

Registered number: 01848136  
Charity number: 290261

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**THE ITALIA CONTI ACADEMY TRUST**  
(A Company Limited by Guarantee)

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



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**THE ITALIA CONTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**THE ITALIA CONTI ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Trustees**                      K Fensom (resigned 4 January 2020)  
                                      L Toon (resigned 12 April 2021)  
                                      J Eaton  
                                      S Hanness  
                                      B Thomas (appointed 8 January 2020)

**Company registered  
number**                      01848136

**Charity registered  
number**                      290261

**Registered office**                      Ground Floor  
                                      45 Pall Mall  
                                      London  
                                      SW1Y 5JG

**Independent auditor**                      Hillier Hopkins LLP  
                                      Chartered Accountants  
                                      Statutory Auditor  
                                      45 Pall Mall  
                                      London  
                                      SW1Y 5JG

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**THE ITALIA CONTI ACADEMY TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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The Trustees present their annual report together with the audited financial statements of the Company for the 1 September 2019 to 31 August 2020. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

**Objectives and activities**

**a. Policies and objectives**

In accordance with the objects stated above, the Charity had developed a strategy to provide high quality performing arts courses working alongside The Italia Conti Academy of Theatre Arts Limited ("the Academy").

Up until the date of writing and expected to continue until 31 August 2021, the strategy has been largely unchanged, as follows:

The Academy offers performing arts courses for students aged 11 and upward. From ages 11 to 16, these courses include National Curriculum schooling to GCSE as well as performing arts courses beyond 16 include NVQ and Bachelor of Arts Degree. The Academy operates from two premises, the main school in London's Barbican, and Avondale Hall in Clapham, where its drama courses are centred.

Under an agreement with the Academy, the Charity operates the school classes from ages 11 to 16, and provides grants for children to attend its own courses as well as courses operated by the Academy and considers other performing arts courses where appropriate on application. The costs of running the school which relate to its courses are reimbursed by the Charity to the Academy each year.

With effect from 31 August 2021, the Trustees and the Directors of the Academy have agreed that the financial feasibility of the Junior School operated by the Charity is no longer viable. Reduced demand for places and increased operating costs threaten the ability of the Charity to generate the funds needed to maintain its operations, as the requirement for discounted fees (discounted by grants from the Charity) increases. A decision to close the Junior School was taken and notified to parents at the beginning of the 2020/21 academic year, with effect from the end of the summer term. The Trustees express their gratitude to the Academy and its staff and directors for all their work in helping the Charity for many years.

The Trustees are developing new plans for the Charity going forward. These may include making new arrangements with the Academy for the running of a different part of its facility, or alternative methods for generating funds so that the Charity can continue its work of providing bursaries for deserving students. No decisions have yet been finalised.

At the date of writing, the Trustees are confident that it will be possible to continue the activities of the Charity in some manner, and the strategies are under development.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

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**THE ITALIA CONTI ACADEMY TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Objectives and activities (continued)**

The objectives of the Charity are:

- a. Promoting education in the performing arts through both teaching and the provision of scholarships; and,
- b. Providing teaching through the facilities of the The Italia Conti Academy of Theatre Arts Limited or otherwise.

**b. Strategies for achieving objectives**

While hitherto the strategy for achieving the charitable objectives have been clear, as explained above, it is now necessary to review these strategies and develop new ones. The global pandemic of Covid-19 has made it extremely challenging for the Charity to establish its new activities, and the Trustees have determined that they do not wish to enter into arrangements until they have greater clarity.

A number of alternative strategies are being reviewed at the date of writing. These include the operation of segments of the Academy's business on arrangements similar to those currently in existence, or the provision of suitable sub-services to students in which the Charity has expertise.

**Achievements and performance**

**a. Review of activities**

The year under review was challenging for the Charity in many ways. Falling student numbers alongside increased costs led to a reduced operating surplus, before grant-making, of £213,782 (2019: surplus £379,386). After grant-making, this resulted in a deficit of £124,551 (2019: surplus £161,874). This trend is expected to continue and explains the decision above to close the Junior School.

The Charity has retained a small surplus at 31 August 2020, and has made arrangements with the Academy to ensure that it does not suffer any overall deficit of charitable funds up to 31 August 2021 as a consequence of its arrangements with the Academy.

The overall incoming resources for the year were £921,362 (2019: £982,390). This is consistent with expectations and the strategy outlined under "Reserves Policy" below such that the net reserves at the balance sheet date were £42,971 (2019: £167,522).

Pupil successes continue, with numerous pupils gaining practical experience in professional work, and the Charity works closely with the Italia Conti Agency Limited to maximise the possibility of its pupils obtaining this highly sought after opportunity, whether in theatre, film or television.

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**THE ITALIA CONTI ACADEMY TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Financial review**

**a. Going concern**

The decision to close the Junior School clearly places some concern over the future of the Charity. The Trustees are presently of the view that the charitable activities will continue, albeit in a different form, as explained above. As such, they consider that the going concern basis is appropriate, and any alternative basis for preparing the financial statements would not result in any material adjustments.

**b. Reserves policy**

The Charity Commission defines reserves as "income which becomes available to the charity and is to be expended at the Trustees' discretion in furtherance of the charity's objects, but is not yet spent, committed or designated". At the balance sheet date the Charity's reserves are primarily utilised in the occupation of the Barbican premises and to provide working capital for its operations.

These funds are utilised by providing grants and teaching courses. It is the Trustees' policy to utilise resources for its objectives and not to retain unnecessary funds. Consequently, the Trustees have acted to utilise all surplus funds in furtherance of the Charity's objectives, especially having regard to the difficult times faced by many parents.

The close relationship with The Italia Conti Academy of Theatre Arts Limited acts to provide financial backup ensuring that reserves are in place at all times to meet the needs of the Charity in providing education.

**c. Asset cover for funds**

An analysis of the assets attributable to the various funds is shown in the financial statements. These assets are sufficient to meet the Charity's obligations on a fund-by-fund basis.

**d. Financial activities and results**

In accordance with its constitution, the company is not permitted to pay dividends.

The Trustees are permitted to distribute surpluses arising from activities to students in order that they may attend performing arts courses. The Trustees are also determined to assist students of performing arts courses not operated by it, where those students meet certain criteria for effort and attainment in cases of genuine hardship. The amount distributed to students is set out in note 4.

Details of grant making activities are set out under the review of activities above.

**Structure, governance and management**

**a. Constitution**

The Italia Conti Academy Trust is registered as a charitable company limited by guarantee and was set up by a Trust deed.

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**THE ITALIA CONTI ACADEMY TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Structure, governance and management (continued)**

**b. Methods of appointment or election of Trustees**

The management of the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

**Statement of Trustees' responsibilities**

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' 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 . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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**THE ITALIA CONTI ACADEMY TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Disclosure of information to auditor**

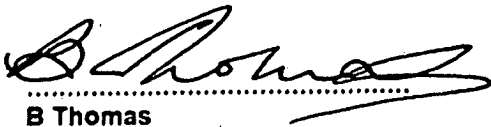
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

**Auditor**

The auditor, Hillier Hopkins LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

  
.....  
B Thomas

Date: 27/05/2021



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**THE ITALIA CONTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ITALIA CONTI ACADEMY TRUST**

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**Opinion**

We have audited the financial statements of The Italia Conti Academy Trust (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the 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 requirements of the Charities Act 2011.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

**Emphasis of matter**

We draw attention to the Trustees' Report and note 2.2 in the financial statements, which indicates that the Trustees have made a decision to close the school with effect from 31 August 2021. The Trustees are confident that it will be possible to continue the activities of the Charity in some manner, and the strategies are under development. Our opinion is not modified in respect of this matter.

**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 where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable 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.

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**THE ITALIA CONTI ACADEMY TRUST**  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ITALIA CONTI ACADEMY TRUST**  
**(CONTINUED)**

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**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and 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.

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

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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, 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.

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**THE ITALIA CONTI ACADEMY TRUST**  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ITALIA CONTI ACADEMY TRUST**  
**(CONTINUED)**

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

**Use of our report**

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Hillier Hopkins LLP**

Chartered Accountants  
Statutory Auditor

45 Pall Mall

London

SW1Y 5JG

Date: 27 May 2021

Hillier Hopkins LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**THE ITALIA CONTI ACADEMY TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>				
Donations and legacies	3	100	100	80,132
Charitable activities	4	916,263	916,263	894,198
Other trading activities		4,999	4,999	8,060
<b>Total income</b>		<b>921,362</b>	<b>921,362</b>	<b>982,390</b>
<b>Expenditure on:</b>				
Charitable activities		1,045,913	1,045,913	820,516
<b>Total expenditure</b>		<b>1,045,913</b>	<b>1,045,913</b>	<b>820,516</b>
<b>Net movement in funds</b>		<b>(124,551)</b>	<b>(124,551)</b>	<b>161,874</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward		167,522	167,522	5,648
Net movement in funds		(124,551)	(124,551)	161,874
<b>Total funds carried forward</b>		<b>42,971</b>	<b>42,971</b>	<b>167,522</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 14 to 25 form part of these financial statements.

**THE ITALIA CONTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 01848136**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investment property	9	349,500	349,500
		<u>349,500</u>	<u>349,500</u>
<b>Current assets</b>			
Debtors	10	174,323	2,102
Cash at bank and in hand		392,326	257,625
		<u>566,649</u>	<u>259,727</u>
Creditors: amounts falling due within one year	11	(873,178)	(441,705)
<b>Net current liabilities</b>		<u>(306,529)</u>	<u>(181,978)</u>
<b>Total assets less current liabilities</b>		<u>42,971</u>	<u>167,522</u>
<b>Total net assets</b>		<u><u>42,971</u></u>	<u><u>167,522</u></u>
<b>Charity funds</b>			
Restricted funds	12	-	-
Unrestricted funds	12	42,971	167,522
<b>Total funds</b>		<u><u>42,971</u></u>	<u><u>167,522</u></u>

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

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

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

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**THE ITALIA CONTI ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 01848136**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2020**

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The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



B Thomas

Date: 27/5/2021

The notes on pages 14 to 25 form part of these financial statements.

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**THE ITALIA CONTI ACADEMY TRUST**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	15	134,701	251,657
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		134,701	251,657
Cash and cash equivalents at the beginning of the year		257,625	5,968
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	16	392,326	257,625
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 14 to 25 form part of these financial statements

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**THE ITALIA CONTI ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. General information**

The Italia Conti Academy Trust is a company limited by guarantee incorporated in the United Kingdom. Its principal place of business is 23 Goswell Road, London, EC1M 7AJ.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Italia Conti Academy Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**2.2 Going concern**

As set out in the Trustees' Report, the Trustees have made a decision to close the Junior School with effect from 31 August 2021. This decision places some concern over the future of the Charity. However, at the date of writing, the Trustees are confident that it will be possible to continue the activities of the Charity in some manner, and the strategies are under development. As such, they consider that the going concern basis is appropriate, and any alternative basis for preparing the financial statements would not result in any material adjustments.

**2.3 Income**

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Company, can be reliably measured.

School fee and other income is recognised in the period to which the fees relate on a term by term basis. Where fees are mitigated by grants or other subsidies, these are deducted against the income and analysed in the notes to the financial statements. The Charity also takes a prudent view towards the recoverability of doubtful debts and where it appears that recovery of debts for school fees may be protracted or unlikely, provision is made in full.



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**2. Accounting policies (continued)**

**2.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

**2.5 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.6 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.7 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

**2.8 Financial instruments**

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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**THE ITALIA CONTI ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**2. Accounting policies (continued)**

**2.9 Pensions**

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

**2.10 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

**2.11 Distributions**

Distributions by way of grants and bursaries to pupils of the school are shown as deductions from fees in note 4 of the financial statements. Distributions by way of payment of fees for pupils and students from other educational establishments are shown as distributions under Resources Expended in the Statement of Financial Position.

**3. Income from donations and legacies**

	Unrestricted funds 2020 £	Total funds 2020 £
Donations	100	100

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations	80,132	80,132

**THE ITALIA CONTI ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**4. Income from charitable activities**

	Unrestricted funds 2020 £	Total funds 2020 £
Teaching	1,254,596	1,254,596
Grants made to students	(338,333)	(338,333)
<b>Total</b>	<b>916,263</b>	<b>916,263</b>

	Unrestricted funds 2019 £	Total funds 2019 £
Teaching	1,111,710	1,111,710
Grants made to students	(217,512)	(217,512)
<b>Total 2019</b>	<b>894,198</b>	<b>894,198</b>

**Income from fundraising events**

	Unrestricted funds 2020 £	Total funds 2020 £
Sundry income	4,999	4,999

	Unrestricted funds 2019 £	Total funds 2019 £
Sundry income	8,060	8,060

**THE ITALIA CONTI ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**5. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2020 £</b>	<b>Total funds 2020 £</b>
Teaching	831,520	831,520
Welfare	26,463	26,463
Support	115,193	115,193
Management & admin	72,737	72,737
	<u>1,045,913</u>	<u>1,045,913</u>

	<i>Activities undertaken directly 2019 £</i>	<i>Total funds 2019 £</i>
Teaching	687,121	687,121
Welfare	9,314	9,314
Support	102,940	102,940
Management & admin	21,141	21,141
	<u>820,516</u>	<u>820,516</u>

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**5. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	Teaching 2020 £	Welfare 2020 £	Support 2020 £	Managemen t & admin 2020 £	Total funds 2020 £
Staff costs	575,876	-	-	-	575,876
Fee for use of fixed assets	9,645	-	-	-	9,645
Rates & water	23,265	-	-	-	23,265
Insurance	-	-	-	9,980	9,980
Light & heat	15,642	-	-	-	15,642
Telephone	-	-	5,729	-	5,729
Postage, stationery & subscriptions	6,812	-	8,730	-	15,542
Advertising	-	-	21,138	-	21,138
Sundries	-	4,334	-	2,611	6,945
Training & recruitment	-	22,129	-	-	22,129
Travel	-	-	4,531	-	4,531
Canteen	40,469	-	-	-	40,469
Computer	-	-	18,292	-	18,292
Hire of equipment	10,744	-	-	-	10,744
Repairs	-	-	56,773	-	56,773
Shows	11,171	-	-	-	11,171
Education costs	17,667	-	-	-	17,667
Bank charges	811	-	-	-	811
Legal	-	-	-	60,146	60,146
Bad debts	93,121	-	-	-	93,121
Cleaning	26,297	-	-	-	26,297
	<u>831,520</u>	<u>26,463</u>	<u>115,193</u>	<u>72,737</u>	<u>1,045,913</u>

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**5. Analysis of expenditure by activities (continued)**

**Analysis of direct costs (continued)**

	<i>Teaching</i> 2019 £	<i>Welfare</i> 2019 £	<i>Support</i> 2019 £	<i>Management &amp; admin</i> 2019 £	<i>Total funds</i> 2019 £
Staff costs	576,726	-	-	-	576,726
Fee for use of fixed assets	12,479	-	-	-	12,479
Rates & water	58,402	-	-	-	58,402
Insurance	-	-	-	11,803	11,803
Light & heat	15,245	-	-	-	15,245
Telephone	-	-	6,460	-	6,460
Postage, stationery & subscriptions	9,163	-	11,205	-	20,368
Advertising	-	-	7,561	-	7,561
Sundries	-	4,044	-	-	4,044
Training & recruitment	-	5,270	-	-	5,270
Travel	-	-	8,502	-	8,502
Canteen	19,759	-	-	-	19,759
Computer	-	-	8,897	-	8,897
Hire of equipment	9,380	-	-	-	9,380
Repairs	-	-	60,315	-	60,315
Shows	4,503	-	-	-	4,503
Education costs	20,964	-	-	-	20,964
Bank charges	1,874	-	-	-	1,874
Legal	-	-	-	9,338	9,338
Bad debts	(75,730)	-	-	-	(75,730)
Cleaning	34,356	-	-	-	34,356
	<u>687,121</u>	<u>9,314</u>	<u>102,940</u>	<u>21,141</u>	<u>820,516</u>

**6. Auditor's remuneration**

	2020 £	2019 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	3,800	3,780
Fees payable to the Company's auditor in respect of:		
All non-audit services not included above	<u>1,200</u>	<u>1,050</u>

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**7. Staff costs**

	2020 £	2019 £
Wages and salaries	533,835	552,045
Social security costs	33,797	21,356
Contribution to defined contribution pension schemes	8,244	3,325
	<u>575,876</u>	<u>576,726</u>

The average number of persons employed by the Company during the year was as follows:

	2020 No.	2019 No.
Average number of employees	<u>9</u>	<u>7</u>

No employee received remuneration amounting to more than £60,000 in either year.

**8. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

**9. Investment property**

	Freehold investment property £
<b>Valuation</b>	
At 1 September 2019	349,500
At 31 August 2020	<u>349,500</u>

The carrying value of the investment property, representing a right to occupy the Charity premises, represents the amount that the Charity is entitled to receive if, for any reason, it becomes unable to continue that occupation (for example, if the freeholder sells the property with vacant possession). This is considered to be the effective market value of the rights held by the Charity.

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**THE ITALIA CONTI ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Debtors**

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	152,214	805
Other debtors	19,682	1,297
Prepayments and accrued income	2,427	-
	<u>174,323</u>	<u>2,102</u>

**11. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Trade creditors	2,892	2,618
Amounts owed to Italia Conti Academy of Theatre Arts Limited	698,437	423,445
Other creditors	80	-
Accruals and deferred income	171,769	15,642
	<u>873,178</u>	<u>441,705</u>



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**NOTES TO THE FINANCIAL STATEMENTS  
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**12. Statement of funds**

**Statement of funds - current year**

	Balance at 1 September 2019 £	Income £	Expenditure £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>				
Reserves	167,522	921,362	(1,045,913)	42,971

**Statement of funds - prior year**

	Balance at 1 September 2018 £	Income £	Expenditure £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>				
Reserves	5,648	973,227	(811,353)	167,522

**13. Summary of funds**

**Summary of funds - current year**

	Balance at 1 September 2019 £	Income £	Expenditure £	Balance at 31 August 2020 £
General funds	167,522	921,362	(1,045,913)	42,971

**Summary of funds - prior year**

	Balance at 1 September 2018 £	Income £	Expenditure £	Balance at 31 August 2019 £
General funds	5,648	973,227	(811,353)	167,522

**THE ITALIA CONTI ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**14. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	Unrestricted funds 2020 £	Total funds 2020 £
Investment property	349,500	349,500
Current assets	566,649	566,649
Creditors due within one year	(873,178)	(873,178)
<b>Total</b>	<b>42,971</b>	<b>42,971</b>

**Analysis of net assets between funds - prior period**

	Unrestricted funds 2019 £	Total funds 2019 £
Investment property	349,500	349,500
Current assets	259,727	259,727
Creditors due within one year	(441,705)	(441,705)
<b>Total</b>	<b>167,522</b>	<b>167,522</b>

**15. Reconciliation of net movement in funds to net cash flow from operating activities**

	2020 £	2019 £
Net income/expenditure for the period (as per Statement of Financial Activities)	(124,551)	161,874
<b>Adjustments for:</b>		
Decrease/(increase) in debtors	(172,221)	148,158
Increase/(decrease) in creditors	431,473	(58,375)
<b>Net cash provided by operating activities</b>	<b>134,701</b>	<b>251,657</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash in hand	392,326	257,625
<b>Total cash and cash equivalents</b>	<b>392,326</b>	<b>257,625</b>

**17. Analysis of changes in net debt**

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	257,625	134,701	392,326

**18. Pension commitments**

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £5,100 (2019 - £3,325).

**19. Related party transactions**

As set out in the Report of the Trustees, the Charity has a close working relationship with The Italia Conti Academy of Theatre Arts Limited ("the Academy"), which has provided the endowments allowing the Charity to exist and to operate. Although the Trustees are independent and the Charity has its own fee income and staff, they are contracted annually by the Academy and there is no obligation for the contract to be renewed. The Academy has confirmed that it has no expectation or intention to withdraw from this arrangement, and has provided financially backed rights to occupy as set out in note 10.

All overhead allocations and treasury management is shared with the Academy, subject at all times to the Trustee oversight.

The Academy is considered to be a related party because, and only because of its close relationship with the Charity, in the intent of giving a true and fair view.

**20. Post balance sheet events**

The Trustees have taken the decision to close the school with effect from August 2021. The effects of this are set out in the Trustees' Report.