Chief Executives and other staff members.

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Day-to-day management at Mountview is delegated to the joint Chief Executives: Stephen Jameson, Principal & Artistic Director, and Sarah Preece, Executive Director. They manage all other staff members via the executive team.

The executive team comprises Jeremy Smeeth, Chief Operating Officer; Sally Ann Gritton, Director of Academic Affairs & Head of Undergraduate Performance; Andy Franks, Venue & Estates Director; Matthew Turnbull, Commercial Director; and Charlotte Castle, Development Director.

The executive team meets once a month to progress managerial and executive business, and formal records are taken of these meetings. During this year the executive team have been meeting two to three times per week to act as an incident control team to steer Mountview's response to the Covid-19 pandemic.

## **Appointment and Retirement of Trustees**

It is Mountview's policy to appoint board members who possess a wide variety of skills, experience and expertise that enable them to provide the organisation with the best possible oversight, governance and guidance. The aim is to create an authoritative, diverse and informed board in terms of education, training, business affairs and involvement in the theatre industry.

There were two board appointments during the year:

- Trevor Jackson has worked for Sir Cameron Mackintosh for 30 years, latterly as Executive Producer and Head of Casting, and now as Associate Casting Director.
- Benjamin Lafayette graduated from Mountview's BA Performance (Acting) course in 2019 and has been appointed as student alumnus Board member.

These appointments further augment an already strong board of trustees with an appropriate range of expertise.

There was one board resignation during the year, with Dame Colette Bowe stepping down from the Board in October 2019, on being appointed to the Financial Policy Committee of the Bank of England.

The Board and all at Mountview were devastated to learn of the death of Trustee André Ptaszynski in July 2020. André was an award-winning producer held in the highest regard throughout UK theatre and the international stage. A Trustee at Mountview since 2017, he brought incredible experience, wisdom, wit and generosity to our Board and to Mountview as a whole. At the request of his family, a number of donations were received in André's memory, which have been ring-fenced as a designated fund and will be used to establish a producing prize in his memory.

There was also one board retirement after the year end. In February 2021, Vincent Wang left the Board after a maximum nine-year term. Vincent led the charge to find Mountview a new home. His contribution was instrumental in establishing our new home in the heart of Peckham. He brought expertise, wisdom and good humour to his role as Chair of the Capital Committee and steered the project and the Board through a maze of issues, including the establishment of an unprecedented loan arrangement with Southwark Council and a redesign of the external fabric of the building after the devastating cladding fire of Grenfell Tower in 2017. His contribution to the capital project was extensive and that the building was completed in record time (17 months), and on budget (c.£30m), is a testament to his astute brilliance and tenacity. Mountview has a new home, the benefits of which will be felt for generations to come and we are extremely indebted to Vincent for that legacy.

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## Induction and Training of Trustees

New trustees are provided with information on their role and responsibilities as a trustee, together with a copy of the Articles of Association and the latest audited Report and Financial Statements. They meet with the Chairman, other trustees and executive team members to gain insight into the operations of the charity before being formally invited to join the Board of Trustees. Trustees are kept up to date as appropriate with developments within the charity and the sector.

## Key Policies

### Staff and Remuneration

Mountview continues to operate with a relatively small number of dedicated and skilled core staff, augmented by a larger network of sessional tutors and freelance industry professionals. Total staff costs were 47% of total overall expenditure (not including freelance staff whose costs are accounted for under and production and other education costs).

Mountview is committed to paying our staff fairly for the work that they do, whilst recognising that the charity operates with limited financial resources. The Trustees approved a 1.5% increase to core staff salaries in September 2019, but were unable to offer a similar increase in 2020 due to the financial pressures of the pandemic. The Trustees hope to reinstate annual increases in 2021. Through accessing the Coronavirus Job Retention Scheme (CJRS), Mountview has been able to safeguard a significant number of staff roles which may otherwise have been at risk of redundancy. Throughout all periods of employment furlough, Mountview has topped up salaries and wages beyond the level of CJRS support to 100% of pre-pandemic levels.

Mountview offers pensions in line with current automatic enrolment legislation, together with other benefits such as season ticket loans and access to the childcare vouchers and cycle to work schemes. We are currently reviewing our overall staff remuneration and benefits package to see if improvements can be made.

The remuneration and benefits of the charity's key management personnel are decided by the Trustees on recommendation from the Finance & General Planning Committee. Key management personnel salary levels are regularly benchmarked against industry market rates and annual increases are in line with those awarded to all core staff.

Mountview's continuing professional development policy supports and encourages staff to undertake professional assignments, commissions and training. This has proved effective in developing staff across the organisation. Staff-wide training and information sharing is delivered through staff and team meetings throughout the year; these meetings have continued online during the pandemic period.

Mountview is committed to open, regular communication and consultation with its employees, to ensure that the views and concerns of staff are taken into account when making decisions which are likely to affect their interests. Staff meetings, feedback from departmental meetings and an open-door management and HR policy are key tools in this process.

### Health and Safety

The Health and Safety Committee is made up of staff representatives from each area of the organisation and is chaired by Andy Franks (Director of Venue & Estates). Regular health and safety reports are presented and relevant matters discussed at these meetings.

An annual health and safety report is presented to the Board by an external health and safety consultant. Interim reports are sent to the Finance & Planning Committee, highlighting accident and near miss reports received and any health and safety issues raised by the committee or executive team. The minutes from the Health & Safety Committee are sent to the executive team meeting. Minutes of these meetings are also circulated throughout the organisation for discussion on various staff and student meeting agendas.

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Mountview also undertakes an annual health and safety audit, conducted by an external company; improvement recommendations from these audits inform the committee action plan for the forthcoming year.

## Safeguarding

Mountview Academy believes that the health, welfare and safety of children and adults (vulnerable and non-vulnerable) is of paramount importance and that all people without exception have a human right to be protected from abuse of any kind regardless of age, gender, ethnicity, disability, sexuality, gender identity, lifestyle or religious beliefs. As noted above, Mountview has a Safeguarding Committee to ensure that effective safeguarding policies and procedures operate across the organisation. This includes the Prevent duty for higher education institutions to have due regard to the need to prevent people being drawn into terrorism. An internal safeguarding working group supports the Safeguarding Committee in its responsibilities. Effective safeguarding begins with staff being well informed, being aware of safeguarding issues, and following agreed procedures. During the year Mountview trustees and staff members have continued to receive relevant safeguarding training. Staff members are required to report any concerns of potential risk to self/others or of abuse immediately through the procedures outlined in Mountview's safeguarding policy. All concerns of potential risk and allegations of abuse are taken seriously by Mountview and responded to appropriately and sensitively.

At the start of the year, as part of the student induction week programme, staff and external professionals provide excellent guidance to students on how to maintain their personal safety, look after their physical and mental health, work safely in practical workshops, and maintain a professional profile online.

## Child Protection

Mountview's child protection policy continues to be put into practice to ensure the safety and welfare of all young people participating in Mountview activities. Child protection is overseen by the Safeguarding Committee and led on a day to day basis by our designated Child Protection Officer. We have regular training sessions for all staff who work with young people, reminding them of their responsibilities when it comes to safeguarding young people and how best to report any issues or concerns.

## Equality and Diversity

Mountview fulfils its core charitable aims by offering a diverse portfolio of full and part-time courses and workshops, enabling people of all ages and backgrounds to enrich their knowledge, skills and experience of the theatre arts sector.

Our Equality, Diversity and Inclusion Policy sets out our commitment to creating an environment where diversity is celebrated and equality of opportunity is embedded for all students and staff regardless of race, ethnicity, gender, disability, age, sexual orientation, belief or religion. Our aim is for our staff and student bodies to be truly representative of all areas of society.

We are committed to tackling inequality in all its forms, and to both meet and exceed current obligations under legislation. By doing more than is required by law we will continue to build on Mountview's current reputation and practice as a diverse and truly inclusive arts training institution.

In this year, the Black Lives Matter Movement has been a spearhead focussing attention on the need to actively challenge systemic and endemic prejudice, exploitation and intersectional oppression. We published the following Black Lives Matter Statement of Intent and Action Plan in June 2020 to enact and accelerate change.

- |                           |  |
|---------------------------|--|
| <i>Train and Educate:</i> | Ensure all permanent and visiting staff and students are educated about systemic and endemic racism, inequality and unconscious bias.                |
| <i>Represent:</i>         | Actively recruit and draw upon the expertise of Black and minority communities and review how we engage students to represent and promote Mountview. |
| <i>Listen:</i>            | Improve Mountview's formal and informal complaints and reporting procedures and conduct them in a culture of transparency.                           |

# MOUNTVIEW

*Support and Connect:* Establish a safe environment for students to be supported and ensure we connect all our communities.

*Advocate:* Work as an institution with peer drama schools and cultural industry partners to tackle racism, inequality and injustice.

This statement is a commitment we have made to all underrepresented groups and to those who have experienced prejudice and discrimination.

Our students are actively recruited from a diverse range of backgrounds via initiatives such as regional and local scouting and nationwide workshops and auditions. Mountview recruits one of the highest percentages of Black, Asian and Minority Ethnic students in the UK drama school sector; over 40% of on the three-year acting programme and 28% across all undergraduate programmes (up 3% on last year). 79% of our UK undergraduate students came from state secondary school. We continue to strive to further improve on these statistics going forward, particularly with regard to the diversity of our musical theatre student cohort, where some good progress has already been made.

We also ensure that we offer equality of opportunity across each student cohort and it is evident amongst students that they relish the opportunities afforded them by being in a group that has a mixed demographic. Staff selection of plays and musicals takes into account this demographic and responds to what is an ever-changing mix of young adults from a wide range of backgrounds. Casting is allocated on the basis of student suitability for role and is irrespective of disability or ethnic origin. Gender balance is considered in the selection of materials to ensure that there are sufficient opportunities for all.

Equality of opportunity is also embedded in our staff recruitment, retention and development policies, in line with the Equalities Act 2010. Applications for employment made by disabled persons are given full and fair consideration, with due regard to their particular aptitudes and abilities. Reasonable adjustments for disabled employees are fully considered, and training and career development opportunities are provided as for all employees.

## **Internal Control**

The Trustees retain overall responsibility for the charity's system of internal control, recognising that such controls can provide only reasonable and not absolute assurance against fraud and irregularities. Controls are set up to safeguard the charity's assets and ensure that the company is operating efficiently and effectively whilst achieving best value in relation to its expenditure.

The charity's controls include documented accounting procedures and a clearly defined framework of delegation of authority from the Trustees to the Chief Executives and onwards to senior staff. The annual budget is approved in advance each year by the Trustees and financial reports, highlighting any actual and projected variances of outcome against budget, are presented to each board meeting

The Trustees' annual report and strategic report (in their capacity as company directors) were approved by the Board of Trustees and signed on its behalf by:



**Dame Vikki Heywood, Chairman**

**30 March 2021**

## **Moutview Academy of Theatre Arts Limited**

### **Statement of Trustees' Responsibilities**

The trustees (who are also directors of Mountview Academy of Theatre Arts Ltd for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements and;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

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

#### **Disclosure of Information to Auditors**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

# **Independent Auditor's Report to the Members of Mountview Academy of Theatre Arts Limited**

## **Opinion**

We have audited the financial statements of Mountview Academy of Theatre Arts Limited for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, 'The Financial Reporting Standard Applicable in the UK and Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

And in our opinion in all material aspects:

- funds administered by Mountview Academy of Theatre Arts Limited for specific purposes during the year ended 31 August 2020 have been applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Education and Skills Funding Agency have been applied in accordance with the terms and conditions of the Accounts Direction and any other terms and conditions attached to them during the year ended 31 August 2020; and
- the requirements of the OfS's Accounts Direction have been met.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate;
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

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

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

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

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

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

## **Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or



## **Independent Auditor's Report to the Members of Mountview Academy of Theatre Arts Limited (Continued)**

- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Use of our report**

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

*Moore Kingston Smith LLP.*

**James Saunders (Senior Statutory Auditor), FCCA DChA**  
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House  
60 Goswell Road  
London EC1M 7AD  
Date: 12 April 2021

**Mountview Academy of Theatre Arts Limited**  
**Statement of Financial Activities**  
**(Incorporating an Income and Expenditure Account)**  
**For the year ended 31st August 2020**

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	2020 Total Funds £	2019 Total Funds £
<b>Income from</b>							
<i>Generating funds:</i>							
Donations and legacies	2	365,225	-	334,853	-	700,078	2,436,914
Income from investments	4	17,152	-	-	4,927	22,079	18,514
<i>Charitable activities:</i>							
Education income	5	5,958,191	-	-	-	5,958,191	5,832,618
Other income	6	238,804	-	-	-	238,804	239,217
<b>Total income</b>		<u>6,579,372</u>	<u>-</u>	<u>334,853</u>	<u>4,927</u>	<u>6,919,152</u>	<u>8,527,263</u>
<b>Expenditure on</b>							
<i>Raising funds:</i>							
Fundraising costs	8	106,950	-	-	-	106,950	141,270
<i>Charitable activities:</i>							
Education costs	8	<u>6,266,596</u>	<u>1,231,434</u>	<u>129,214</u>	<u>58,000</u>	<u>7,685,244</u>	<u>8,236,949</u>
<b>Total expenditure</b>	7	<u>6,373,546</u>	<u>1,231,434</u>	<u>129,214</u>	<u>58,000</u>	<u>7,792,194</u>	<u>8,378,219</u>
<b>Net income / (expenditure)</b>		205,826	(1,231,434)	205,639	(53,073)	(873,042)	149,044
Transfer between funds	21	-	164,560	(164,560)	-	-	-
<b>Other recognised gains:</b>							
Tax Credit	23	96,618	-	-	-	96,618	167,345
<b>Net movement in funds</b>		302,444	(1,066,874)	41,079	(53,073)	(776,424)	316,389
Fund balances brought forward		<u>451,959</u>	<u>4,606,466</u>	<u>65,386</u>	<u>244,618</u>	<u>5,368,429</u>	<u>5,052,040</u>
Fund balances carried forward		<u>754,403</u>	<u>3,539,592</u>	<u>106,465</u>	<u>191,545</u>	<u>4,592,005</u>	<u>5,368,429</u>

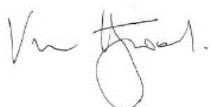
Full comparatives for 2019 are shown in note 27.

# Mountview Academy of Theatre Arts Limited

## Balance Sheet as at 31st August 2020

	Note	2020	2020	2019	2019
		£	£	£	£
<b>Fixed Assets</b>					
Intangible assets	12		45,720		60,960
Tangible assets	13		29,386,853		29,250,265
<b>Current Assets</b>					
Debtors	14	3,912,593		3,416,352	
Current asset investment - cash on deposit		1,456,445		1,437,426	
Cash at bank and in hand		<u>2,764,432</u>		<u>3,214,215</u>	
		8,133,470		8,067,993	
<b>Creditors: Amounts falling due within one year</b>	14	<u>(7,373,670)</u>		<u>(6,925,627)</u>	
<b>Net Current Assets</b>			759,800		1,142,366
<b>Creditors: Amounts falling due after one year</b>	15		<u>(25,600,368)</u>		<u>(25,085,162)</u>
<b>Total Net Assets</b>			<u><u>4,592,005</u></u>		<u><u>5,368,429</u></u>
<b>Funds</b>					
Restricted funds	21		106,465		65,386
Endowment funds	21		191,545		244,618
Unrestricted funds:					
Designated	20		3,539,592		4,606,466
Other unrestricted	20		<u>754,403</u>		<u>451,959</u>
			<u><u>4,592,005</u></u>		<u><u>5,368,429</u></u>

Approved by the Trustees on 30 March 2021 and authorised for issue and signed on their behalf by:



Dame Vikki Heywood, Director

**Company number 01019858**

**Mountview Academy of Theatre Arts Limited**  
**Statement of Cash Flows**  
**for the year ended 31 August 2020**

	Notes	2020 £	2019 £
<b>Net cash used in operating activities</b>	<b>A</b>	183,947	(67,583)
<b>Cash flows used in investing activities</b>			
Purchase of tangible fixed assets	(582,918)	(3,161,768)	
Movement to cash on deposit	(19,019)	(18,469)	
Interest received	22,079	18,514	
<b>Net cash used in investing activities</b>		(579,858)	(3,161,723)
<b>Cash flows provided by financing activities</b>			
Cash inflow from new borrowings	673,877	3,169,694	
Cash outflow on repayments	(500,000)	-	
Interest paid on borrowings	(227,749)	-	
<b>Net cash provided by financing activities</b>		(53,872)	3,169,694
<b>Change in cash and cash equivalents in the reporting period</b>		(449,783)	(59,612)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		3,214,215	3,273,827
<b>Cash and cash equivalents at the end of the reporting period</b>		<u>2,764,432</u>	<u>3,214,215</u>

**Mountview Academy of Theatre Arts Limited**  
**Notes to the Statement of Cash Flows**  
**For the year ended 31st August 2020**

<b>A</b>	<b>Net cash provided by operating activities</b>	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>	
	Net income	(873,042)	149,044	
	Amortisation of intangible fixed assets	15,240	15,240	
	Depreciation of tangible fixed assets	446,330	410,566	
	Loss on disposal of tangible fixed assets	-	347	
	Interest receivable	(22,079)	(18,514)	
	Interest payable	767,780	879,801	
	Increase in debtors	(496,241)	(349,352)	
	Increase/(decrease) in creditors	249,341	(1,322,060)	
	Other recognised gains and losses - taxation credit receivable	96,618	167,345	
		<u>183,947</u>	<u>(67,583)</u>	
<b>B</b>	<b>Analysis of net cash balances</b>	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>	
	Cash at bank and in hand	2,750,620	3,200,415	
	Notice deposits (of less than 3 months)	13,812	13,800	
		<u>2,764,432</u>	<u>3,214,215</u>	
<b>C</b>	<b>Analysis of changes in net debt</b>	<b>Opening</b> <b>£</b>	<b>Cash flows</b> <b>£</b>	<b>Closing</b> <b>£</b>
	Cash & cash equivalents	3,214,215	(449,783)	2,764,432
	Loans falling due within one year	-	-	-
	Loans falling due after more than one year	23,524,672	173,877	23,698,549
	Total	<u>26,738,887</u>	<u>(275,906)</u>	<u>26,462,981</u>

# **Mountview Academy of Theatre Arts Limited**

## **Notes to the Financial Statements**

### **For the year ended 31st August 2020**

#### **1 Accounting Policies**

##### **Company Information**

Mountview Academy of Theatre Arts Limited is a company limited by guarantee domiciled and incorporated in England and Wales. The registered office is 120 Peckham Hill Street, London, SE15 5JT.

##### **Basis of Accounting**

These accounts have been prepared in accordance with FRS102, the Companies Act 2006 and under the historical cost convention, and in accordance with 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 (Charities SORP FRS 102).

Mountview Academy of Theatre Arts meets the definition of a public benefit entity under FRS102.

These accounts are prepared in sterling, which is the functional currency of the charity, rounded to the nearest pound.

Under section 405 of the Companies Act 2006 the Charity is exempt from the requirement to produce group accounts on the basis that its two subsidiary undertakings, Mountview Arts Centre Limited and Mountview Productions Limited, have nil net assets.

##### **Preparation of accounts on a going concern basis**

The trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of our financial position, reserves levels, future plans & renegotiation of the loan with London Borough of Southwark to extend the interest free period to 2022, gives trustees confidence the charity remains a going concern for the foreseeable future.

As part of the development and delivery of the capital development project the Charity produced a 35-year business plan to support its operations in the new premises. This included income, expenditure and cashflow projections, together with sensitivity analysis on both capital and operating income levels. This plan was scrutinised and approved by the trustees and Southwark Council and independently reviewed by external consultants. The plan is updated regularly and reviewed by trustees as part of the annual budget approval process. It has been updated this year to include scenario analyses to assess & manage the impact of COVID on finances & operations.

##### **Income**

All income is accounted for once the Charity has entitlement to the income, the receipt is probable and the amount of income can be measured reliably.

Tuition fees comprise the full fees payable by students. Where termly fees are invoiced in advance of the period to which the fees relate, this income is carried forwards in the balance sheet as deferred income and released to the SoFA in the term when the fees fall due.

Grants are recognised when they are receivable, unless there are conditions attached to the grant, in which case they are recognised when the charity becomes unconditionally entitled to the income.

The charity receives grants from the Greater London Authority, the London Borough of Southwark and the Education and Skills Funding Agency (Dance and Drama Awards ('DaDA')). These are disclosed in note 2 to the accounts. They are recognised as income once entitlement is unconditional and the amount can be quantified.

##### **Expenditure**

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation for payment to be made.

Costs are disclosed in the following categories

- Cost of charitable activities comprise the cost incurred by the charity in the delivery of its activities and services and include grants made and an apportionment of the support costs of the organisation.
- Governance costs, which are a category of support costs, are the costs associated with the strategic direction of the organisation and with meeting regulatory requirements.
- Support costs are those costs common to the range of activities of the organisation and are apportioned on the basis of time occupied by the company's employees.

**Mountview Academy of Theatre Arts Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st August 2020 (Continued)**

**1 Accounting Policies (continued)**

**Fixed Assets**

Fixed assets costing more than £1,000 are capitalised at cost.

Fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Intangible assets	over 5 years
Leasehold property	over the lease term, being 99 years (lease started 8 October 2018)
Fixtures, fittings & equipment	over 3 to 25 years
Motor vehicles	25% per annum on net book value

No depreciation is charged on assets in course of construction. Where assets are constructed as part of a project for which specific identifiable assets are brought into service before the overall is completed, such assets will be transferred from assets in course of construction to building improvements for leasehold property or fixtures, fittings and equipment as appropriate and depreciated from the date these are placed in service.

Fixed assets are subject to an annual impairment review and review of estimated useful life.

**Financial instruments**

*Cash and cash equivalents*

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

*Basic financial assets and liabilities*

Basic financial assets, which included trade and other receivables and cash and cash balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost less any impairment.

Basic financial liabilities, including trade and other payable and bank loans are initially recognised at transaction price. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from supplies. These are classified as current liabilities if payment is due within one year or less. If not, these are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured as amortised cost.

**Leasing Commitments**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

**Foreign Currency Translation**

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date.

**Employee Benefits**

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of 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, or to provide termination benefits.

**Pension Benefits**

The pension costs charged in the accounts represent the contributions payable by the charity during the year to a defined contribution pension scheme.

**Mountview Academy of Theatre Arts Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st August 2020 (Continued)**

**1 Accounting Policies (continued)**

**Fund Accounting**

The total funds of the charity are allocated to restricted, endowment, unrestricted and designated funds based on the origins of the funds and the terms set by the donors.

Restricted funds are subject to specific restrictions imposed by the donor. These are accounted for separately and the costs of raising and administering the funds are charged against them. Once the restrictions imposed by the donor have been fulfilled the restricted funds are transferred to unrestricted funds. If the restriction is fulfilled by the acquisition of capital assets, unrestricted funds may be designated to reflect the value of the underlying asset now held within unrestricted funds.

Endowment funds are funds which have been given with the express intention of retaining those funds as capital for the long term benefit of the charity. Where the trustees have the ability to spend the capital of the fund this is treated as an expendable endowment fund.

Unrestricted funds are those which are not subject to restrictions, and may be applied in furtherance of any of the charitable company's objectives.

Designated funds are unrestricted funds set aside by the Board of Directors for specific purposes.

**Provisions**

A provision is defined as a liability of uncertain timing or amount. Provisions are recognised in accordance with FRS 102 when the charitable company has a legal or constructive obligation as a result of a past event, a reliable estimate of that obligation can be made and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of the time value of money is material provisions are recognised at a discounted rate.

**Management of liquid resources**

The charity has one main current account from which all day-to-day transactions take place. The balance of this account is kept to a minimum to ensure that surplus funds are placed on short- to medium-term deposits. The policy in managing cash is to maximise returns while minimising risk. Restricted funds have separate bank accounts.

**Critical accounting estimates and judgements**

*Recoverable value of fee debtors*

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience are taken into account. Note 13 gives details of the net carrying amount of debtors and the associated impairment provision.

*Provisions*

Provisions have been made for the dilapidation of the charity's previous rental premises. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. The difference between expectations and the actual future liability will be accounted for in the period in which such determination is made.



**Mountview Academy of Theatre Arts Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st August 2020 (Continued)**

**2 Donations and legacies**

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2020 £	Total 2019 £
Grants, donations and gifts:					
Operational activities	365,225	-	110,301	475,526	176,683
Capital project	-	-	224,552	224,552	2,260,231
	<u>365,225</u>	<u>-</u>	<u>334,853</u>	<u>700,078</u>	<u>2,436,914</u>

Included in grants, donations and gifts are the following amounts of governments grants: Education Funding Agency in relation to the Dance and Drama Awards scheme - £87,062 (2019: £87,062), Greater London Authority - £Nil (2019: £848,543), Coronavirus Job Retention Scheme - £270,724 (2019: £Nil). There are no unfulfilled conditions or other contingencies attaching to these government grant income and the company has not benefitted from other government funded assistance.

**3 Grant and fee income**

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2020 £	Total 2019 £
Grant income - other bodies	357,786	-	224,422	582,208	2,224,576
Fee income - taught awards	4,917,069	-	-	4,917,069	4,808,773
Fee income - non-qualifying courses	685,500	-	-	685,500	685,175
	<u>5,960,355</u>	<u>-</u>	<u>224,422</u>	<u>6,184,777</u>	<u>7,718,524</u>

**4 Income for investments**

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £	Total 2019 £
Interest receivable	17,152	-	4,927	22,079	18,514

**5 Education Income**

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £	Total 2019 £
Tuition income	5,602,569	-	-	5,602,569	5,493,948
Community projects	213,582	-	-	213,582	196,610
Auditions	142,040	-	-	142,040	142,060
	<u>5,958,191</u>	<u>-</u>	<u>-</u>	<u>5,958,191</u>	<u>5,832,618</u>

**6 Other Income**

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £	Total 2019 £
Box office	42,340	-	-	42,340	63,124
Rental income	142,133	-	-	142,133	119,122
Fees and other income	54,331	-	-	54,331	56,971
	<u>238,804</u>	<u>-</u>	<u>-</u>	<u>238,804</u>	<u>239,217</u>

**7 Analysis of Total Expenditure**

	Direct Staff Costs £	Other Direct Costs £	Support Costs £	Total 2020 £	Total 2019 £
Cost of generating funds:					
Fundraising costs	106,950	-	-	106,950	141,270
Cost of charitable activities:					
Education costs	2,033,766	4,064,746	1,586,732	7,685,244	8,236,949
<b>Total 2020</b>	<u>2,140,716</u>	<u>4,064,746</u>	<u>1,586,732</u>	<u>7,792,194</u>	<u>8,378,219</u>
<b>Total 2019</b>	<u>2,085,192</u>	<u>4,669,877</u>	<u>1,623,150</u>	<u>8,378,219</u>	

**Mountview Academy of Theatre Arts Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st August 2020 (Continued)**

**8 Total Costs**

	<b>Fundraising</b>	<b>Education</b>	<b>Governance</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>2020</b>	<b>2019</b>
				<b>£</b>	<b>£</b>
Staff costs (note 9)	106,950	2,033,766	-	2,140,716	2,085,192
Scholarships and bursaries	-	169,517	-	169,517	63,906
Accreditation and validation	-	202,524	-	202,524	158,216
Production	-	207,636	-	207,636	277,678
Other education costs	-	1,229,276	-	1,229,276	1,529,247
Office costs	-	730,706	-	730,706	864,257
Premises costs	-	283,383	-	283,383	459,604
Bank charges	-	12,355	-	12,355	11,362
Interest payable	-	767,780	-	767,780	879,801
Amortisation and Depreciation	-	461,570	-	461,570	425,806
Support Costs (note 8)	-	1,515,139	71,593	1,586,732	1,623,150
<b>Total 2020</b>	<b>106,950</b>	<b>7,613,651</b>	<b>71,593</b>	<b>7,792,194</b>	<b>8,378,219</b>
<b>Total 2019</b>	<b>141,270</b>	<b>7,964,951</b>	<b>271,998</b>	<b>8,378,219</b>	

**9 Support Costs**

	<b>Fundraising</b>	<b>Education</b>	<b>Governance</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>2020</b>	<b>2019</b>
				<b>£</b>	<b>£</b>
Staff costs (note 9)	-	1,469,836	47,737	1,517,573	1,368,862
Premises costs	-	42,497	-	42,497	41,460
Capital development costs	-	-	5,610	5,610	192,342
General expenses	-	-	829	829	2,712
Legal and professional fees	-	2,806	-	2,806	378
Audit fees	-	-	17,280	17,280	17,280
Auditors' fees - other services	-	-	137	137	116
<b>Total 2020</b>	<b>-</b>	<b>1,515,139</b>	<b>71,593</b>	<b>1,586,732</b>	<b>1,623,150</b>
<b>Total 2019</b>	<b>65,833</b>	<b>1,285,319</b>	<b>271,998</b>	<b>1,623,150</b>	

Capital development costs relate to expenditure incurred on the capital building project which are not eligible for capitalisation as tangible fixed assets.

**10 Staff Costs**

**Number of employees**

The average monthly number of employees during the year was:

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Education	105	103
Administration and Student Support	37	30
Building/Venue Operations	49	15
	<b>191</b>	<b>148</b>
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Salaries and wages	3,295,600	3,100,108
Social security costs	279,710	278,229
Pension costs	98,330	75,717
	<b>3,673,640</b>	<b>3,454,054</b>

In addition to employees paid through the payroll the company contracts with a number of individuals to provide freelance services in support of the company's activities. The total incurred in the year was £1,079,677 (2019: £1,448,355).

Included above are redundancy and termination payments of £Nil incurred in the year (2019: £72,577).

**Mountview Academy of Theatre Arts Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st August 2020 (Continued)**

**10 Staff Costs (continued)**

The number of employees whose annual remuneration was £60,000 or more were:

	<b>2020 Number</b>	<b>2019 Number</b>
£60,000-69,999	2	2
£70,000-79,999	1	1
£80,000-89,999	2	2

Pension contributions totalling £25,069 were paid for the higher paid employees (2019: £24,206).

Key management personnel include the Trustees and members of the senior management team. There were 2 remunerated members of the senior management team during the year (2019: 2) whose aggregate pay and benefits amounted to £208,537 (2019: £201,211).

At the year end included in creditors is unpaid pension commitments of £37,776 (2019: £32,035).

The remuneration package & ratio of basic & total remuneration for Heads of Provider is as follows:

	<b>2020 Executive Director</b>	<b>2019 Executive Director</b>	<b>2020 Principal &amp; Artistic Director</b>	<b>2019 Principal &amp; Artistic Director</b>
Basic salary	82,002	80,790	82,002	80,790
Employer pension contributions	8,200	7,608	7,259	7,585
Other taxable benefits			4,463	4,490
Non taxable benefits	4,380			
<b>Total remuneration</b>	<b><u>94,582</u></b>	<b><u>88,398</u></b>	<b><u>93,724</u></b>	<b><u>92,865</u></b>
<b>Pay multiple against median basic salary</b>	<b>2.8</b>	<b>2.7</b>	<b>2.8</b>	<b>2.7</b>
<b>Pay multiple against median total remuneration</b>	<b>3.1</b>	<b>2.9</b>	<b>3.1</b>	<b>3.0</b>

The remuneration package for the heads of provider is set by the Board of Trustees. The Finance and Planning Committee reviews this package annually, taking account of work performance in the year and benchmarking against comparative remuneration levels in the drama school sector and across the wider performing arts. The Committee recommends any adjustments to the remuneration package to the Board for annual approval. Performance of the head of providers is monitored by means of an annual appraisal and regular meetings throughout the year with the Chair of the Board.

**11 Trustees**

Trustees of the charity did not receive remuneration for their activities in the current or prior year.

During the year, expenses reimbursed to one trustees in respect of travelling amounted to £292 (2019: Two trustees were reimbursed £1,259).

**12 Intangible Fixed Assets**

	<b>Website</b>	<b>Software</b>	<b>2020 Total £</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	
Brought forward at 1st September 2019	28,836	47,364	76,200
Carried forward at 31st August 2020	28,836	47,364	76,200
<b>Amortisation</b>			
Brought forward at 1st September 2019	5,767	9,473	15,240
Charge for the year	5,767	9,473	15,240
Carried forward at 31st August 2020	11,534	18,946	30,480
<b>Net Book Value</b>			
At 31st August 2020	17,302	28,418	45,720
At 31st August 2019	23,069	37,891	60,960

**13 Tangible Fixed Assets**

	<b>Land and buildings leasehold</b>	<b>Fixtures, fittings &amp; equipment</b>	<b>Motor vehicles</b>	<b>2020 Total £</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	
Brought forward at 1st September 2019	28,643,637	1,177,213	16,800	29,837,650
Additions	153,746	429,172	-	582,918
Carried forward at 31st August 2020	28,797,383	1,606,385	16,800	30,420,568
<b>Depreciation</b>				
Brought forward at 1st September 2019	289,032	291,002	7,351	587,385
Charge for the year	292,169	151,798	2,363	446,330
Carried forward at 31st August 2020	581,201	442,800	9,714	1,033,715
<b>Net Book Value</b>				
At 31st August 2020	28,216,182	1,163,585	7,086	29,386,853
At 31st August 2019	28,354,605	886,211	9,449	29,250,265

**Mountview Academy of Theatre Arts Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st August 2020 (Continued)**

<b>14 Debtors</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade debtors	2,763,659	2,175,996
Bad debt provision	(72,393)	(19,079)
Other debtors	1,122,408	1,164,222
Prepayments and accrued income	98,919	95,213
	<u>3,912,593</u>	<u>3,416,352</u>

Within other debtors are amounts of £250,000 (2019: £500,000) which are due over one year.

<b>14(a) Creditors: Amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade creditors	191,502	164,045
Deferred income	5,880,600	5,641,037
Social security and other taxes	94,694	85,943
Other creditors	421,206	339,295
Accruals	447,358	307,044
Provisions (note 14(b))	338,310	388,263
	<u>7,373,670</u>	<u>6,925,627</u>

Within other creditors amount amounts of £16,089, which are rental deposits due over one year.

<b>14(b) Provisions</b>	<b>Balance brought forward</b>	<b>Amount allocated in year</b>	<b>Amount released in year</b>	<b>Balance carried forward</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Provisions	388,263	-	(49,953)	338,310
	<u>388,263</u>	<u>-</u>	<u>(49,953)</u>	<u>338,310</u>

These provisions relate to business related commitments in respect of lease dilapidations, the expected settlement of which is due in the near future.

<b>15 Creditors: Amounts falling due after one year</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Deferred income	129,416	328,118
Loan	23,698,549	23,524,672
Other Creditors	1,772,403	1,232,372
	<u>25,600,368</u>	<u>25,085,162</u>

The loan balance above relates to a finance facility of up to £24.3m, made available by Southwark Council to the charity to facilitate the construction of new premises for the charity in Peckham, South London.

The facility agreement was signed on 14 September 2016. The charity has drawn against this facility throughout the project construction phase, with interest at 4.5% payable from 1 October 2022 (renegotiated interest terms this year). Under the current agreement, there is no fixed repayment schedule, but the outstanding balance must be below £12.5m by 30 September 2043, and the facility is repayable in full by 2058. It is secured by means of a legal charge over the new site and premises, together with a floating charge over the undertakings and assets of the charity.

The facility is in two parts: Tranche A for £0.5m and Tranche B for up to £23.8m. Tranche A related to the development phase of the project, and was fully drawn down by August 2017. Tranche B relates to the construction phase of the project, and £24m of this tranche was drawn down at 31 August 2020. Tranche A was originally repayable at first drawdown of Tranche B in September 2017 but has now been incorporated into Tranche B. The full loan balance is therefore now classified as due after one year.

**Mountview Academy of Theatre Arts Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st August 2020 (Continued)**

16 Movement on deferred income calculation	Balance brought forward £	Amount deferred in year £	Amount released in year £	Balance carried forward £
<i>Deferred income &lt; 1 year</i>				
Student deposits	201,762	187,697	(201,762)	187,697
Government grants - DaDA Funding	1,209,371	1,206,438	(1,209,371)	1,206,438
Tuition fees	4,229,904	4,486,465	(4,229,904)	4,486,465
	<u>5,641,037</u>	<u>5,880,600</u>	<u>(5,641,037)</u>	<u>5,880,600</u>
<i>Deferred income &gt; 1 year</i>				
Student deposits	328,118	129,416	(328,118)	129,416
Total deferred income	<u>5,969,155</u>	<u>6,010,016</u>	<u>(5,969,155)</u>	<u>6,010,016</u>

**17 Financial Instruments**

The financial statements include the following in respect of items held at fair value at 31 August:

	2020 £	2019 £
Financial assets measured at amortised cost	<u>3,551,364</u>	<u>2,976,440</u>
Financial liabilities measured at amortised cost	<u>26,869,328</u>	<u>25,955,691</u>

**18 Share Capital**

The liability of members is limited by guarantee to an amount not exceeding £1 per member. As at 31 August 2020, there were 11 members (2019: 11 members).

**19 Commitments and entitlements under operating leases**

*Commitments*

At 31 August 2020 the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	Land and buildings 2020 £	2019 £
Within one year	175,000	175,000
Between two and five years	700,000	700,000
In over five years	<u>16,129,726</u>	<u>16,304,726</u>
	<u>17,004,726</u>	<u>17,179,726</u>

Lease payments of £175,000 were recognised as expenditure during the year (2019: £470,541).

The annual rent on the charity's new premises of £175,000 is subject to RPI increases every five years. The total off balance sheet future liability is therefore likely to be significantly higher than stated above.

*Entitlements*

At 31 August 2020 the charitable company had outstanding entitlements for future minimum lease receipts under non-cancellable operating leases which fall due as follows:

	Land and buildings 2020 £	2019 £
Within one year	78,630	72,614
Between two and five years	282,593	300,271
In over five years	<u>498,079</u>	<u>559,148</u>
	<u>859,302</u>	<u>932,033</u>

# Mountview Academy of Theatre Arts Limited

## Notes to the Financial Statements

### For the year ended 31st August 2020 (Continued)

20 Unrestricted Funds	Balance brought forward £	Net income/ (expenditure) for the year £	Other recognised gains £	Transfers £	Balance carried forward £
<b>Designated Funds</b>					
New Building Fund	4,606,466	(1,231,434)	-	164,560	3,539,592
	<u>4,606,466</u>	<u>(1,231,434)</u>	<u>-</u>	<u>164,560</u>	<u>3,539,592</u>
<b>Other general unrestricted funds</b>	451,959	205,826	96,618	-	754,403
	<u>5,058,425</u>	<u>(1,025,608)</u>	<u>96,618</u>	<u>164,560</u>	<u>4,293,995</u>

The New Building Fund relates to the construction the charity's new premises in Peckham, South London. Capital project income such as grants, donations and loan financing proceeds are transferred to this fund from restricted funds when the terms of restriction are met. Project costs not eligible for capitalisation, such as fundraising and consultancy costs, are charged to this fund when incurred. Depreciation on the new premises will be charged to this fund from commencement of operation at the new premises over the remaining lifetime of the lease, until October 2117.

Within other general unrestricted funds are donations of £2,314 received during the year in memory of Mountview trustee André Ptaszynski. In consultation with his family, the Trustees are proposing to establish an annual student prize in André's name, and these donations will be transferred to a designated fund for this purpose in the 2020-21 financial year.

21 Restricted Funds	Balance Brought Forward £	Income £	Expenditure £	Transfers £	Balance carried Forward £
Gyearbuor Asante Memorial Prize	4,111	-	(1,193)		2,918
Diana Boddington Prize Fund	4,991	-	240	-	4,751
Town Centre Partnership Project	2,926	10,000	(11,552)	-	1,374
Luke Morton Award	5,000	-	(1,000)	-	4,000
Jack Petchey Foundation	547	2,250	(1,765)	-	1,032
Leverhulme Trust	-	46,005	(46,005)	-	-
Community Outreach	9,304	636	(4,337)	-	5,603
Bursary Fund	30,830	47,262	(43,423)	-	34,669
Mountview Hardship Fund	958	625	(17,891)	16,308	-
Spencer Wills Trust	6,719	3,523	(1,808)	-	8,434
Judi Dench Fund	-	59,992	-	(16,308)	43,684
Mountview at Peckham	-	164,560	-	(164,560)	-
	<u>65,386</u>	<u>334,853</u>	<u>(129,214)</u>	<u>(164,560)</u>	<u>106,465</u>
<b>Endowment Funds</b>					
The Peter Coxhead Scholarship	244,618	4,927	(58,000)	-	191,545
	<u>244,618</u>	<u>4,927</u>	<u>(58,000)</u>	<u>-</u>	<u>191,545</u>

The majority of restricted funds have been established to award prizes, scholarships and hardship funding to students.

The Peter Coxhead Scholarship Fund represents funds endowed from The Peter Coxhead Foundation to be used to provide bursaries for students. It is an expendable endowment fund as both the capital and the income of the fund can be used for this purpose.

The Jack Petchey Foundation provides grants to run the Achievement Award scheme for Generation N\*xt participants.

The Town Centre Partnership Project, funded by Southwark Council, supported a programme of free cultural events in Peckham during 2019.

The Spencer Wills Trust provided a grant to fund current and future purchases of musical instruments.

The Judi Dench Fund for Access to Drama Training supports initiatives that break down barriers to drama training, including the National Scouting Network, free auditions, scholarships and bursaries, student wellbeing and welfare programmes, and hardship grants.

The Mountview at Peckham fund represents grants and donations received as part of the capital project to build new premises for the charity in Peckham, South London. Funds are transferred to designated New Building Fund once the conditions of restriction have been met.

The transfer from the Judi Dench Fund to the Mountview Hardship Fund relates to funds raised through the Judi Dench Fund for student hardship.

# Mountview Academy of Theatre Arts Limited

## Notes to the Financial Statements

### For the year ended 31st August 2020 (Continued)

#### 22 Allocation of Net Assets to Funds

2020	Restricted Funds £	Endowment Funds £	Designated Funds £	Unrestricted Funds £	Total £
Fixed assets	-	-	29,367,588	64,985	29,432,573
Current assets	106,465	191,545	320,452	7,515,008	8,133,470
Current liabilities	-	-	(677,496)	(6,696,174)	(7,373,670)
Non-current liabilities	-	-	(25,470,952)	(129,416)	(25,600,368)
	<u>106,465</u>	<u>191,545</u>	<u>3,539,592</u>	<u>754,403</u>	<u>4,592,005</u>

2019	Restricted Funds £	Endowment Funds £	Designated Funds £	Unrestricted Funds £	Total £
Tangible fixed assets	-	-	29,247,916	63,309	29,311,225
Current assets	65,386	244,618	843,043	6,914,946	8,067,993
Current liabilities	-	-	(727,449)	(6,198,178)	(6,925,627)
Non-current liabilities	-	-	(24,757,044)	(328,118)	(25,085,162)
	<u>65,386</u>	<u>244,618</u>	<u>4,606,466</u>	<u>451,959</u>	<u>5,368,429</u>

Free reserves at the balance sheet date were £708,755 (2019: £388,650).

#### 23 Theatre Tax Relief Claim

In the year there have been 22 productions (2019: 20) that are subject to a claim for theatre tax relief

	2020 £	2019 £
Tax credit	<u>96,618</u>	<u>167,345</u>

#### 24 Investments

##### Mountview Arts Centre Limited

Mountview Arts Centre Limited ('MAC') is a company limited by guarantee, incorporated in England and Wales, with 3 directors who are its members and all of whom are also trustees of the charity Mountview Academy of Theatre Arts Limited ('MATA'). MAC is therefore effectively controlled by MATA and as such is treated as a wholly owned subsidiary of MATA. MAC has not traded since incorporation but used to hold one lease in trust for MATA. MAC has net assets of nil and is therefore not consolidated with MATA.

##### Mountview Productions Limited

Mountview Productions Limited ('MP') is an incorporated company, registered in England and Wales with issued share capital of £1, wholly owned by Mountview Academy of Theatre Arts Limited ('MATA'). MP has not traded since incorporation and has net assets of nil and is therefore not consolidated with MATA.

#### 25 Related Parties

During the year the charity received £35,668 in donations (including gift aid) from four trustees and two immediate family members (2019: £17,667 from two trustees and three immediate family members) towards the Bursary Fund and the Mountview at Peckham capital project. The charity also received a donation of £1,389 from a company of which one trustee is a board member.

During the year the charity received a grant of £Nil (2019: £60,000) towards the capital project from the Foyle Foundation, of which Vikki Heywood is a trustee.

The charity has a loan secured with the London Borough of Southwark, for which Johnson Situ is a councillor. He was not a trustee when the loan was agreed.

During the year the charity paid £Nil to nil trustees for operational services (2019: £1,500 to one trustee for operational services). The charity paid £18,000 to Premier Public Relations Ltd, of which John Reiss is Executive Chairman; services are provided at 50% reduced rate.

# Mountview Academy of Theatre Arts Limited

## Notes to the Financial Statements

### For the year ended 31st August 2020 (Continued)

#### 26 Comparative Statement of Financial Activities

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	2019 Total Funds £
<b>Income from</b>						
<i>Generating funds:</i>						
Donations and legacies	2	89,640	-	2,347,274	-	2,436,914
Income from investments	4	15,995	-	27	2,492	18,514
<i>Charitable activities:</i>						
Education income	5	5,832,618	-	-	-	5,832,618
Other income	6	239,217	-	-	-	239,217
<b>Total income</b>		<b>6,177,470</b>	<b>-</b>	<b>2,347,301</b>	<b>2,492</b>	<b>8,527,263</b>
<b>Expenditure on</b>						
<i>Raising funds</i>						
Fundraising costs	8	75,437	65,833	-	-	141,270
<i>Charitable activities:</i>						
Education costs	8	6,646,134	1,506,423	56,472	27,920	8,236,949
<b>Total expenditure</b>	7	<b>6,721,571</b>	<b>1,572,256</b>	<b>56,472</b>	<b>27,920</b>	<b>8,378,219</b>
<b>Net income / (expenditure)</b>		<b>(544,101)</b>	<b>(1,572,256)</b>	<b>2,290,829</b>	<b>(25,428)</b>	<b>149,044</b>
<b>Other recognised gains:</b>						
Tax Credit	23	167,345	-	-	-	167,345
Transfers between funds	21	642,124	1,618,107	(2,250,231)	(10,000)	-
<b>Net movement in funds</b>		<b>265,368</b>	<b>45,851</b>	<b>40,598</b>	<b>(35,428)</b>	<b>316,389</b>
Fund balances brought forward		186,591	4,560,615	24,788	280,046	5,052,040
Fund balances carried forward		451,959	4,606,466	65,386	244,618	5,368,429

#### 27 Comparative Restricted Funds

	Balance Brought Forward £	Income £	Expenditure £	Transfers £	Balance Carried Forward £
Gyearbuor Asante Memorial Prize	5,084	27	(1,000)	-	4,111
Diana Boddington Prize Fund	4,991	-	-	-	4,991
Town Centre Partnership Project	-	20,000	(17,074)	-	2,926
Luke Morton	6,000	-	(1,000)	-	5,000
Jack Petchey Foundation	323	1,500	(1,276)	-	547
Leverhulme Trust	-	17,938	(17,938)	-	-
Community Outreach	1,574	10,000	(2,270)	-	9,304
Bursary Fund	2,875	32,200	(4,245)	-	30,830
Mountview Hardship Fund	1,080	405	(10,527)	10,000	958
Spencer Wills Trust	2,861	5,000	(1,142)	-	6,719
Mountview at Peckham	-	2,260,231	-	(2,260,231)	-
	<b>24,788</b>	<b>2,347,301</b>	<b>(56,472)</b>	<b>(2,250,231)</b>	<b>65,386</b>
<b>Endowment Funds</b>					
The Peter Coxhead Scholarship	280,046	2,492	(27,920)	(10,000)	244,618
	<b>280,046</b>	<b>2,492</b>	<b>(27,920)</b>	<b>(10,000)</b>	<b>244,618</b>