

THE ARTS EDUCATIONAL SCHOOLS

England & Wales · Charity number 311087

Details

Other names THE ARTS EDUCATIONAL TRUST, ARTS ED LONDON

Status Registered

Legal form Charitable company

Company number [00712444](#)

Registered 1962-02-13

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

Contact

Address 14 Bath Road
Chiswick
London
W4 1LY

Phone 02089876666

Email reception@artsed.co.uk

Website www.artsed.co.uk

Activities

Objects: ADVANCEMENT OF EDUCATION AND IN CONNECTION THEREWITH IN PARTICULAR TO ACQUIRE, ESTABLISH, PROVIDE, CONDUCT AND CARRY ON RESIDENTIAL AND NON RESIDENTIAL SCHOOLS IN WHICH CHILDREN AND STUDENTS MAY RECEIVE A GENERAL EDUCATION IN CONJUNCTION WITH A SPECIALISED EDUCATION FOR STUDENTS DESIRING TO FOLLOW A CAREER IN OR CONNECTED WITH THE PERFORMING ARTS.

Activities: The Arts Educational Schools' aim is to provide a first class education through strong vocational and general education and through developing wider artistic and social skills in all its pupils and students. Each pupil or student is encouraged to develop and fulfill his or her potential, promoting self-confidence and desire to contribute to the wider community.

Classification

- **How:** Provides Services
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Children/young People, The General Public/mankind

Geography

- Ealing
- Hammersmith And Fulham
- Hounslow
- Richmond Upon Thames

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£11,973,498	£12,101,646	£14,908,831	229
2024-08-31	£11,187,130	£11,921,857	£15,012,257	215
2023-08-31	£11,236,214	£11,332,502	£15,604,033	217
2022-08-31	£11,053,253	£10,810,567	£15,711,629	210
2021-08-31	£10,363,666	£10,128,832	£15,602,838	210

Trustees

Name	Role	Appointed
Benjamin David Gudgeon		2022-06-21
Cherry Dickins		2022-07-12
Claire Blunt		2025-03-31
Farida Mannan		2021-11-23
Joanna MacDonnell		2022-06-21
Laura Elisabeth McGaughey		2025-04-22
Matthew Edward Wilson		2025-04-22
Richard John James Nicholson		2025-04-22
Ruth Guilding Whittaker		2025-06-05
Sarah Jane Hopwood		2025-04-22

THE ARTS EDUCATIONAL SCHOOLS

England & Wales - Charity number 311087

Accounts

THE ARTS EDUCATIONAL SCHOOLS
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

Company Number: 00712444
Registered Charity Number: 311087

**THE ARTS EDUCATIONAL SCHOOLS
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

CONTENTS	Page
Patrons, trustees, officers and advisors	1
Trustees' report	3
Statement of corporate governance & internal control	20
Independent auditor's report	22
Statement of financial activities	25
Balance sheet	26
Cash flow statement	27
Notes to the financial statements	28

**THE ARTS EDUCATIONAL SCHOOLS
PATRONS, TRUSTEES, OFFICERS AND ADVISORS
FOR THE YEAR ENDED 31 AUGUST 2025**

President Lord Lloyd-Webber

Vice Presidents Robert Powell
David Grindrod
Sharon D Clarke

Patrons and Artistic Creatives	Don Black, OBE	Mary King
	Sir Matthew Bourne, OBE	Nigel Lilley
	John Brant	Lynette Linton
	Chrissie Cartwright	Robert Lindsay
	Anthony Cherry	Lesley Manville
	Bill Deamer	Stephen Mear
	Janie Dee	Sir Trevor Nunn
	Mike Dixon	Arlene Phillips
	Anthony Drew	Mark Shenton
	Nigel Havers	George Stiles
	David Howe	Ian Talbot
	Rachel Kavanaugh	Roy Williams

Trustees

Claire Blunt (Chair) (appointed 31 March 2025)
Ann Cottis
Stephen Denyer (resigned 31 March 2025)
Cherry Dickins
Benjamin Gudgeon
Sarah Hopwood (appointed 22 April 2025)
Brenlen Jinkens (resigned 2 December 2024)
Joanna MacDonnell

Laura McGaughey (appointed 22 April 2025)
Farida Mannan
Robert Mathieson
Richard Nicholson (appointed 22 April 2025)
Ruth Mundy
Ruth Whittaker (appointed 5 June 2025)
Matthew Wilson (appointed 22 April 2025)

Officers

Principal

From 1 September 2024 to 30 June 2025 the institution was led by an Interim Executive Leadership Team comprising of Alexander Gillespie (Finance Director), Jonathan O'Boyle (Director of the School of Musical Theatre) and Peter Middleton (Head Teacher). Louise Jackson was appointed as Principal on 1 July 2025.

Company Secretary Alexander Gillespie

Registered office Cone Ripman House
14 Bath Road
London
W4 1LY
Website: www.artsed.co.uk

**THE ARTS EDUCATIONAL SCHOOLS
PATRONS, TRUSTEES, OFFICERS AND ADVISORS
FOR THE YEAR ENDED 31 AUGUST 2025**

Auditors	HaysMac LLP 10 Queen Street Place London EC4R 1AG
Bankers	Lloyds Bank Plc St Mary's Court 100 Lower Thames Street London EC3R 6HX
Insurance brokers	Marsh Limited Education Practice Capital House 1-5 Perrymount Road Haywards Heath West Sussex RH16 3SY

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025**

REFERENCE AND ADMINISTRATIVE INFORMATION

The Arts Educational Schools ('the Trust' or 'ArtsEd') is a company limited by guarantee not having a share capital (company number 0712444) and is registered as a charity (registered charity number 311087). The Trustees and executive officers of the Charity are as listed on page 1. Particulars of the Trust's registered office which is also the main place of business and details of the professional advisers are given on pages 1 and 2.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Trust is governed by its Memorandum of Association dating from 1962, Articles of Association last amended in 2025.

Method of Recruitment and Appointment of Trustees

The Trustees of the Charity are the Trust's directors for the purposes of the Companies Act. In accordance with the Articles, the Trustees of ArtsEd may recommend individuals to be appointed as new Trustees and the Members (i.e. those who are "Members" for the purposes of company law as set out in the Articles) can also nominate individuals. Candidates are interviewed, and if appropriate put forward for election by the Trustees. The new Trustees are then appointed formally. In practice the Board will encourage the Principal, and other connected parties to suggest the names of potential candidates.

The Board carries out regular reviews and skills audits to identify the appropriate mixture of skills and experience required to manage the multi-faceted affairs of ArtsEd which is also a registered charity, a company limited by guarantee, a medium sized business, and a local employer with over 200 employees. The governing body comprises 13 independent members who are not employed by the Trust and have no material financial interest. Their presence ensures effective oversight, challenge and accountability in line with the Office for Students' regulatory expectations under Condition E7.

We devote a good deal of thought to succession planning and keep a register and skills matrix of the mixture of skills and professional backgrounds represented on the Board. Our aim is to achieve a balanced Board with a core of individuals with educational, legal, accountancy, finance, property management, business, marketing and performing arts industry backgrounds. We review this balance regularly. Our Articles specify that there should be a minimum of 5 and a maximum of 15 Trustees on our Board. Trustees may serve up to three terms of three years and shall serve for no more than nine years.

The current Trustees are:

Claire Blunt	(appointed 2025)	
Ann Cottis	(appointed 2017)	Re-elected April 2023
Cherry Dickins	(appointed 2022)	Re-elected July 2025
Benjamin Gudgeon	(appointed 2022)	Re-elected July 2025
Sarah Hopwood	(appointed 2025)	
Joanna MacDonnell	(appointed 2022)	Re-elected July 2025
Laura McGaughey	(appointed 2025)	
Farida Mannan	(appointed 2022)	Re-elected July 2025
Robert Mathieson	(appointed 2017)	Re-elected April 2023
Ruth Mundy	(appointed 2021)	Re-elected January 2025
Richard Nicholson	(appointed 2025)	
Ruth Whittaker	(appointed 2025)	
Matthew Wilson	(appointed 2025)	

Policies and Procedures adopted for the induction and training of Trustees

All new Trustees are given a tour of the school and the chance to meet staff and students. All Trustees are provided with copies of the policies, procedures, minutes, accounts, budgets, plans, an induction pack and any other documents they need to undertake their role as Trustees. Trustees are encouraged to attend training courses and seminars arranged by the Association of Governing Bodies of Independent Schools (AGBIS) and other professional providers, such as law and accountancy firms in order to reinforce their awareness of their varied duties and responsibilities. Trustees also receive mandatory training on Trustees' Roles and Responsibilities, KCSIE and Prevent.

Organisational Management

The Trustees are legally responsible for the overall management and control of the Schools and meet at least three times a year. The day-to-day responsibilities are delegated to the Principal. The Board has six sub-committees which meet as follows:

- The Compliance and Risk Management Committee meets three times a year to review the institution's approach and response to risk and compliance.
- The Finance and Audit Committee meets four times a year to review financial operations.
- The Nominations and Remuneration Committee meets twice a year to review recruitment and succession within the Board of Trustees and the remuneration of senior positions.
- The Welfare, Safeguarding and Health and Safety Committee meets three times a year to review institutional safeguarding and health and safety.
- The Day School Sixth Form Committee meets at least once per term to review governance of the School.
- The Higher Education Committee meets at least once per term to review all HE Programme

All meetings of the Trustees are attended by the Principal together with other senior staff as may be required for that meeting. Specially convened meetings of staff and Trustees are arranged from time to time on topics of strategic interest. Trustees often attend performances and meetings with external partners.

Schools Structure

ArtsEd comprises the Day School (Day School for 11-16 and Sixth Form for 16-18), the School of Musical Theatre and the School of Acting. In addition, ArtsEd Extra offers provision to the local community. These departments are supported by the Finance, Facilities, HR, Production, Academic Management, Communication and Development teams and other administrative and support services.

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2025**

Senior Leadership Board

The Senior Leadership Board for the year ended 31 August 2025 comprised:

- Louise Jackson, Principal (appointed 1 July 2025)
- Frank Daniel, Head of Facilities
- Fela George, Interim HR Director
- Alexander Gillespie, Finance Director
- Peter Middleton, Headteacher
- Jonathan O'Boyle, Director – School of Musical Theatre
- Kim Vithana, Director – School of Acting (resigned 7 October 2025)

Following the resignation of the former Principal in July 2024 the Board of Trustees appointed an Interim Executive Leadership Team consisting of the Finance Director, The Director of the School of Musical Theatre and the Headteacher. The Interim Executive Leadership Team remained in situ until Louise Jackson was appointed as Principal on 1 July 2025. The Principal, after appointment, elected to pause the activities of the Senior Leadership Board and appointed an interim Senior Executive Team in its place (ratified by the Board of Trustees) consisting of the Finance Director, The Director of the School of Musical Theatre and the Headteacher.

Pay Policy for Senior Staff

The Trustees consider that they, together with the Senior Leadership Board, comprise the Key Management Personnel. The Trustees give of their time freely. Annual salary increases for all staff are approved by the Trustees. The pay and remuneration of the Principal and senior staff is kept under annual review. Criteria used in setting pay includes:

- nature of the role and responsibilities
- trends in pay
- affordability.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The objects for which the Trust is established are to promote the advancement of education and in connection therewith in particular to acquire, establish, provide, conduct, and carry on residential and non-residential schools in which children and students may receive a general education in conjunction with a specialised education for students desiring to follow a career in or connected with the performing arts.

Aims and intended impact

ArtsEd's aim is to provide a first-class education through strong vocational and general education and through developing wider artistic and social skills in all its pupils and students. Each pupil or student is encouraged to develop and fulfill his or her potential, promoting self-confidence and desire to contribute to the wider community.

Objectives and Activities

ArtsEd's mission is to deliver successful and fulfilling careers for all our students and staff. This mission is at the core of all decision making and ensures that students and staff are central to strategic planning.

Strategic Aims

- Provide outstanding education and training
- Widen participation and encourage a diverse student intake
- Exploit our growing reputation
- Increase our emphasis on staff development and engagement
- Foster a culture of philanthropy
- Develop the building and its facilities to enhance the student experience
- Sustain the financial health of the Schools while allowing for investment in new initiatives

Key Strategic Objectives

- To provide exceptional learning opportunities that enable all pupils and students to realise their individual potential
- To review the delivery and relevance of all our education and training
- To evaluate how student development and achievement is enabled through robust quality assurance and enhancement
- To retain and progress talented staff through development, staff wellbeing and performance management, to enable them to realise their full potential
- To ensure that all staff and Trustees fulfil their obligations and deliver the highest standards in relation to safeguarding
- To provide excellent pastoral care
- To market ArtsEd as the destination of choice for a successful and fulfilling education and career
- To develop our distinctive brand identity as the leading force in Musical Theatre training
- To continue to maintain strong relationships with the industry
- To build philanthropic and public support for student scholarships, the Student Support Fund and the capital campaign
- To provide facilities that are fit for purpose, through effective maintenance and refurbishment programmes, space planning and facilities management
- To achieve the required level of operational surplus to meet ongoing investment requirements and provide contingency against unanticipated adverse developments
- To achieve maximum cost efficiency and value for money in all operations
- To sustain our cash flow and liquidity to ensure financial sustainability
- To monitor fee levels across the sector to ensure that we remain competitive

PUBLIC BENEFIT

The Trust provides a public benefit by providing first class independent education and vocational training, both through strong teaching and through developing wider artistic and social skills in all its pupils and students. This is intended to provide an environment where each student can develop and fulfil his or her potential, thus to help build self-confidence and inculcate a desire to contribute to the wider community.

Grants and bursaries, provided by the Trust, enable those who cannot afford to pay the full fees, to benefit from an ArtsEd education. Students are also able to apply for the Dance and Drama Award (DaDA) scheme which is provided by the Education and Skills Funding Agency. This allows the most talented students from a broad range of backgrounds to benefit from the training which ArtsEd offers.

The school encourages the local community to hire the Andrew Lloyd Webber Foundation theatre and other spaces for their own activities.

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2025**

In addition to the above, ArtsEd undertook the following activities:

- Audition fee waivers are available to applicants from disadvantaged backgrounds.
- The School gave free use of its theatre to the Chiswick Book Festival
- The School gave free use of its facilities to the Bedford Park Society
- The School supported the Bedford Park Festival
- ArtsEd Extra undertook outreach activities in the local community

The Trustees have given consideration to the Charity Commission's general guidance on public benefit, and in particular to its supplementary public benefit guidance on advancing education, and have concluded:

- that there are clearly identifiable benefits from the Schools' work which relate directly to their aims as set out above;
- there is no significant detriment flowing directly from the Schools' work which we consider needs to be balanced against those benefits;
- that the benefits which the Schools provide are widely available to the public.

REGULATORY COMPLIANCE

The summary findings from the Rezaie review (that took place in the 2023/24 year) were published in July 2024.

The 2024/25 was a transitional year, during which the institution was led by an Interim Executive Leadership team until 30 June 2025. On 1 July 2025 Louise Jackson was appointed as Principal.

During 2024/25 the following work was undertaken in relation to regulatory compliance, and in response to the findings of the external investigation:

1. An institutional staff survey was launched.
2. HR policies and procedures were reviewed and updated.
3. The Articles of Association were amended, removing the requirement for the Principal to be appointed as a Trustee.
4. Several new Trustees were recruited, alongside a review of the skills matrix of the Board of Trustees.
5. An institutional stabilisation project was launched by the new Principal, focused on all key strands of the business, in advance of launching a new Strategic Plan in late 2026.
6. The security and safeguarding arrangements for the building, in particular in relation to external hirers have been reviewed and arrangements updated.
7. Undertook Institutional training on EDI.

The Institution continues to monitor and update all Policies and Procedures for appropriateness.

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2025**

STRATEGIC REPORT

**REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR
Student and Pupil numbers**

	2024/2025	2023/2024
Applications received		
Musical theatre (3 year BA)	1,453	1,241
Acting (3 year BA)	908	830
Acting (1 year MA)	262	212
Applicants auditioned		
Musical theatre (3 year BA)	1,203	1,023
Acting (3 year BA)	372	300
Acting (1 year MA)	123	120
New student intake		
Musical theatre (3 year BA)	53	53
Acting (3 year BA)	33	34
Acting (1 year MA)	28	29
Total students (at year end)		
Musical theatre	190	170
Acting	149	151
Total	339	321
Pupils (including "A" Level)		
Applications	294	317
Acceptances	119	106
Total number of pupils at year end	<u>286</u>	<u>286</u>

ArtsEd continues to maintain high standards across its range of activities and to sustain stable pupil and student numbers and these are more fully described for each of the schools below.

The Trustees would like to thank all staff members for the continuing success of ArtsEd, for achieving such excellent academic results and for the continued stability in the financial results.

DAY SCHOOL AND SIXTH FORM

We believe that students, and their parents, should be given the assurance that they will achieve to the very best of their potential. At ArtsEd this is achieved in both the academic and vocational aspects of the 'ArtsEd Curriculum' through the excellence of teaching and learning; fundamentally, this is set within an environment where pastoral care is at its heart and that is inclusive, nurturing and enables all our students to thrive.

This is reflected in our strong academic results that show significant added value throughout each student's journey at the School. There are small class sizes which enable us to know the individual student and develop highly productive working relationships between students and teachers. We are an academically non-selective school with a collaborative ethos that instils a sense of self-belief in our students which, when combined with the very significant levels of personal development, undoubtedly create the foundations for their academic success.

This ethos within our school, coupled with small cohort sizes (number of students in Year 11: GCSE - 30; Year 13: A level - 9 and BTEC - 62), means that at ArtsEd a smaller number of students in Years 11 and 13 sit public examinations than in most other schools; we also have a much wider spread of talent and ability across the academic and vocational courses. Consequently, it is inevitable that there will be fluctuations in the overall results of different cohorts; combined year group outcomes do not show the programmes of personalised support for individual students, nor do they reflect the significant progress made by them.

The results at ArtsEd reflect the quality of teaching and learning, the ability of our students and their commitment to achieving their best throughout the time they are with us. At the heart of supporting the successes this year is our unique 'ArtsEd Curriculum' – where vocational training of the highest quality is rooted and integrated within the academic programme. This was recognised by the Independent Schools Inspectorate in the most recent inspection, when they awarded the School the highest accolade – an area of significant strength:

'The standards that pupils achieve in performing arts, in line with the school's expressed aims, are a significant strength of the school.'

ISI Inspection Report 2024

'Leaders plan a curriculum through which pupils study a wide range of academic and vocational subjects. Pupils develop linguistic, mathematical, scientific and technological skills. Leaders strategically plan ahead and adapt their curriculum in the light of the changing demands of the world of performing arts.'

ISI Inspection Report 2024

The 2025 results for our Year 11 and 13 students were a wonderful recognition of their endeavours.

Year 11 Results

GCSE courses start in Year 9, and students typically take 9 GCSEs; additionally they have their own chosen vocational pathway lessons in dance, drama or musical theatre. Core subjects are English Language, English Literature, Mathematics and Combined Science Trilogy. Subject to meeting key criteria, there is also the possibility to sit an additional GCSE in a language in which they are fluent.

In 2025, Year 11 students produced a record-breaking set of results – they eclipsed those of 2019 when the School achieved its previous best set of results since GCSEs were reformed. 15% of all grades awarded were

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2025**

grade 9 – (up 6% on 2024 and 5% better than 2019); 48% of grades awarded were 9 - 7 (up 2% on 2024 and 5% better than 2019).

Value-added' analysis in 2025 showed that on average each Year 11 student achieved nearly 1 grade (0.9) higher in each subject than their cognitive abilities test scores indicated:

All GCSEs	2025 %	2024 %
9	15	9
9 – 8	30	25
9 – 7	48	46

Year 13 Results

Our Sixth Form students can take one of three different pathways: A levels, BTEC, or uniquely a combination of both. Those on the A level pathway usually start with up to 4 A levels. This year, the majority of students studied the BTEC pathway, which is the BTEC Level 3 Extended Diploma in Performing Arts Practice (Acting/Musical Theatre/Dance) and is the equivalent of 3 A levels; in addition, a significant number of these BTEC students also chose to study 1 or 2 A levels.

This year's Year 13 produced some superb results. The BTEC Level 3 Extended Diploma has three main specialisms in the Performing Arts: Acting, Dance and Musical Theatre. There were some outstanding results in these vocational courses, where Distinction* (D*) is the equivalent to an A* at A level; Distinction (D) is an A grade; Merit (M) is a B grade. 66% of students achieved D*D*D* (A level equivalent of 3 A* grades), 89% achieved DDD or better (equivalent to AAA at A level), and all our BTEC students achieved at least DMM (ABB):

	BTEC %	
	2025	2024
D*D*D*	66	69
D*D*D* -D*D*D	74	77
D*D*D* - D*DD	86	85
D*D*D* - DDD	89	90

There were some excellent A level outcomes with 26% of grades awarded at A*-A, and a number of students achieved at least one A*:

	A level %	
	2025	2024
A*	10	10
A* - A	26	26

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2025**

When the BTEC and A level results are combined, the overall number of top grades in A level (A*) and BTEC (D*) was up 5% to 55%. The A*- A / D*- D rate was 74% (up 6%) and A*- B / D*- M rate was 89% (up 1%)

	A level and BTEC combined %	
	2025	2024
A* / D*	55	50
A*- A / D* - D	74	68
A*- B / D* - M	89	88

These results were outstanding and enabled this multi-talented year group to move on to leading conservatoires and institutions in the UK and abroad, or into the industry. This year's destinations included:

- | | |
|--|--|
| ArtsEd | New York Film Academy |
| BIMM University London | Nottingham Trent University |
| Bird College | Oxford School of Drama |
| Boston Conservatory at Berklee | Oxford Brookes University |
| Brunel University | Royal Central School of Speech and Drama |
| Emil Dale | Royal Holloway |
| Guildford School of Acting | Royal Northern College Of Music |
| Institute of the Arts Barcelona | Royal Welsh College of Music and Drama |
| International College of Musical Theatre | The Lee Strasberg Theatre and Film Institute |
| Italia Conti | The Place |
| Kingdom School of Art | The Wilkes Academy |
| Kingston University | Trinity Laban |
| LAMDA | University College London |
| University of Leeds | University of Bristol |
| London Film Academy | University of Edinburgh |
| London Studio Centre | University of Exeter |
| Mountview | University of York |

POST-18 PROVISION

As one of the UK's leading centres of conservatoire education, ArtsEd is proud of its reputation as a provider of world-class, contemporary training. Our Musical Theatre course is consistently recognised as the best in the UK, and one of only a handful which can genuinely claim to produce 'triple threat' performers. Our 3-year Acting course is leading the way in delivering a robust, inclusive, skills-based actor training, focusing on new thinking in response to the rapidly evolving world of the arts and culture.

Based on a range of evidence, including graduate destinations, external reports, feedback from students and industry professionals, annual evaluation, and internal self-assessment, we believe our overall effectiveness to be outstanding. We report a variety of statistical data to the Higher Education Statistics Agency (HESA) including for the Destination of Leavers from Higher Education survey, which calculated that 100% of our graduates go on to work or further study.

Our graduate destinations are outstanding. Each year ArtsEd graduates can be seen performing in commercial theatres in the West End and on tour, as well as appearing in television dramas and feature films.

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2025**

A number of regulatory, accrediting and validating bodies have oversight of our provision (both HE and FE), and reports from these provide assurance of the quality and relevance of our provision:

- Extremely positive reports from City St George's University, Trinity and graduate outcomes have confirmed DaDA funding for 2025/26.
- During our Ofsted inspection (DADA HE Provision) we received "Outstanding" in all areas – November 2024.
- We are accredited by the Council for Dance, Drama and Musical Theatre.
- We are a founder member of the Federation of Drama Schools.
- Our provision meets the guidelines set by Equity and Spotlight for conservatoire training.

We can therefore be confident that our content and our curricula remain relevant, the standards of teaching and learning remain very high, with high expectations for what all learners can achieve, and that our education and training provides each student with the best possible preparation for a successful and fulfilling career.

The Institution continues to attract highly skilled and expert practitioners with a wealth of relevant subject knowledge to teach at ArtsEd, both as regular tutors and visiting creatives. In Year 1 the majority of teaching is undertaken by core in-house staff to encourage confidence, generosity to the ensemble, and to allow students the time and support to develop a broad range of technical skills before testing them against industry standards. As the courses progress, through projects, public productions and professional practice modules, students are introduced to a wide range of practitioners, directors and creatives, including leaders in their field as well as emerging artists. The experience of working with these people develops students' skills and confidence and allows them to build up a broad portfolio of professional contacts in preparation for entry to the industry. This combination of rigorous technical training from in-house staff, and the experience of working with a huge variety of industry professionals, is a key strength of teaching and learning at ArtsEd.

ArtsEd is noted in the industry for our success in attracting and retaining a particularly diverse student body, over one third of our students come from Black, East Asian, South Asian, and other under-represented Ethnic groups. We continue to address under-representation and lack of diversity in UK drama schools in our student population, permanent staffing and the creative practitioners we bring in to work with us. We are committed to maintaining our strength in this area, improving diversity of all kinds over the coming years.

Our commitment to inclusivity is apparent in a warm and welcoming environment, with a strong attention on the development of the individual. The pastoral care that is a core aspect of our provision is rooted in the expertise of our staff and is driven by the belief that a person's wellbeing is core to their success. Training is undertaken each year to update and allow us to critically reflect on our provision and practices. Extensive performance experience gives staff an understanding of the rigours and demands of the industry and the ability to inspire resilience alongside expertise. This is an essential element in creating graduates who are confident, resourceful and committed performers, well prepared to enrich and influence the creative industries in the UK and beyond.

Diversity statistics

23% of the new 2025/26 intake of students (all higher education courses) are Black, East Asian, South Asian, and other under-represented Ethnic groups. It is an ongoing target to maintain and improve equality, inclusivity and diversity, and efforts are made at audition to recruit students from a diverse range of backgrounds and support them to succeed at the highest levels. We continue to explore how we can influence the intake in Musical Theatre, through targeted outreach and marketing strategies. Our commitment to diversity continues to be reflected in our efforts to attract talented students from a range of backgrounds to our post-18 courses.

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2025**

New intake

% Black, East Asian, South Asian, and other under-represented Ethnic groups.

2025-26	23%
2024-25	25%
2023-24	26%
2022-23	29%
2021-22	41%
2020-21	30%
2019-20	37%
2018-19	29%
2017-18	23%
2016-17	21%
2015-16	20%
2014-15	18%

Wellbeing and Pastoral Care

The challenge of supporting the growing number of pupils and students with mental health is one faced by all education and training providers. Trustees are committed to supporting initiatives for continual improvement in pastoral care in support services and the promotion of wellbeing for all our students and staff. The HE Registry Team have a centralised Student Support Team in place who support our students through a range of support mechanisms and procedures such as a new Personal Tutoring System and revised Attendance Policy. ArtsEd also offer on-site external Counselling Service to all students and confidential external online support is available to both staff and students through Togetherall.com. We are committed to ensuring the effectiveness of our support systems for students and ensuring students are supported during their time at ArtsEd.

School of Musical Theatre

ArtsEd's Musical Theatre ("MT") department is regarded as the premier Musical Theatre school in the country and Europe, and one of only a handful which can genuinely claim a 'triple threat' training. The training is rigorous and robust. All our Graduate shows for 24/25 were in person with sold out audiences at our Andrew Lloyd Webber Foundation Theatre. For the sixth year running the MT showcase was filmed as showreels directed by Matthew Gordon Martin and Jonathan O'Boyle (Director of the School of Musical Theatre).

Employability

Students continue to be well prepared for employment, both in the development of the key skills necessary for work in the profession, and in the development of understanding about the industry. They take part in regular mock and preview interviews and auditions, and the requirement to audition for roles in their final year productions and films gives students a real sense of what to expect when seeking professional work. Students benefit from an extensive programme of professional practice and industry talks from agents, casting directors and actors on a range of subjects including how to start their own theatre company, how to manage their finances and taxes, how to develop their own work for television, how to market themselves and understanding their individual casting potential. These industry guests frequently cast and audition the students for professional productions.

Similarly, the policy of bringing West End casting directors to audition BA Musical Theatre whilst still in training continues to be highly successful and will continue for the forthcoming year. This year we have invited five leading casting directors to attend our casting director days.

Graduate Success

We have several students up for awards at the Black British Theatre Awards:

Omari Douglas – Best Male Lead Actor in a Play.

Georina Onuorah – Best Female Lead Actor in a Musical.

2024/25 - July 2025 Graduates

49 students graduated in 2025

49 students – 100% – secured an agent before graduation.

Employment

As of 10th October 2025, 41% of 2025 graduates had secured a first job.

Graduate Destinations

West End Musicals:

Evita, Into The Woods, Old Friends: Stephen Sondheim Concert, Starlight Express, Your Lie In April, The Wizard of Oz, Mamma Mia, Moulin Rouge, Tina: The Musical, Back To The Future, Les Misérables, Grease, Pretty Woman, Brigadoon, The Curious Case of Benjamin Button, Burlesque, Wendy and Peter (RSC), Come Alive, The Lightening Thief, and Cabaret.

Regional theatre including:

Starter For Ten at Bristol Old Vic, Top Hat, Assassins and Rock Follies at Chichester Festival Theatre, Evita and My Fair Lady at Curve Leicester, Roman Holiday at Bath Theatre Royal, Hairspray at Kilworth House.

UK Tours including:

Hamilton, Only Fools and Horses, The Wizard of Oz, Wicked, Madagascar: The Musical, Jesus Christ Superstar, Pretty Woman, Cruel Intentions, Sunny Afternoon, My Fair Lady. As well as International and European tours, including A Chorus Line, Singin In The Rain, The Phantom of the Opera and Love Never Dies, and further engagements (concerts and new writing workshops).

TV: Eastenders

School of Acting

The School of Acting is one of the more diverse schools in the sector, from both a student and tutor stance and its reputation has grown substantially. By culturally diversifying the curriculum, pedagogical approach and operational structures, it has seen a meaningful cultural shift which has impacted positively on the wellbeing of both students and staff. This is highlighted in the large number of student applications (over 1200 for 34 places), at the end of the 2024-25 audition cycle.

We offer an inclusive, diverse, contemporary industry-facing programme, an exciting alternative to the traditional model of classical theatre training. The BA Acting course was an early adopter in embedding intimacy training and British Sign Language within the 1st Year curriculum - these strands have further developed to ensure that they weave through all three years' training including Third year support for public productions. We continue to develop cross -curriculum and co-teaching and collaborations with other schools

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2025**

within ArtsEd to enhance student experience. Our TV and Film delivery has been noted by screen industry professionals as very high quality drama school training provision.

Employability

ArtsEd facilitates a robust practical creative environment to facilitate students to progress into professional work in all genres. We bring stage and screen casting directors to audition BA Acting students whilst still in training, which has born fruit in students being cast for stage and screen. This addition, like our Musical Theatre course, provides another indicator of the quality of standards on the programme. We are proud our students continue to gain professional recognition and obtain high quality professional work with alumni being nominated for the BBTA Awards this year. BA Acting Graduate Nominations included Best Female Supporting Actor in a Play.

We are pleased to see 2024-25 graduates undertaking work since leaving the course: Channel 4 six part series 'Pierre' with David Harwood; West End show 'Woman in Mind' with Sheridan Smith; West End show 'Stranger Things: The First Shadow'; a working title Apple TV series; short film 'Brilliant Traces'; BBC series 'Casualty'; plays 'No Such Thing as a Blank Canvas' and 'Dweeb a Mania'; an astounding 100% SOA Graduates secured agents, 70% of whom from the PMA, before leaving.

Below are further examples of the quality of work our graduates have undertaken:

Screen: BBC 'Comic Relief Eastenders', Paramount+ 'The Agency', Universal 'FBI: Confidential', Feature Film 'The Last Disturbance of Madeline Hynde' directed by Kenneth Branagh, BBC 'Eastenders', Apple TV 'Trying', Quay Street Productions 'Tiptoe', Apple TV+ series 'Invasion'; Warner Brothers 'The Flash'; ITV 'The Walk In'; Apple TV 'Criminal Record'; Channel 4/Disney/ Lionsgate 'Queenie'; Netflix 'The Crown'; Syfy Channel 'The Arc' Season 2; Empire Productions 'Pulcinella' Apple TV 'Hijack'; BBC 'Doctors' and 'Casualty'; ITV 'PIglets'; Netflix 'One Day'; MGM Studios/Amazon Prime 'Lazarus'; Miramax/Working Title 'Bridget Jones Diary'.

Radio/Voicework: BBC Radio 4 series regular Torchwood; Prodigious UK, Iris Worldwide, BBC Audio Drama.

Theatre: Riverside Studios 'The Underneath', Liverpool Everyman 'Playhouse', West End 'Oedipus', West End 'Strangers Things: The First Shadow', RSC 'The Tempest, Lion and Unicorn Theatre 'Girls Who War' and 'Mercutio', Tabard Theatre 'Possum Trot', Edinburgh Fringe one man show, Tramshed 'Sorry not Sorry', Shakespeare's Globe 'Romeo and Juliet', Orange Tree Theatre 'Test Match', RSC 'A School for Scandal', West End 'Romeo and Juliet', CAA Theatre 'Cyrano', Criterion Theatre 'Unbelievable', National Theatre extended tour 'The Ocean at the End of the Road', The Changeling Theatre Company 'Loves Labours Lost'; Leeds Playhouse/Home Theatre Manchester/Northern Stage 'The White Card'.

FINANCIAL RESULTS

The Institution produced a deficit for the year of £103,426 (2024: deficit of £591,776). The total accumulated unrestricted general fund surplus at the end of the year was £6,715,131 (2024: £6,717,607). There were designated funds at the year end of £188,110 (2024: £188,110).

Capital expenditure in the year totalled £151,424 (2024: £370,824), which is offset by a reduction in the cost of buildings of £426,492 (2024: nil) in relation to the capital goods scheme adjustment following VAT registration on 1 January 2025. Year-end cash balances were £3,056,108 (2024: £4,098,223) and there were long term loans with Lloyds Bank plc of £4,409,731 (2024: £5,606,671). The variable rate loan was repaid fully during the year.

From a financial perspective 2024/25 was a year of consolidation, following the financial year 2023/24, that was hugely impacted by the exceptional costs relating to the Rezaie external investigation between January

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2025**

and July 2024. The institution has continued to feel the impact of the cost of living crisis and inflation. Our total fee income for the year was £11,216,282 (2024: £10,542,566). Studio hire and mast income continued to grow in the period, generating income of £265,089 (2024: £206,471) and our Theatres Tax Credit generated income of £260,000 (2024: £250,000).

We have continued to support families with bursaries and discounts from our unrestricted funds of £374,616 (2024: £440,913). Total bursaries, scholarships and discounts from restricted and unrestricted funds amounted to £610,459 (2024: £650,099).

Total expenditure in the year was £12,101,646 (2024: £11,921,857). The institution has consolidated its costs, following significant legal and regulatory costs arising as a result of the Rezaie investigation in 2023/24.

The Trustees remain confident that our financial position remains robust in an extremely challenging external environment that includes an uncertain political climate for the sector, along with high inflation and financial uncertainty that has put a financial strain on parents and students. A prudent budget has been prepared for 2025/26, during which we will be looking ahead to forge a new 5-year strategy.

Charitable Support

The Trust is immensely grateful for the support from the following individuals and trusts and foundations in 2024/25. Their generosity ensures that we can continue in our mission to enrol students with the greatest potential, regardless of their financial circumstances and that our facilities continue to be of a quality that matches their talent.

Special thanks to:

Andrew Lloyd Webber Foundation
The Leverhulme Trust

ArtsEd TAP and ArtsEd Parents & Families

We would like to thank the TAP committee for their continued hard work, commitment and enthusiasm, and the Day School & Sixth Form parent and carer community for their ongoing support of TAP events and ArtsEd's wider fundraising initiatives. Funds continue to be raised to be applied towards hardship grants.

ArtsEd Enthusiasts

R J Parkinson

ArtsEd Admirers

F Mannan, G Williams, J Williams, B Stevenson, J Millar, A Gamble, R St Mart, V Provis

Tim English and all the generous supporters of the Chris Hornby Bursary Fund

Justin & Sarah Savage and all the generous supporters of the Graham Martin Bursary Fund

Corporate

Acre Properties in memory of Ben Turner, Smith & Brant Theatricals

Trusts and Foundations

The D'Oyly Carte Charitable Trust, Help Musicians UK, The Honourable Society of Knights of the Round Table, Society of London Theatres (Laurence Olivier Bursary), The Lionel Bart Foundation, Lynne & Land Foundation, Pamela Brady Todd Fund, The Royal Victoria Hall Foundation (Lilian Baylis Award) The Sir John Gielgud Charitable Trust, Sophie's Silver Lining Fund, The Stanley Picker Charitable Trust

Legacy Pledges

Anon, Vanessa Cameron, David J Yeoward

Future Plans

Over the coming year the Institution is focusing on a period of consolidation and stabilisation. The new Principal has launched a stabilisation plan that covers all key areas of the business, leading to the launch of a new and ambitious Strategic Plan in late 2026.

Reserves Policy

Total funds at the balance sheet date were £14,908,831 (2024: £15,012,257) of which £2,615,965 were restricted (2024: £2,741,637) and £10,923,241 were unrestricted (2024: £10,925,717). Details of restricted funds are provided in note 19. Of the unrestricted reserves, there is a designated fund of £188,110 (2024: £188,110) which has been set up for student bursaries. Also included in the unrestricted fund is the revaluation reserve of £4,020,000 (2023: £4,020,000) which arose on the last revaluation of the School's land and buildings. At the balance sheet date the permanent endowment fund had a balance of £1,369,625 (2024: £1,344,903).

As the school has historically invested in its building and, accordingly, there were no free reserves at the balance sheet date (2024: £nil). It is likely that free reserves will remain minimal. The Trustees believe that it is important to continue to maintain operational surpluses in order to build up total reserves and in order to be able to invest in the facilities and staff of ArtsEd.

Investment Policy

An investment policy has been written and adopted that seeks to optimise cash flow whilst maximising return on investment in a safe and secure manner. The investments are held within the permanent endowment fund. During the year, the net gain on investments was £24,722 (2024: £142,951). The fund continues to generate restricted income totalling £38,000 (2023: £38,000).

Fundraising practices and performance

Raising voluntary funds from trusts, foundations and individuals is a vital source of income for ArtsEd, enabling us to fulfil our charitable objectives as effectively as possible. We are very grateful for the support from all of our donors.

At ArtsEd, we believe that fundraising should be an open, honest and respectful process. We aim to build partnerships with our supporters and donors that are based on mutual understanding and shared values. In developing our approach to fundraising, we have taken account of the Code of Fundraising Practice issued by the Fundraising Regulator. We have a small internal fundraising team which carries out our principal fundraising activity and make occasional use of external professional fundraisers for standalone fundraising projects. We do not engage commercial participators to carry out fundraising activity. The fundraising team works closely with ArtsEd's executive and trustees to develop its fundraising strategy and identify potential prospects, the vast majority of whom have an existing connection to ArtsEd or to a member of one of these internal bodies. ArtsEd does not engage in unsolicited face-to-face or telephone fundraising.

As part of General Data Protection Regulation, ArtsEd reviewed and updated its Privacy Policy with regards to fundraising. This policy, published on our website, clearly states what personal data ArtsEd will hold in relation to supporters and how this data will be used. It sets out how individuals can raise concerns or complaints. ArtsEd has received no complaints about its fundraising activities either during the financial year or subsequently.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk Management

The main risks that the Trustees have identified and the plans to manage those risks are:

Compliance – Compliance with the requirements of our regulators is fundamental for ArtsEd to continue to offer an outstanding education to its students in a safe environment. We manage this risk through the employment of appropriately qualified and experienced senior staff who report into the Board of Trustee and relevant Sub-Committees. A rolling list of actions is maintained to assist with the monitoring of compliance matters.

Reputation – The School's success is built on its reputation of the quality of its education/training and wellbeing of our students.

We manage this risk by:

- constantly reviewing the delivery and relevance of all our education and training
- recruiting, developing, and retaining outstanding academic and professional
- reviewing and applying our safeguarding policies
- providing pastoral support for both students and staff
- actively identifying and resolving health and safety related issues
- constantly reviewing compliance with regulatory matter, providing investment when required
- ensuring that an appropriate building infrastructure is in place for all staff and students
- ensuring that an appropriate infrastructure and training is undertaken in relation to data protection

Finance – Our ability to continue is reliant on student fees and effectively managing costs.

We manage this risk by:

- marketing activity to maintain student numbers, and diversify supplementary income
- having a reputation for academic and vocational excellence and excellent student destinations
- having effective credit control procedures
- comprehensive budgeting and regular financial reporting against the approved budget

Competition – Innovative or unexpected developments are made by competitor organisations.

We manage this risk by:

- benchmarking the Schools' performance against industry standards
- regular review of the curriculum and training to ensure that they achieve academic and vocational excellence and meet industry expectations
- monitoring our student destinations
- recruiting and retaining the best staff

Through the risk management processes established for the Charity, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

Trustees' responsibilities for the financial statements

The Trustees, who are also directors of ArtsEd for the purposes of company law, are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare Financial Statements for each financial year. Under that law the Trustees have prepared the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2025**

of the state of affairs of the charitable company and of the profit or loss 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 Statement of Recommended Practice ("SORP");
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to auditors

The Trustees at the time when this Trustees' Report is approved have confirmed that:

- so far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Trustees have taken all the steps that ought to have been taken as Trustees in order to be aware of any information needed by the charitable company's auditors in connection with preparing this report and to establish that the charitable company's auditors are aware of this information.

Trustees' Report, incorporating the Strategic Report, approved on behalf of the Trustees:



Claire Blunt, Chair
18 December 2025

**THE ARTS EDUCATIONAL SCHOOLS
STATEMENT OF CORPORATE GOVERNANCE & INTERNAL CONTROL
FOR THE YEAR ENDED 31 AUGUST 2025**

Corporate Governance

The Statement which follows is provided to enable readers of the Annual Review and Financial Statements of the School to obtain a better understanding of its governance and legal structure and applies to the 2024/25 financial year and to the date of the approval of the audited financial statements.

The structure of Corporate Governance is set out on pages 3 and 4, being the first section of the Trustees' Report. The Governing Document which dates from 1962 and was last amended in 2025 underpins the Governing practices adopted by the Board.

The Trustees are legally responsible for the overall management and control of the Schools. The Board of Trustees meets at least three times a year. Day to day responsibilities are delegated to the Principal and the Board has six sub-committees that meet at least three times a year that cover specific areas of the business. For the year under review these were:

- The Finance and Audit Committee
- The Compliance and Risk Management Committee
- The Welfare, Safeguarding and Health and Safety
- The Day School and Sixth Form Committee
- The Higher Education Committee
- The Nominations and Remuneration

All the sub-committees are attended by the Principal and other senior staff as may be required. Minutes are taken from all such meetings which are included in the Board papers so that all Trustees have an appreciation of the issues dealt with by the sub-committees.

Every year the Board holds at least one Strategic Review day when issues of a longer term and more strategically orientated are considered.

The Principal and the Senior Leadership Board (SLB) meet weekly to discuss current issues and to agree actions for the short, medium and longer term as required.

The Finance & Audit Committee, in conjunction with the Compliance and Risk Management Committee, ensure the adequacy and effectiveness of arrangements for corporate governance, risk management and oversight of any statutory and other regulatory responsibilities including compliance with the OfS's ongoing conditions of registration, any terms and conditions of funding as well as any other relevant regulatory responsibilities.

Internal Controls

Identifying and managing risk is a key part of the work of the Board and the SLB. This is addressed by the maintenance of a detailed Risk Register that is discussed and updated as necessary at all the meetings of the Board and the SLB and is covered where appropriate by the other sub-committees.

The approach to internal controls is risk-based including an evaluation of the risks becoming a reality. The risk weighting is considered by assessing the likelihood of the risk and the potential damage it could do. This approach helps management and Trustees prioritise actions and enhance controls if the potential impact of a risk is considered to be increasing.

Whilst many risks do have a financial implication many others do not and could have compliance, operational, health and safety or reputational implications. The Risk Register covers all such issues and not the purely financial ones.

**THE ARTS EDUCATIONAL SCHOOLS
STATEMENT OF CORPORATE GOVERNANCE & INTERNAL CONTROL
FOR THE YEAR ENDED 31 AUGUST 2025**

Members of the Board of Trustees understands that it is their responsibility to ensure that a sound system of internal controls is maintained and confirms that it has reviewed the effectiveness of these arrangements.

The Trustees, SLB and external auditors have not identified any significant internal control weaknesses or failures in the financial year under review or in the period since the year end up to the date that the financial statements were signed that need to be disclosed.

A handwritten signature in black ink, appearing to be 'CB', written in a cursive style.

**Claire Blunt, Chair
18 December 2025**

**THE ARTS EDUCATIONAL SCHOOLS
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARTS EDUCATIONAL SCHOOLS
FOR THE YEAR ENDED 31 AUGUST 2025**

Opinion

We have audited the financial statements of The Arts Educational Schools for the year ended 31 August 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2025 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Office for Students Accounts Direction.

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 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

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

**THE ARTS EDUCATIONAL SCHOOLS
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARTS EDUCATIONAL SCHOOLS
FOR THE YEAR ENDED 31 AUGUST 2025**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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.

Matters on which we are required to report in respect of the Office for Students

In our opinion, in all material respects:

- funds administered by the charitable company for specific purposes during the year ended 31 August 2025 as disclosed in note 17, have been applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the OfS and Department for Education have been applied in accordance with the terms and conditions attached to them during the year ended 31 August 2025; and

We have nothing to report in respect of the following matters in relation to which the Office for Students requires us to report where:

- grant and fee income, as disclosed in the note 3 to the accounts, has been materially misstated
- expenditure on access and participation activities for the financial year has been materially misstated

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities statement set out on pages 18 and 19, 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to independent schools, higher education and further education provision including Independent Schools Inspectorate, Ofsted and the Office for Students regulations, charity and company law applicable in England and Wales, employment law, and GDPR, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct

**THE ARTS EDUCATIONAL SCHOOLS
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARTS EDUCATIONAL SCHOOLS
FOR THE YEAR ENDED 31 AUGUST 2025**

impact on the preparation of the financial statements such as the Companies Act 2006, Charities Act 2011 and the Office for Students Accounts Direction.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to revenue recognition, in particular in relation to voluntary and other income and management override of controls. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;
- Reviewing the income recognition around the year end to assess whether income had been recognised in the correct accounting period; and
- Challenging assumptions and judgements made by management in their accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tracey Young
Senior Statutory Auditor
For and on behalf of HaysMac LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 19 December 2025

**THE ARTS EDUCATIONAL SCHOOLS
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2025**

	Note	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Endowment Funds 2025 £	Total Funds 2025 £	Total Funds 2024 £
INCOME FROM:						
Donations and legacies	2	1,460	180,836	-	182,296	159,146
Charitable activities						
Fee income	3	10,841,666	-	-	10,841,666	10,101,653
Other income	4	837,925	-	-	837,925	790,388
Investment income		73,611	38,000	-	111,611	135,943
TOTAL INCOME		<u>11,754,662</u>	<u>218,836</u>	<u>-</u>	<u>11,973,498</u>	<u>11,187,130</u>
EXPENDITURE ON:						
Raising funds		(79,184)	-	-	(79,184)	(54,071)
Charitable activities		(11,677,954)	(344,508)	-	(12,022,462)	(11,867,786)
TOTAL EXPENDITURE	5	<u>(11,757,138)</u>	<u>(344,508)</u>	<u>-</u>	<u>(12,101,646)</u>	<u>(11,921,857)</u>
NET EXPENDITURE BEFORE INVESTMENT GAINS		<u>(2,476)</u>	<u>(125,672)</u>	<u>-</u>	<u>(128,148)</u>	<u>(734,727)</u>
Net gains on investments		-	-	24,722	24,722	142,951
NET (EXPENDITURE) / INCOME BEFORE TRANSFERS		<u>(2,476)</u>	<u>(125,672)</u>	<u>24,722</u>	<u>(103,426)</u>	<u>(591,776)</u>
Transfers		-	-	-	-	-
NET MOVEMENT IN FUNDS		<u>(2,476)</u>	<u>(125,672)</u>	<u>24,722</u>	<u>(103,426)</u>	<u>(591,776)</u>
Funds brought forward at 1 September		10,925,717	2,741,637	1,344,903	15,012,257	15,604,033
TOTAL FUNDS AT 31 AUGUST		<u><u>10,923,241</u></u>	<u><u>2,615,965</u></u>	<u><u>1,369,625</u></u>	<u><u>14,908,831</u></u>	<u><u>15,012,257</u></u>

All amounts are derived from continuing activities.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

The notes on pages 28 to 48 form part of these financial statements.

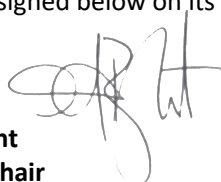
Full comparatives for 2024 are provided in note 25.

	Note	2025		2024	
		£	£	£	£
FIXED ASSETS					
Tangible assets	12		17,584,176		18,561,748
INVESTMENTS					
Investments	13		1,469,911		1,445,189
CURRENT ASSETS					
Debtors	14	3,494,834		3,031,125	
Cash at bank and in hand		3,056,108		4,098,223	
		<u>6,550,942</u>		<u>7,129,348</u>	
CREDITORS: amounts falling due within one year	15	<u>(6,656,992)</u>		<u>(6,856,478)</u>	
NET CURRENT (LIABILITIES)/ASSETS			(106,050)		272,870
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>18,948,037</u>		<u>20,279,807</u>
CREDITORS: Amounts falling due after one year	15		<u>(4,039,206)</u>		<u>(5,267,550)</u>
NET ASSETS	18		<u>14,908,831</u>		<u>15,012,257</u>
RESERVES					
Unrestricted funds					
- general funds			6,715,131		6,717,607
- designated funds			188,110		188,110
- revaluation reserve			4,020,000		4,020,000
Restricted funds	19		2,615,965		2,741,637
Endowment funds	20		1,369,625		1,344,903
TOTAL FUNDS	17		<u>14,908,831</u>		<u>15,012,257</u>

The notes on pages 28 to 48 form part of these financial statements.

The financial statements were approved and authorised for issue by the Trustees on 18 December 2025 and were signed below on its behalf by:

Claire Blunt
Trustee, Chair



Louise Jackson
Accountable Officer



	Note	2025		2024	
		£	£	£	£
Net cash provided by operating activities	22		383,296		813,590
Cash flows from investing activities					
Dividends (drawn from investment portfolio)		38,000		38,000	
Interest income		73,611		97,943	
Interest payable		(189,158)		(214,171)	
Fixed asset additions		(151,424)		(370,824)	
		_____		_____	
Net cash used in investing activities			(228,971)		(449,052)
Financing activities					
Cash outflows from repayments		(1,196,440)		(387,874)	
		_____		_____	
Net cash (outflow) from financing activities			(1,196,440)		(387,874)
			_____		_____
Change in cash and cash equivalents in the year			(1,042,115)		(23,336)
			_____		_____
Cash and cash equivalents at the beginning of the year			4,136,223		4,159,559
			_____		_____
Cash and cash equivalents at the end of the year	23		3,094,108		4,136,223
			=====		=====

The notes on pages 28 to 48 form part of these financial statements.

1. ACCOUNTING POLICIES

Basis of Preparation of the Financial Statements

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2019. The Financial Statements are drawn up under the historical cost convention, with the exception of investments which are included at valuation.

The Trust is a Public Benefit Entity registered as a charity in England and Wales, it was registered in 1962 (charity number: 311087).

Going concern

Having reviewed the funding facilities available to the Trust together with the expected ongoing demand for places and the Trust's future projected cash flows and in addition having reviewed the potential impact of the cost of living crisis and uncertainty on the Trust's finances, the Trustees have a reasonable expectation that the Trust has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the Trust's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements.

Group structure

A subsidiary called ArtsEd International Ltd (company number 11960873) was established on 24 April 2019. This subsidiary is now dormant and consolidated accounts are therefore no longer required. ArtsEd International Performing Arts Education LLC is limited by shares, of which The Arts Educational Schools owned 49%, until 1 September 2021, when the company was sold to the Dubai local management team for £1. Following the sale, the school no longer had control of the company. The company is now dormant.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, the Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

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

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Trust's financial statements.

Fees and Similar Income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the Trust against those fees, but including contribution received from restricted funds, are accounted for in the period in which the service is provided.

Government grants are reported as fees or other grants as appropriate.

Donations, grants and legacies

Donations, grants and legacies are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Investment income

Investment income from the investments and bank balances are accounted for on an accruals basis.

The income from the invested endowment fund is wholly restricted.

Expenditure

Charitable expenditure and administration costs comprise direct expenditure including staff costs attributable to the activity and are accounted for on the accruals basis. Where costs cannot be directly attributed they have been allocated to the activities on a basis consistent with the use of resources. The Trust is able to partially recover VAT incurred on expenditure. Accordingly expenditure is shown inclusive of any associated VAT payable.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Trust and include the audit fees and costs linked to the strategic management of the Trust.

Fund accounting

Unrestricted funds comprise resources available to the Trustees to be applied for any purpose within the objects of the Trust.

Restricted funds comprise donations for purposes restricted by the wishes of the donor.

Endowment funds arise when the donor has expressly provided that the gift is to be invested and only the income of the fund may be spent. These funds are sub-analysed between those where the Trustees have the discretion to spend the capital (expenditure endowment) and those where there is no discretion to expend the capital (permanent endowment). The Charity has one permanent endowment fund, and no expendable endowment. The fund is managed by the investment managers on a total return basis. This means that the funds are invested to maximise the return on investment without regard as to whether that return is in the form of income from dividends or interest or capital appreciation (where the market value of the investment increases). The investment managers each year release a set amount of that return for spending on bursaries for Musical Theatre students.

Revaluation reserve comprises total revaluations in the deemed cost of the properties.

Designated funds are funds that the Trustees have earmarked for a particular purpose or use without restricting or committing the funds legally.

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

Pension

The Trust makes pension contributions to defined contribution pension schemes on behalf of certain employees. These contributions are held in a separately administered fund.

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Fixed asset investments

Investments are a form of basic financial instrument. Fixed asset investments are initially recognized at their transaction value and are subsequently measured at their fair value (market value) as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid deposit accounts.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. A specific provision is made for debts for which recoverability is in doubt.

Creditors and provisions

Creditors and provisions are recognized where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognized at their settlement amount after allowing for any trade discounts due.

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

Depreciation

Tangible fixed assets are stated at cost or deemed cost, net of depreciation and any provision for impairment. Tangible fixed assets costing greater than or equal to £500 are capitalised and stated at cost, net of depreciation. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	2% per annum
Computer equipment	33.33% per annum
Furniture and fittings	10% - 50% per annum
Motor vehicles	25% per annum
Building & theatre refurbishment	2% - 10% per annum

The valuation of freehold land and buildings on transition to FRS 102 at 1 September 2014 has been taken as the deemed cost.

2 INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Endowment Funds 2025 £	Total 2025 £
Donations	1,460	180,836	-	182,296
	<u>1,460</u>	<u>180,836</u>	<u>-</u>	<u>182,296</u>
<i>Comparative analysis</i>				
	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Endowment Funds 2024 £	Total 2024 £
Donations	25	159,121	-	159,146
	<u>25</u>	<u>159,121</u>	<u>-</u>	<u>159,146</u>

3 GRANT AND FEE INCOME

	2025 £	2024 £
Fee income from other bodies	868,477	865,977
Fee income for taught awards	3,760,703	3,368,698
Fee income from non-qualifying courses	6,212,468	5,866,978
	<u>10,841,666</u>	<u>10,101,653</u>

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

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2025 £	Unrestricted Funds 2024 £
Fees income		
Fees receivable	11,216,282	10,542,566
Bursaries and discounts	(374,616)	(440,913)
	<u>10,841,666</u>	<u>10,101,653</u>
Other income		
Studio, theatre hire and classes	265,089	206,471
Audition and registration fees	59,487	61,289
School productions	103,406	93,482
Catering	78,720	88,768
Bar income	10,387	11,896
Theatre tax relief	260,000	250,000
Other income	60,836	78,482
	<u>837,925</u>	<u>790,388</u>
	<u><u>11,679,591</u></u>	<u><u>10,892,041</u></u>

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

5. ANALYSIS OF TOTAL EXPENDITURE

	Staff Costs 2025 £	Other Costs 2025 £	Depreciation 2025 £	Total 2025 £
Raising funds:				
Fundraising	69,263	9,921	-	79,184
Charitable activities				
Teaching costs	5,328,779	647,014	23,249	5,999,042
Welfare costs	4,713	443,036	-	447,749
Premises costs	580,983	818,871	675,413	2,075,267
Productions costs	660,835	158,023	-	818,858
Grants, awards and prizes	-	250,950	-	250,950
Support costs	1,176,181	872,463	3,842	2,052,486
Finance costs	-	378,110	-	378,110
	<u>7,751,491</u>	<u>3,568,467</u>	<u>702,504</u>	<u>12,022,462</u>
	<u>7,820,754</u>	<u>3,578,388</u>	<u>702,504</u>	<u>12,101,646</u>

Comparative analysis

	Staff Costs 2024 £	Other Costs 2024 £	Depreciation 2024 £	Total 2024 £
Raising funds:				
Fundraising	49,465	4,606	-	54,071
Charitable activities				
Teaching costs	4,847,141	493,229	32,782	5,373,152
Welfare costs	1,021	406,595	-	407,616
Premises costs	512,580	859,029	700,759	2,072,368
Productions costs	571,515	134,445	-	705,960
Grants, awards and prizes	-	213,952	-	213,952
Support costs	1,299,939	1,472,772	3,842	2,776,553
Finance costs	-	318,185	-	318,185
	<u>7,232,196</u>	<u>3,898,207</u>	<u>737,383</u>	<u>11,867,786</u>
	<u>7,281,661</u>	<u>3,902,813</u>	<u>737,383</u>	<u>11,921,857</u>

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

6. ANALYSIS OF SUPPORT COSTS

All costs included in charitable activities are direct costs with the exception of support costs of schooling which comprise:

	General support 2025 £	Governance costs 2025 £	Total 2025 £	General support 2024 £	Governance costs 2024 £	Total 2024 £
Staff costs	1,143,694	32,487	1,176,181	1,261,918	38,021	1,299,939
Administrative costs	666,474	6,365	672,839	604,229	1,041	605,270
Professional costs	147,888	-	147,888	827,833	-	827,833
Audit remuneration	-	38,310	38,310	-	26,820	26,820
Bank charges	13,426	-	13,426	12,849	-	12,849
Depreciation	3,842	-	3,842	3,842	-	3,842
	<u>1,975,324</u>	<u>77,162</u>	<u>2,052,486</u>	<u>2,710,671</u>	<u>65,882</u>	<u>2,776,553</u>

7. NET MOVEMENT IN FUNDS

Net movement in funds is stated after charging:

	2025 £	2024 £
Operating leases – equipment	34,977	56,420
Depreciation of tangible fixed assets – owned by the charity	702,504	737,383
Interest costs	189,158	214,171
Auditors’ remuneration – audit	32,000	30,000
Auditors’ remuneration – other	9,000	9,000
	<u>967,639</u>	<u>1,047,074</u>

8. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

Staff Costs

	2025 £	2024 £
Wages and salaries	6,930,177	6,500,620
Social security costs	660,295	564,706
Pension costs	213,554	203,015
Apprenticeship levy	16,728	13,320
	<u>7,820,754</u>	<u>7,281,661</u>

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

Trustees' remuneration and expenses

The charity trustees were not paid and did not receive any benefits from employment with the Trust in the year (2024: £nil). The total cost of servicing the Board of Trustees was £6,365 (2024: £1,041). No charity trustee received payment for professional or other services supplied to the charity (2024: £nil).

Key Management Personnel

The key management personnel of the charity comprise the trustees and the Senior Leadership Board listed on page 5. The total employee benefits of the key management personnel were £616,709 (2024: £791,336).

STAFF NUMBERS

The average headcount employed by the charitable company during the year was as follows:

	2025	2024
	Number	Number
Principal and management	7	8
Domestic	15	15
Facilities/IT/Library	17	15
Finance	4	4
Production	12	11
Administration	15	15
Teaching staff	159	147
	<u>229</u>	<u>215</u>

HIGHER PAID STAFF

The number of staff whose basic salary exceeded £60k per annum during the year was as follows:

	No. of Staff	No. of Staff
	2025	2024
£60,000 - £64,999	6	4
£65,000 - £69,999	2	1
£70,000 - £74,999	1	-
£75,000 - £79,999	-	2
£80,000 - £84,999	1	-
£85,000 - £85,999	1	1
£90,000 - £94,999	1	-
£105,000 - £109,999	-	1
£130,000 - £134,999	1	-
£190,000 - £194,999	-	1
	<u>13</u>	<u>10</u>

Pension contributions totaling £37,305 (2024: £33,024) were made on behalf of 13 (2024: 10) of the above employees.

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

PRINCIPAL'S REMUNERATION

The total remuneration package for the Principal during the year was as follows:

	2025	2024
	£	£
Louise Jackson (from 1 July 2025)		
Basic salary	25,000	-
Pension contributions	-	-
Other taxable benefits	-	-
	<u>25,000</u>	<u>-</u>
	<u><u>25,000</u></u>	<u><u>-</u></u>
Julie Spencer (until 9 July 2024)		
Basic salary	-	113,382
Pension contributions	-	4,997
Other taxable benefits	-	180
Payment in lieu of notice	-	80,000
	<u>-</u>	<u>198,559</u>
	<u><u>-</u></u>	<u><u>198,559</u></u>

The Principal's remuneration package is set by reference to similar organisations and is approved by the Board following a recommendation from the Chair. There is an annual appraisal with the Chair when targets are set for the ensuing short, medium and long term together with a discussion and assessment of the achievements in the period under review.

The Principal's (head of provider) total remuneration is 2.77 times (2024: 4.88 times) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

Following the resignation of the former Principal on 9 July 2024, the Trustees appointed an Interim Executive Leadership Team, consisting of the Finance Director, the Director of the School of Musical Theatre and the Headteacher of the Day School and Sixth Form, to lead the institution until a new Principal was appointed on 1 July 2025. The aggregate remuneration in the period from 10 July 2024 to 30 June 2025 was:

	2025	2024
	£	£
Executive Leadership Team (10 July 2024 to 30 June 2025)		
Basic salary	256,611	39,741
Pension contributions	7,128	1,478
Other taxable benefits	821	98
	<u>264,560</u>	<u>41,317</u>
	<u><u>264,560</u></u>	<u><u>41,317</u></u>

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

SEVERANCE PAYMENTS

The total amount of severance payments for the year was £30,000 (2024: £126,465) to 3 individuals (2024: 3).

9. RELATED PARTY TRANSACTIONS

Trustees made donations of £1,632 to the School (2024: £3,563). There were no other related party transactions.

10. PENSIONS

The charity makes contributions to defined contribution pension schemes on behalf of certain employees. The charge for the year was £215,134 (2024: £203,015). At the year end, there was an amount payable of £32,867 (2024: £29,047).

11. SUBSIDIARIES

The charitable company has two subsidiary entities: ArtsEd International Limited (registered in the England and Wales), Company number 11960873 and ArtsEd International Performing Arts Education LLC (known as ArtsEd Dubai) (registered in Dubai) which is based in Dubai. Both entities are now considered dormant.

ArtsEd International Limited

ArtsEd International Limited is limited by shares, of which The Arts Educational Schools is the sole Shareholder. It was incorporated on 24 April 2019. The company provides educational services internationally. During the year the Company did not trade. This company is dormant.

The income and expenditure of Arts Ed International Limited for the year ended 31 August 2025 was:

	2025	2024
	£	£
Turnover	-	-
Cost of sales	-	-
	<u> </u>	<u> </u>
	-	-
	<u><u> </u></u>	<u><u> </u></u>

The assets and liabilities of Arts Ed international Limited at 31 August 2025 were:

	2025	2024
	£	
Debtors	109,974	109,974
Creditors	(109,974)	(109,974)
	<u> </u>	<u> </u>
	-	-
	<u><u> </u></u>	<u><u> </u></u>

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

ArtsEd International Performing Arts Education LLC

ArtsEd International Performing Arts Education LLC is limited by shares, of which The Arts Educational Schools owned 49%, until 1 September 2021, when the company was sold to the Dubai local management team for £1. Following the sale, the school no longer had control of the company and it has subsequently been excluded from the consolidation. The company is dormant.

The income and expenditure of ArtsEd Dubai for the year ended 31 August 2025 were:

	2025	2024
	£	£
Turnover	-	-
Cost of sales	-	-
Admin costs	-	-
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

The assets and liabilities of ArtsEd International Performing Arts Education LLC at 31 August 2025 were:

	2025	2024
	£	£
Cash	-	-
Debtors	-	-
Creditors	-	-
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

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

12.	TANGIBLE FIXED ASSETS	Freehold land and buildings	Furniture	Computer	Motor vehicles	Building, studios & theatre	Assets under construction	Total
		£	£	£	£	£	£	£
	Cost or deemed cost							
	At 1 September 2024	6,600,000	2,502,020	689,437	30,228	15,762,024	241,840	25,825,549
	Additions	-	98,377	53,047	-	-	-	151,424
	Adjustment	-	-	-	-	(426,492)	-	(426,492)
	At 31 August 2025	6,600,000	2,596,048	742,484	30,228	15,335,532	241,840	25,550,481
	Depreciation							
	At 1 September 2024	1,757,512	1,896,919	669,725	26,066	2,671,739	241,840	7,263,801
	Depreciation charge for the year	97,000	138,983	23,249	3,842	439,430	-	702,504
	At 31 August 2025	1,854,512	2,035,902	692,974	29,908	3,111,169	241,840	7,966,305
	Net Book Value							
	At 31 August 2025	4,745,488	564,495	49,510	320	12,224,363	-	17,584,176
	At 31 August 2024	4,842,488	605,101	19,712	4,162	13,090,285	-	18,561,748

13. INVESTMENTS

	2025 £	2024 £
Fair value brought forward at 1 September	1,445,189	1,264,238
Gain on revaluation of investments	24,722	142,951
Investment income retained	-	38,000
Fair value as at 31 August	1,469,911	1,445,189

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

14. DEBTORS

	2025	2024
	£	£
Trade debtors	2,532,283	2,427,568
Prepayments	273,470	325,821
Other debtors	689,081	277,736
	<u>3,494,834</u>	<u>3,031,125</u>

Included within other debtors are amounts of £355,410 (2024: nil) which relates to accrued VAT recoverable via the Capital Goods Scheme in future years..

15. CREDITORS: amounts falling due within one year

	2025	2024
	£	£
Bank loan (note 16)	370,525	421,949
Trade creditors	288,447	422,073
Other creditors	1,996,352	1,595,047
Accruals	395,472	585,248
Deferred income	3,606,196	3,832,161
	<u>6,656,992</u>	<u>6,856,478</u>

Included within other creditors is an amount of £436,926 (2024: £133,527) relating to taxes and social security.

CREDITORS: amounts falling due in more than one year

	2025	2024
	£	£
Bank loan (note 16)	4,039,206	5,184,222
Deferred income	-	83,328
	<u>4,039,206</u>	<u>5,267,550</u>

ANALYSIS OF DEFERRED INCOME

	2025	2024
	£	£
At 1 September	3,915,489	3,328,776
Released to income in the year	(3,915,489)	(3,328,776)
Deferred in the year	3,606,196	3,915,489
At 31 August	<u>3,606,196</u>	<u>3,915,489</u>

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

Deferred income consists of fees income received in advance. Deferred income of £nil (2024: £83,328) relates to a period of greater than one year.

16. BANK LOAN: classification of amounts falling due within one year and more than one year

	2025	2024
	£	£
Bank loan	4,039,206	5,184,222
	<u> </u>	<u> </u>
Wholly repayable within five years	1,965,311	2,170,599
Wholly repayable within more than five years	2,444,419	3,435,572
	<u> </u>	<u> </u>
	4,409,731	5,606,171
Less: Included in current liabilities	(370,525)	(421,949)
	<u> </u>	<u> </u>
Amounts included above	4,039,206	5,184,222
	<u> </u>	<u> </u>

There are two 15 year loans with Lloyds Bank plc secured by a charge over the assets of the Charity. One loan for £6,000,000 is at a fixed rate of 2.97% the second for £1,000,000 is at a rate of the Bank of England base rate plus 2.2% (this was repaid in full in the year ended 31 August 2025). These loans were made available to provide funding for the new studio block that was completed in November 2020.

17. ACCUMULATED FUNDS

	Opening Fund 2025	Income 2025	Expenditure 2025	Transfers 2025	Gains & losses 2025	Closing Funds 2025
	£	£	£	£	£	£
Unrestricted general funds	6,717,607	11,754,662	(11,757,138)	-	-	6,715,131
- revaluation reserve	4,020,000	-	-	-	-	4,020,000
Designated reserves						
- bursaries	188,110	-	-	-	-	188,110
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total unrestricted funds	10,925,717	11,754,662	(11,757,138)	-	-	10,923,241
Restricted funds	2,741,637	218,836	(344,508)	-	-	2,615,965
Endowment funds	1,344,903	-	-	-	24,722	1,369,625
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total funds	15,012,257	11,973,498	(12,101,646)	-	24,722	14,908,831
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The general fund is the unrestricted reserves after allowing for all designated funds. The designated fund has been set up for the provision of bursaries.

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

Comparative analysis

	Opening Fund 2024 £	Income 2024 £	Expenditure 2024 £	Transfers 2024 £	Gains & losses 2024 £	Closing Funds 2024 £
Unrestricted general funds	7,299,987	10,990,009	(11,572,389)	-	-	6,717,607
- revaluation reserve	4,020,000	-	-	-	-	4,020,000
Designated reserves - bursaries	188,110	-	-	-	-	188,110
	<u>11,508,097</u>	<u>10,990,009</u>	<u>(11,572,389)</u>	<u>-</u>	<u>-</u>	<u>10,925,717</u>
Total unrestricted funds	11,508,097	10,990,009	(11,572,389)	-	-	10,925,717
Restricted funds	2,893,984	197,121	(349,468)	-	-	2,741,637
Endowment funds	1,201,952	-	-	-	142,951	1,344,903
	<u>15,604,033</u>	<u>11,187,130</u>	<u>(11,921,857)</u>	<u>-</u>	<u>142,951</u>	<u>15,012,257</u>
Total funds	<u><u>15,604,033</u></u>	<u><u>11,187,130</u></u>	<u><u>(11,921,857)</u></u>	<u><u>-</u></u>	<u><u>142,951</u></u>	<u><u>15,012,257</u></u>

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

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds 2025 £	Revaluation Reserve 2025 £	Designated Reserves 2025 £	Restricted Funds 2025 £	Endowment Funds 2025 £	2025 Total £
Tangible fixed assets	11,491,050	4,020,000	-	2,073,126	-	17,584,176
Investments	-	-	-	62,286	1,407,625	1,469,911
Net current assets	(736,713)	-	188,110	480,553	(38,000)	(106,050)
Long Term Liability	(4,039,206)	-	-	-	-	(4,039,206)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2025	6,715,131	4,020,000	188,110	2,615,965	1,369,625	14,908,831
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

**Comparative
Analysis**

	General Funds 2024 £	Revaluation Reserve 2024 £	Designated Reserves 2024 £	Restricted Funds 2024 £	Endowment Funds 2024 £	2024 Total £
Tangible fixed assets	12,364,267	4,020,000	-	2,177,481	-	18,561,748
Investments	-	-	-	62,286	1,382,903	1,445,189
Net current assets	(379,110)	-	188,110	501,870	(38,000)	272,870
Long Term Liability	(5,267,550)	-	-	-	-	(5,267,550)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2024	6,717,607	4,020,000	188,110	2,741,637	1,344,903	15,012,257
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

19. ANALYSIS OF MOVEMENTS IN RESTRICTED FUNDS:

	Balance at 1 September 2024	Income	Expenditure	Transfer	Balance at 31 August 2025
	£	£	£	£	£
ALW Foundation	2,177,481	-	(104,355)	-	2,073,126
The ArtsEd Student Fund	23,195	-	(10,590)	-	12,605
The ArtsEd Scholarship Fund	-	49,873	(84,726)	43,761	8,908
Bursary fund	20,566	-	-	-	20,566
Capital campaign	397,872	-	-	-	397,872
Chris Hornby Fund	9,370	3,125	(5,000)	-	7,495
The CMF Scholarship Fund	1,085	-	-	-	1,085
Guildford Academic Associates	1,327	-	-	-	1,327
Leverhulme Trust	1,650	103,600	(99,887)	-	5,363
Restoration levy	40,778	-	-	-	40,778
Spencer Will Trust	1,091	-	-	-	1,091
TAP	7,636	14,342	-	-	21,978
Graham Martin Memorial Excellence Award	1,611	-	(1,950)	339	-
Hardship fund	-	250	-	-	250
Friends Giving	44,700	9,646	-	(44,100)	10,246
	<u>2,741,637</u>	<u>218,836</u>	<u>(344,508)</u>	<u>-</u>	<u>2,615,965</u>

-The Andrew Lloyd Webber Foundation donated £3.5million to the Schools to fund a major refurbishment project. The funds were received in the three years ended 31 August 2012, 2013 and 2014. The money was spent to improve four key areas: the main theatre, costume storage, the film and television studios and disabled facilities. At the end of October 2013 when the work was virtually complete, the expenditure was transferred to fixed assets and from that date is being depreciated and included under expenditure.

- The ArtsEd Student Fund- This was set up to accommodate student hardship.

- The ArtsEd Scholarship Fund is used to provide scholarships.

- The Bursary Fund is used to provide bursaries.

- The Capital Campaign is used to help fund significant capital projects.

- The Chris Hornby Fund was created to award an annual scholarship to a Musical Theatre student.

- The CMF Charitable Trust donated towards a scholarship for a Musical Theatre student.

- Leverhulme Trust made a donation for the provision of higher education bursaries.

- The donation from Guildford Academic Associates is for a bursary fund for the Musical Theatre students.

- The restoration levy arose from a £1 charge on every box office ticket (during the period of the studio redevelopments) which was put towards maintenance of the building.

- The Spencer Will Trust donated £5,000 towards equipment for the Film and TV department.

- The TAP fund consists of donations made to the Charity by the Day School and Sixth Form parent's association, to be applied towards hardship purposes.

- Excellence Award: a donation of £1,000,000 was made in 2015-16 which is to be used to provide awards for exceptionally talented Musical Theatre students.

- The Graham Martin Memorial Fund is a bursary fund for HE students.

- The hardship fund is to assist students during a period of financial hardship.

- The Friends Giving fund is a bursary fund for HE students (transfer made to scholarship fund, a fund for the same purpose).

THE ARTS EDUCATIONAL SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 AUGUST 2025

20. ANALYSIS OF MOVEMENTS IN ENDOWMENT FUNDS:

	Balance at 1 September 2024	Income	Expenditure	Gains and losses	Balance at 31 August 2025
	£	£	£	£	£
Musical Theatre bursary fund	1,344,903	-	-	24,722	1,369,625
	<u>1,344,903</u>	<u>-</u>	<u>-</u>	<u>24,722</u>	<u>1,369,625</u>

*Comparative
Analysis*

	Balance at 1 September 2023	Income	Expenditure	Gains and losses	Balance at 31 August 2024
	£	£	£	£	£
Musical Theatre bursary fund	1,201,952	-	-	142,951	1,344,903
	<u>1,201,952</u>	<u>-</u>	<u>-</u>	<u>142,951</u>	<u>1,344,903</u>

21. CAPITAL COMMITMENTS

At 31 August 2025, capital expenditure contracted for but not provided in these accounts amounted to nil (2023: £nil).

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

22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2025	2024
	£	£
Net movement in funds	(103,426)	(591,776)
Depreciation charges	702,504	737,383
Gains on revaluation of investments	(24,722)	(142,951)
Interest receivable	(73,611)	(97,943)
Interest payable	189,158	214,171
Dividends receivable	(38,000)	(38,000)
Increase in debtors	(463,709)	(156,455)
Capital goods scheme	426,492	-
(Decrease)/increase in creditors	(231,390)	889,161
	<u> </u>	<u> </u>
Net cash provided by operating activities	<u><u>383,296</u></u>	<u><u>813,590</u></u>

23. ANALYSIS OF CHANGE IN NET DEBT

	At		Movement	At
	1 September	Cash flows	due within	31 August
	2024	£	and after	2025
	£	£	one year	£
Cash at bank	4,098,223	(1,042,115)	-	3,056,108
Cash held within investments	38,000	-	-	38,000
Debt due within one year	(421,949)	-	51,424	(370,525)
Debt due after one year	(5,184,222)	1,196,440	(51,424)	(4,039,206)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u><u>(1,469,948)</u></u>	<u><u>154,325</u></u>	<u><u>-</u></u>	<u><u>(1,315,623)</u></u>

24. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2025, the charitable company had future minimum lease commitments under non-cancellable operating leases as set out below:

	Assets other than land & buildings	
	2025	2024
	£	£
Within 1 year	32,036	34,978
Within 2 – 5 years	7,437	39,473
	<u> </u>	<u> </u>
	<u><u>39,473</u></u>	<u><u>74,451</u></u>

THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

25. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE 2024 FINANCIAL YEAR

	Note	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Endowment Funds 2024 £	Total Funds 2024 £
INCOME FROM:					
Donations and legacies	2	25	159,121	-	159,146
Charitable activities					
Fee income	3	10,101,653	-	-	10,101,653
Other income	4	790,388	-	-	790,388
Investment income		97,943	38,000	-	135,943
TOTAL INCOME		<u>10,990,009</u>	<u>197,121</u>	<u>-</u>	<u>11,187,130</u>
EXPENDITURE ON:					
Raising funds		(54,071)	-	-	(54,071)
Charitable activities		(11,518,318)	(349,468)	-	(11,867,786)
TOTAL EXPENDITURE	5	<u>(11,572,389)</u>	<u>(349,468)</u>	<u>-</u>	<u>(11,921,857)</u>
NET EXPENDITURE BEFORE INVESTMENT GAINS		<u>(582,380)</u>	<u>(152,347)</u>	<u>-</u>	<u>(734,727)</u>
Net gains on investments		-	-	142,951	142,951
NET INCOME/ (EXPENDITURE) BEFORE TRANSFERS		<u>(582,380)</u>	<u>(152,347)</u>	<u>142,951</u>	<u>(591,776)</u>
Transfers		-	-	-	-
NET MOVEMENT IN FUNDS		<u>(582,380)</u>	<u>(152,347)</u>	<u>142,951</u>	<u>(591,776)</u>
Funds brought forward at 1 September		11,508,097	2,893,984	1,201,952	15,604,033
TOTAL FUNDS AT 31 AUGUST		<u><u>10,925,717</u></u>	<u><u>2,741,637</u></u>	<u><u>1,344,903</u></u>	<u><u>15,012,257</u></u>

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

26. COMPARATIVE ANALYSIS OF MOVEMENTS IN RESTRICTED FUNDS FOR THE 2024 FINANCIAL YEAR:

	Balance at 1 September 2023 £	Income £	Expenditure £	Transfer £	Balance at 31 August 2024 £
ALW Foundation	2,315,247	-	(137,766)	-	2,177,481
The ArtsEd Student Fund	27,677	-	(4,482)	-	23,195
The ArtsEd Scholarship Fund	10,995	40,705	(65,462)	13,762	-
Bursary fund	20,566	-	-	-	20,566
Capital campaign	397,872	-	-	-	397,872
Chris Hornby Fund	7,086	4,784	(2,500)	-	9,370
The CMF Scholarship Fund	1,085	-	-	-	1,085
Guildford Academic Associates	1,327	-	-	-	1,327
Leverhulme Trust	-	99,750	(98,100)	-	1,650
Restoration levy	40,778	-	-	-	40,778
Spencer Will Trust	1,091	-	-	-	1,091
TAP	7,636	-	-	-	7,636
Graham Martin Memorial	4,111	-	(2,500)	-	1,611
Excellence Award	13,933	38,000	(38,658)	-	13,275
Friends Giving	44,580	13,882	-	(13,762)	44,700
	<u>2,893,984</u>	<u>197,121</u>	<u>(349,468)</u>	<u>-</u>	<u>2,741,637</u>

Please refer to note 19 for details of each of the restricted funds.

THE ARTS EDUCATIONAL SCHOOLS

England & Wales - Charity number 311087

Accounts

THE ARTS EDUCATIONAL SCHOOLS
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

Company Number: 00712444
Registered Charity Number: 311087

**THE ARTS EDUCATIONAL SCHOOLS
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

CONTENTS	Page
Patrons, Governors, Officers and Advisors	1
Trustees' report	3
Statement of corporate governance & internal control	22
Independent auditor's report	24
Statement of financial activities	27
Balance sheet	28
Cash flow statement	29
Notes to the financial statements	30

**THE ARTS EDUCATIONAL SCHOOLS
PATRONS, GOVERNORS, OFFICERS AND ADVISORS
FOR THE YEAR ENDED 31 AUGUST 2024**

President Lord Lloyd-Webber

Vice Presidents Robert Powell
David Grindrod
Sharon D Clarke

Patrons and Artistic Creatives	Don Black, OBE	Mary King
	Sir Matthew Bourne, OBE	Nigel Lilley
	John Brant	Lynette Linton
	Chrissie Cartwright	Robert Lindsay
	Anthony Cherry	Lesley Manville
	Bill Deamer	Stephen Mear
	Janie Dee	Sir Trevor Nunn
	Mike Dixon	Arlene Phillips
	Anthony Drew	Mark Shenton
	Nigel Havers	George Stiles
	David Howe	Ian Talbot
	Rachel Kavanaugh	Roy Williams

The Governors and Trustees

Brian Brodie (resigned 22 December 2023)	Joanna MacDonnell
Ann Cottis	Farida Mannan
Stephen Denyer	Robert Mathieson
Cherry Dickins	Ruth Mundy
Simon Dowson-Collins (resigned 14 December 2023)	Julie Spencer (resigned 8 July 2024)
Benjamin Gudgeon	Jennifer Wilkinson (resigned 23 November 2023)
Brenlen Jinkens (resigned 3 December 2024)	

Officers

Principal Julie Spencer (resigned 8 July 2024)
Since 9 July the institution has been led by an Interim Executive Leadership Team comprising of Alexander Gillespie (Finance Director), Jonathan O'Boyle (Director of the School of Musical Theatre) and Peter Middleton (Interim Head Teacher)

Company Secretary Alexander Gillespie

Registered office Cone Ripman House
14 Bath Road
London
W4 1LY
Website: www.artsed.co.uk

**THE ARTS EDUCATIONAL SCHOOLS
PATRONS, GOVERNORS, OFFICERS AND ADVISORS
FOR THE YEAR ENDED 31 AUGUST 2024**

Auditors	HaysMac LLP 10 Queen Street Place London EC4R 1AG
Bankers	Lloyds Bank Plc St Mary's Court 100 Lower Thames Street London EC3R 6HX
Insurance brokers	Marsh Limited Education Practice Capital House 1-5 Perrymount Road Haywards Heath West Sussex RH16 3SY

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024**

REFERENCE AND ADMINISTRATIVE INFORMATION

The Arts Educational Schools ('the Trust' or 'ArtsEd') is a company limited by guarantee not having a share capital (company number 0712444) and is registered as a charity (registered charity number 311087). The Trustees and executive officers of the Charity are as listed on page 1. Particulars of the Trust's registered office which is also the main place of business and details of the professional advisers are given on pages 1 and 2.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Trust is governed by its Memorandum of Association dating from 1962, Articles of Association last amended in 2023.

Method of Recruitment and Appointment of Trustees

The Trustees of the Charity are the Trust's directors for the purposes of the Companies Act.

In accordance with the Articles, the Trustees of ArtsEd may recommend individuals to be appointed as new Trustees and the Members (i.e. those who are "Members" for the purposes of company law as set out in the Articles) can also nominate individuals. Candidates are interviewed, and if appropriate put forward for election by the Trustees. The new Trustees are then appointed at the Annual General Meeting. In practice the Board will encourage the Principal, and other connected parties to suggest the names of potential candidates.

The Board carries out regular reviews and skills audits to identify the appropriate mixture of skills and experience required to manage the multi-faceted affairs of ArtsEd which is also a registered charity, a company limited by guarantee, a medium sized business, and a local employer with over 200 employees.

We devote a good deal of thought to successor planning and keep a register and skills matrix of the mixture of skills and professional backgrounds represented on the Board. Our aim is to achieve a balanced Board with a core of individuals with educational, legal, accountancy, finance, property management, business, marketing and performing arts industry backgrounds. We review this balance regularly.

Our Articles specify that there should be a minimum of 5 and a maximum of 15 Trustees on our Board.

Trustees may serve up to three terms of three years and shall serve for no more than nine years. The current Trustees are:

Ann Cottis	(appointed 2017)	Re-elected April 2023
Stephen Denyer	(appointed 2019)	Re-elected June 2022
Cherry Dickins	(appointed 2022)	Elected July 2022
Benjamin Gudgeon	(appointed 2022)	Elected June 2022
Joanna MacDonnell	(appointed 2022)	Elected June 2022
Farida Mannan	(appointed 2022)	Elected June 2022
Robert Mathieson	(appointed 2017)	Re-elected April 2023
Ruth Mundy	(appointed 2021)	Re-elected January 2025

Policies and Procedures adopted for the induction and training of Trustees

All new Trustees are given a tour of the school and the chance to meet staff and students. All Trustees are provided with copies of the policies, procedures, minutes, accounts, budgets, plans, an induction pack and any other documents they need to undertake their role as Trustees. Trustees are encouraged to attend training courses and seminars arranged by the Association of Governing Bodies of Independent Schools (AGBIS) and

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2024**

other professional providers, such as law and accountancy firms in order to reinforce their awareness of their varied duties and responsibilities. Trustees also receive mandatory training on Trustees' Roles and Responsibilities, KCSIE and Prevent.

Organisational Management

The Trustees are legally responsible for the overall management and control of the Schools and meet at least three times a year. The day-to-day responsibilities are delegated to the Principal. The Board has six sub-committees which meet as follows:

- The Compliance and Risk Management Committee meets three times a year to review the institution's approach and response to risk and compliance.
- The Finance and Audit Committee meets four times a year to review financial operations.
- The Nominations and Remuneration Committee meets twice a year to review recruitment and succession within the Board of Trustees and the remuneration of senior positions.
- The Welfare, Safeguarding and Health and Safety Committee meets three times a year to review institutional safeguarding and health and safety.
- The Day School Sixth Form Committee meets at least once per term to review governance of the School.
- The Higher Education Committee meets at least once per term to review all HE Programme

All meetings of the Trustees are attended by the Principal together with other senior staff as may be required for that meeting. Specially convened meetings of staff and Trustees are arranged from time to time on topics of strategic interest. Trustees often attend performances and meetings with external partners.

Schools Structure

ArtsEd comprises the Day School (Day School for 11-16 and Sixth Form for 16-18), the School of Musical Theatre and the School of Acting. In addition, ArtsEd Extra offers provision to the local community. These departments are supported by the Finance, Facilities, HR, Production, Academic Management, Communication and Development teams and other administrative and support services.

Senior Leadership Board

The Senior Leadership Board for the year ended 31 August 2024 comprised:

- Julie Spencer, Principal (resigned 8 July 2024)
- Yewande Akindele, Deputy Principal (resigned 2 February 2024)
- Anthony Campbell, Head of HR (resigned 24 May 2024)
- Frank Daniel, Head of Facilities
- Fela George, Interim Head of HR (appointed 15 July 2024)
- Alexander Gillespie, Finance Director
- Peter Middleton, Interim Headteacher (appointed 1 September 2023)
- Jonathan O'Boyle, Director – School of Musical Theatre
- Kim Vithana, Director – School of Acting

Following the resignation of the Principal the Board of Trustees appointed an Interim Executive Leadership Team consisting of the Finance Director, The Director of the School of Musical Theatre and the Interim Headteacher. It is expected that the Interim Executive Leadership Team will remain in situ until the point that a new Principal is appointed. The Executive Leadership Team were initially appointed in November 2023 as the External Investigation began and the Principal was on extended sick leave.

Pay Policy for Senior Staff

The Trustees consider that they, together with the Senior Leadership Board, comprise the Key Management Personnel. The Trustees give of their time freely. Annual salary increases for all staff are approved by the Trustees. The pay and remuneration of the Principal and senior staff is kept under annual review. Criteria used in setting pay includes:

- nature of the role and responsibilities
- trends in pay.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The objects for which the Trust is established are to promote the advancement of education and in connection therewith in particular to acquire, establish, provide, conduct, and carry on residential and non-residential schools in which children and students may receive a general education in conjunction with a specialised education for students desiring to follow a career in or connected with the performing arts.

Aims and intended impact

ArtsEd's aim is to provide a first-class education through strong vocational and general education and through developing wider artistic and social skills in all its pupils and students. Each pupil or student is encouraged to develop and fulfill his or her potential, promoting self-confidence and desire to contribute to the wider community.

Objectives and Activities

ArtsEd's mission is to deliver successful and fulfilling careers for all our students and staff. This mission is at the core of all decision making and ensures that students and staff are central to strategic planning.

Strategic Aims

- Provide outstanding education and training
- Widen participation and encourage a diverse student intake
- Exploit our growing reputation
- Increase our emphasis on staff development and engagement
- Foster a culture of philanthropy
- Develop the building and its facilities to enhance the student experience
- Sustain the financial health of the Schools while allowing for investment in new initiatives

Key Strategic Objectives

- To provide exceptional learning opportunities that enable all pupils and students to realise their individual potential
- To recruit, develop and retain outstanding academic and professional staff
- To review the delivery and relevance of all our education and training
- To evaluate how student development and achievement is enabled through robust quality assurance and enhancement
- To provide excellent pastoral care
- To market ArtsEd as the destination of choice for a successful and fulfilling education and career
- To develop our distinctive brand identity as the leading force in Musical Theatre training
- To continue to maintain strong relationships with the industry
- To retain and progress talented staff through development, staff wellbeing and performance management, to enable them to realise their full potential
- To build philanthropic and public support for student scholarships, the Student Support Fund and the capital campaign
- To provide facilities that are fit for purpose, through effective maintenance and refurbishment programmes, space planning and facilities management
- To achieve the required level of operational surplus to meet ongoing investment requirements and provide contingency against unanticipated adverse developments
- To achieve maximum cost efficiency and value for money in all operations
- To sustain our cash flow and liquidity
- To monitor fee levels across the sector to ensure that we remain competitive

PUBLIC BENEFIT

The Trust provides a public benefit by providing first class independent education and vocational training, both through strong teaching and through developing wider artistic and social skills in all its pupils and students. This is intended to provide an environment where each student can develop and fulfil his or her potential, thus to help build self-confidence and inculcate a desire to contribute to the wider community.

Grants and bursaries, provided by the Trust, enable those who cannot afford to pay the full fees, to benefit from an ArtsEd education. Students are also able to apply for the Dance and Drama Award (DaDA) scheme which is provided by the Education and Skills Funding Agency. This allows the most talented students from a broad range of backgrounds to benefit from the training which ArtsEd offers.

The school encourages the local community to hire the Andrew Lloyd Webber Foundation theatre and other spaces for their own activities.

In addition to the above, ArtsEd undertook the following activities:

- Audition fee waivers are available to applicants from disadvantaged backgrounds.
- The School gave free use of its theatre to the Chiswick Book Festival
- The School gave free use of its facilities to the Bedford Park Society
- The School supported the Bedford Park Festival
- ArtsEd Extra undertook outreach activities in the local community

The Trustees have given consideration to the Charity Commission's general guidance on public benefit, and in particular to its supplementary public benefit guidance on advancing education, and have concluded:

- that there are clearly identifiable benefits from the Schools' work which relate directly to their aims as set out above;
- there is no significant detriment flowing directly from the Schools' work which we consider needs to be balanced against those benefits;
- that the benefits which the Schools provide are widely available to the public.

REGULATORY COMPLIANCE

A number of allegations were raised last year about bullying and favouritism at ArtsEd. Given the nature of the allegations and the number of complaints, as well as the public attention, the Board decided that an independent investigation was necessary. In order to ensure a fair, thorough and impartial investigation, the Board appointed an experienced barrister: Ms Ghazaleh Rezaie of 12 Kings Bench Walk Chambers.

The purpose of the investigation was to enable the Board to understand the basis of the allegations and the nature and extent of any alleged misconduct at ArtsEd. The Terms of Reference for Ms Rezaie's investigation were published on the ArtsEd website. Ms Rezaie completed her report and sent it to the Board on the evening of 28 June 2024.

The Board of Trustees would like to thank all of the participants who came forward to give evidence to Ms Rezaie. We acknowledge that this has been a challenging, and at times an emotional, process for those involved. As can be seen in the Public Statement, the Principal was not able to participate fully in the investigation for health reasons. The Board extended the investigation on two occasions but then asked Ms Rezaie to produce a report by 28 June 2024 on the basis of her conclusions to that date.

As anticipated in the Terms of Reference, the full report contains confidential information about individuals who were interviewed. Therefore, the full report will not be published. However, the Terms of Reference requested that Ms Rezaie draft a Public Statement – being a summary of the conclusions from her Report capable of being published without contravening data protection law. That Public Statement has now been published on the ArtsEd website.

One of Ms Rezaie's main findings was that the professional relationship between the Principal and current employees has been damaged beyond repair. The Principal has considered this finding and decided to step down from her role as Principal and as a Trustee in the interests of her health.

The Public Statement makes it clear that not all allegations were substantiated but a number of allegations were, in Ms Rezaie's opinion, suitable for referral to a disciplinary process for further examination. We take these allegations very seriously. The Board is assessing the lessons which must be learned and changes which must be made. The latter will be carried out in consultation with the senior leadership at ArtsEd, which will include input into the next steps towards the recruitment of a new Principal.

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2024**

At ArtsEd we are committed to a culture of inclusivity and transparency. The Board of Trustees will ensure that robust procedures and processes that create a safe environment for all of ArtsEd's students and staff are embedded throughout the whole institution.

In March 2022 an external governance adviser completed a review of the Trust's governance. The outcome of this review has had a profound effect on our operations. A 12-month action plan to address the recommendations from this review was subsequently approved by the Trustees, which focussed on 10 key themes:

1. Articles of Association
2. Membership of Committees
3. Annual Assurance
4. Governance and Management
5. Committee Administration
6. Mapping Governance and Regulatory Codes and guidance
7. Committee Structure Review
8. Development and Training
9. Review
10. Resources

A large amount of work was undertaken between 2022-2024 and the Trustees can confirm that all outstanding matters from the action plan were addressed during 2023/24.

During 2023/24 there were a number of successes, including:

1. In Autumn 2023 ArtsEd was awarded Gold in the Teaching Excellent Framework, confirming our Higher Education provision is of the highest quality and recognised as sector leading
2. In mid-November 2023 ArtsEd was inspected by Ofsted regarding our Higher Education provision and we are extremely pleased to announce we have been awarded 'Outstanding' in all areas once again
3. At the end of March 2024, ArtsEd Day School and Sixth Form were inspected by the Independent Schools Inspectorate (ISI) as part of their routine cycle of school inspections. This latest inspection took place under the new framework that was introduced in September 2023. There is no 'overall judgment' of the school – ISI have removed single word judgments. However, they are permitted to identify key areas of Significant Strength in a school. It is a label applied only where a school does something truly exceptional and with impact across the whole student body; the bar is set incredibly high. Performing Arts was noted as an area of Significant Strength. The inspectors confirmed that appropriate standards had been met in all areas of the organisation.
4. The National Student Survey undertaken in the year showed that ArtsEd is a leading institution in relation to student satisfaction.
5. No student complaints were raised with the Office of the Independent Adjudicator in the period.

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2024**

STRATEGIC REPORT

**REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR
Student and Pupil numbers**

	2023/2024	2022/2023
Applications received		
Musical theatre (3 year BA)	1,241	1,529
Acting (3 year BA)	830	937
Acting (1 year MA)	212	293
Applicants auditioned		
Musical theatre (3 year BA)	1,023	1,110
Acting (3 year BA)	300	674
Acting (1 year MA)	120	200
New student intake		
Musical theatre (3 year BA)	53	50
Acting (3 year BA)	34	34
Acting (1 year MA)	29	27
Total students (at year end)		
Musical theatre	170	185
Acting	151	150
Total	321	335
Pupils (including "A" Level)		
Applications	317	307
Offers	179	189
Acceptances	106	102
Total number of pupils at year end	<u>286</u>	<u>296</u>

ArtsEd continues to maintain high standards across its range of activities and to sustain stable pupil and student numbers and these are more fully described for each of the schools below.

The Trustees would like to thank all staff members for the continuing success of ArtsEd, for achieving such excellent academic results and for the continued stability in the financial results.

DAY SCHOOL AND SIXTH FORM

At ArtsEd, we believe that students, and their parents, should be given the assurance that they will achieve to the very best of their potential. At ArtsEd this is achieved in both the academic and vocational aspects of the 'ArtsEd Curriculum' through the excellence of teaching and learning; fundamentally, this is set within an environment where pastoral care is at its heart and that is inclusive, nurturing and enables all our students to thrive.

This is reflected in our strong academic results that show significant added value throughout each student's journey at the School. There are small class sizes which enable us to know the individual student and develop highly productive working relationships between students and teachers. We are an academically non-selective school with a collaborative ethos that instils a sense of self-belief in our students which, when combined with the very significant levels of personal development, undoubtedly create the foundations for their academic success.

This ethos within our school, coupled with small cohort sizes (number of students in Year 11: GCSE - 29; Year 13: A level - 11 and BTEC - 64), means that ArtsEd has a much smaller number of candidates sitting GCSE and A levels than most other independent schools; we also have a much wider spread of talent and ability. Consequently, it is inevitable that there will be fluctuations in the overall results of different cohorts; combined year group outcomes do not show the programmes of personalised support for individual students, nor do they reflect the significant progress made by them.

The results at ArtsEd reflect the quality of teaching and learning, the ability of our students and their commitment to achieving their best throughout the time they are with us. At the heart of supporting the successes this year is our unique 'ArtsEd Curriculum' – where vocational training of the highest quality is rooted and integrated within the academic programme. This was recognised by the Independent Schools Inspectorate in the most recent inspection, when they awarded the School the highest accolade – an area of significant strength:

'The standards that pupils achieve in performing arts, in line with the school's expressed aims, are a significant strength of the school.'

ISI Inspection Report 2024

'Leaders plan a curriculum through which pupils study a wide range of academic and vocational subjects. Pupils develop linguistic, mathematical, scientific and technological skills. Leaders strategically plan ahead and adapt their curriculum in the light of the changing demands of the world of performing arts.'

ISI Inspection Report 2024

Year 13 Results

Our Sixth Form students can take one of three different pathways: A levels, BTEC, or uniquely a combination of both. Those on the A level pathway usually start with up to 4 A levels. This year, the majority of students studied the BTEC pathway, which is the BTEC Level 3 Extended Diploma in Performing Arts Practice (Acting/Musical Theatre/Dance) and is the equivalent of 3 A levels; in addition, a significant number of these BTEC students also chose to study 1 or 2 A levels.

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2024**

This year's Year 13 produced some outstanding results.

	2024 A level and BTEC combined %
A*- A	68
A*- B	88
A*- C	98

There were some excellent A level outcomes with 95% of grades awarded at A*-C (83% last year). There were some outstanding results, including a number of students who achieved at least one A*.

	2024 A level only %
A*- A	27
A*- B	71
A*- C	95

The BTEC Level 3 Extended Diploma has three main specialisms in the Performing Arts: Acting, Dance and Musical Theatre. There were some outstanding results in these vocational courses, where Distinction* (D*) is the equivalent to an A* at A level; Distinction (D) is an A grade; Merit (M) is a B grade. 69% of students achieved D*D*D* (A level equivalent of 3 A* grades), 94% achieved DDD or better (equivalent to AAA at A level), and all our BTEC students achieved at least DDM (AAB):

BTEC Result	A Level equivalent grades	2024 BTEC only %
D*D*D*	A*A*A*	69
D*D*D* - D*D*D	A*A*A*- A*A*A	77
D*D*D* - D*D D	A*A*A*- A*A A	85
D*D*D* - D D D	A*A*A*- A A A	90
DDM	AAB	100

Year 11 Results

In a year when ArtsEd had its largest number of GCSE entries, 100% of Year 11 students achieved 9-4 in Maths and in one English GCSE 98% of results were graded 9-4 (up 2% on 2019), and the percentage of grades 9-7 was 46% (up 3% on 2019). These results are extremely impressive - not only are they an improvement on 2023, but crucially they exceed the excellent pre-pandemic results of 2019, which were the School's best results since GCSEs were reformed.

All GCSEs	2024 %
9 - 7	46
9 - 4	98

Maths & English GCSE	2024 %
Maths 9 - 4	100
English (combined) 9 - 4	99

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2024**

Destinations post Year 13

All our Year 13 students, who applied, achieved a place at their university of first choice, conservatoire, or institution of further training. This is a multi-talented year group, and many are now going on to leading institutions both in the UK and abroad and these are listed below; a number of students have gone straight into the performing arts industry:

Further training courses include:

- ACM – Academy of Contemporary Music
- ArtsEd
- Central London City and Guilds
- Brighton Institute of Modern Music
- Bird College
- East 15
- Guilford School of Acting
- Guildhall
- International College of Musical Theatre
- Institute of Arts Barcelona
- Italia Conti
- Laine Theatre Arts
- London Academy of Music and Dramatic Art
- London Studio Centre
- Mountview
- Royal Central School of Speech and Drama
- The Oxford School of Drama
- Trinity Laban Conservatoire of Music and Dance
- Urdang

University courses include:

- Cardiff University
- Central London City and Guilds
- City, University of London
- Exeter University
- Liverpool Hope University
- LSBU – London South Bank University
- Reading University
- York University
- Winchester University

POST-18 PROVISION

As one of the UK's leading centres of conservatoire education, ArtsEd is proud of its reputation as a provider of world-class, contemporary training. Our Musical Theatre course is consistently recognised as the best in the UK, and one of only a handful which can genuinely claim to produce 'triple threat' performers. Our 3-year Acting course is leading the way in delivering a robust, inclusive, skills-based actor training, focusing on new thinking in response to the rapidly evolving world of the arts and culture.

Based on a range of evidence, including graduate destinations, external reports, feedback from students and industry professionals, annual evaluation, and internal self-assessment, we believe our overall effectiveness to be outstanding. We report a variety of statistical data to the Higher Education Statistics Agency (HESA) including for the Destination of Leavers from Higher Education survey, which calculated that 100% of our graduates go on to work or further study.

Our graduate destinations are outstanding. Each year ArtsEd graduates can be seen performing in commercial theatres in the West End and on tour, as well as appearing in television dramas and feature films.

A number of regulatory, accrediting and validating bodies have oversight of our provision (both HE and FE), and reports from these provide assurance of the quality and relevance of our provision:

- Extremely positive reports from City St George's University, Trinity and graduate outcomes have confirmed DaDA funding for 2024/25.
- During our Ofsted inspection (DADA HE Provision) we received "Outstanding" in all areas – November 2024.
- We are accredited by the Council for Dance, Drama and Musical Theatre.
- We are a founder member of the Federation of Drama Schools.
- Our provision meets the guidelines set by Equity and Spotlight for conservatoire training.

We can therefore be confident that our content and our curricula remain relevant, the standards of teaching and learning remain very high, with high expectations for what all learners can achieve, and that our education and training provides each student with the best possible preparation for a successful and fulfilling career.

The school continues to attract highly skilled and expert practitioners with a wealth of relevant subject knowledge to teach at ArtsEd, both as regular tutors and visiting creatives. In Year 1 the majority of teaching is undertaken by core in-house staff to encourage confidence, generosity to the ensemble, and to allow students the time and support to develop a broad range of technical skills before testing them against industry standards. As the courses progress, through projects, public productions and professional practice modules, students are introduced to a wide range of practitioners, directors and creatives, including leaders in their field as well as emerging artists. The experience of working with these people develops students' skills and confidence and allows them to build up a broad portfolio of professional contacts in preparation for entry to the industry. This combination of rigorous technical training from in-house staff, and the experience of working with a huge variety of industry professionals, is a key strength of teaching and learning at ArtsEd.

ArtsEd is noted in the industry for our success in attracting and retaining a particularly diverse student body, over one third of our students come from Black, East Asian, South Asian, and other under-represented Ethnic groups. We continue to address under-representation and lack of diversity in UK drama schools in our student population, permanent staffing and the creative practitioners we bring in to work with us. We are committed to maintaining our strength in this area, improving diversity of all kinds over the coming years.

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2024**

Our commitment to inclusivity is apparent in a warm and welcoming environment, with a strong attention on the development of the individual. The pastoral care that is a core aspect of our provision is rooted in the expertise of our staff and is driven by the belief that a person's wellbeing is core to their success. Training is undertaken each year to update and allow us to critically reflect on our provision and practices. Extensive performance experience gives staff an understanding of the rigours and demands of the industry and the ability to inspire resilience alongside expertise. This is an essential element in creating graduates who are confident, resourceful and committed performers, well prepared to enrich and influence the creative industries in the UK and beyond.

Diversity statistics

In September 2024 the BA School of Acting recorded an intake of 42% Black, East Asian, South Asian, and other under-represented Ethnic groups. The BA School of Musical Theatre recorded an intake of 19%. Overall, 25% of the new intake of students (all courses) are Black, East Asian, South Asian, and other under-represented Ethnic groups. It is an ongoing target to maintain and improve equality, inclusivity and diversity, and efforts are made at audition to recruit students from a diverse range of backgrounds and support them to succeed at the highest levels. We continue to explore how we can influence the intake in Musical Theatre, through targeted outreach and marketing strategies. Our commitment to diversity continues to be reflected in our efforts to attract talented students from a range of backgrounds to our post-18 courses.

New intake

% Black, East Asian, South Asian, and other under-represented Ethnic groups.

2024-25	25%
2023-24	26%
2022-23	29%
2021-22	41%
2020-21	30%
2019-20	37%
2018-19	29%
2017-18	23%
2016-17	21%
2015-16	20%
2014-15	18%

Wellbeing and Pastoral Care

The challenge of supporting the growing number of pupils and students with mental health is one faced by all education and training providers. Trustees are committed to supporting initiatives for continual improvement in pastoral care in support services and the promotion of wellbeing for all our students and staff. The HE Registry Team have a centralised Student Support Team in place who support our students through a range of support mechanisms and procedures such as a new Personal Tutoring System and revised Attendance Policy. ArtsEd also offer on-site external Counselling Service to all students and confidential external online support is available to both staff and students through Togetherall.com. We are committed to ensuring the effectiveness of our support systems for students and ensuring students are supported during their time at ArtsEd.

School of Musical Theatre

ArtsEd's Musical Theatre ("MT") department is regarded as the premier Musical Theatre school in the country and Europe, and one of only a handful which can genuinely claim a 'triple threat' training. The training is rigorous and robust. All our Graduate shows for 23/24 were in person with sold out audiences at our Andrew Lloyd Webber Foundation Theatre. For the fourth year running the MT showcase was filmed as showreels directed by Jonathan O'Boyle, who is the Director of the School of Musical Theatre.

Employability

Students continue to be well prepared for employment, both in the development of the key skills necessary for work in the profession, and in the development of understanding about the industry. They take part in regular mock and preview interviews and auditions, and the requirement to audition for roles in their final year productions and films gives students a real sense of what to expect when seeking professional work. Students benefit from an extensive programme of professional practice and industry talks from agents, casting directors and actors on a range of subjects including how to start their own theatre company, how to manage their finances and taxes, how to develop their own work for television, how to market themselves and understanding their individual casting potential. These industry guests frequently cast and audition the students for professional productions.

Similarly, the policy of bringing West End casting directors to audition BA Musical Theatre whilst still in training continues to be highly successful and will continue for the forthcoming year. This year we have invited five leading casting directors to attend our casting director days.

Graduate Success

We have several further students up for awards at the Black British Theatre Awards:

Recent graduate **Sedona Sky** has been nominated for a Black British Theatre Award for *Best Graduate in Heathers*.

Marley Fenton is nominated for *Best Supporting Male Actor in a Musical* for his work in *The Wizard of Oz* at the Norwich Theatre Royal.

Rhianne-Louise McCaulsky is nominated for *Best Female Lead Actor in a Musical* for her work in *Cruel Intentions The Musical* at The Other Palace.

Ashley Campbell is nominated for *Best Supporting Male Actor in a Musical* for his work in *Cabaret* at the Kit Kat Club at the Playhouse Theatre.

2023/24 - July 2024 Graduates

51 students graduated in 2024.

51 students – 100% – secured an agent before graduation.

EMPLOYMENT

As of 23 September 2024, 30 students secured employment within the first three months of graduating ArtsEd.

That is 59% of students gaining employment within the first 3 months after graduating. A 4% increase on 2022/23.

Recent graduate destinations include West End Musicals: *The Wizard of Oz*, *Mamma Mia*, *Book of Mormon*, *Your Lie In April*, *Starlight Express*, *Fangirls*, *Babies The Musical*, *Marie Curie*, *A Face in the Crowd*, *Les Miserables*, and *Cabaret*.

Regional theatre including: *Singin' In The Rain* at Kilworth House, *Becoming Nancy* at Birmingham Rep.

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2024**

UK Tours including: *Wizard of Oz*, *Grease*, *Only Fools and Horses: The Musical*.

As well as International and European tours, including *The Bodyguard*, *Cats*, *Les Misérables World Tour* and *Hello Dolly!*, and further engagements (concerts and new writing workshops).

The ArtsEd Choir participated in the Olivier Awards 2024 at the Royal Albert Hall, and the 50th Anniversary concert of *Pippin* at Theatre Royal Drury Lane.

2022/23 - July 2023 Graduates

58 students graduated in 2023.

58 students – 100% – secured an agent before graduation.

EMPLOYMENT

As of 27 September 2023, 33 students secured employment within the first three months of graduating ArtsEd.

That is 55% of students gaining employment within the first 3 months after graduating.

Destinations include West End Musicals: *Old Friends: Stephen Sondheim Concert*, *The Wizard of Oz*, *Mamma Mia*, *Moulin Rouge*, *Tina: The Musical*, *Back To The Future*, *Les Miserables*, *Grease*, *Pretty Woman* and *Cabaret*.

Regional theatre including: *Assassins* and *Rock Follies* at Chichester Festival Theatre, *Evita* at Curve Leicester, *Roman Holiday* at Bath Theatre Royal, *Hairspray* at Kilworth House.

UK Tours including: *Hamilton*, *Wizard of Oz*, *Wicked*, *Madagascar The Musical*, *Jesus Christ Superstar*, *Pretty Woman*.

As well as International and European tours, including *The Phantom of the Opera* and *Love Never Dies*, and further engagements (concerts and new writing workshops).

Olivier Awards 2023 – The ArtsEd Choir at the Royal Albert Hall.

School of Acting

The School of Acting is one of the most diverse schools in the sector, from both a student and teacher stance. Its reputation has grown substantially. By culturally diversifying the curriculum, pedagogical approach and operational structures it has seen a meaningful cultural shift which has impacted positively on the wellbeing of both students and staff. This is highlighted in the number of student applications, yet again, at the end of the 2023/24 audition cycle. We offer an inclusive, diverse contemporary industry-facing programme, an exciting alternative to the traditional model of classical theatre training. The BA Acting course was the first to introduce intimacy training and British Sign Language embedded within the 1st Year curriculum, these strands are further developing to ensure that they weave through all three year's training including 3rd year show support. We continue to develop cross curriculum and co teaching to enhance student experience and our TV Film delivery has been noted by screen industry professionals as the best drama school training provision. This is evidenced in the continued success of the Original Screenplays 2023 '*Prompt Date*' which has won Best Short Film 2023 at the Vlaardings Film Festival (Netherlands), '*21st Century Séance*' which was selected and now nominated at Grindhouse Nights Film Festival – New Jersey, USA and '*Ocras*' which has an Official Selection at the 29th International Festival of Golden Beggar – Slovakia. This again highlights the exceptional training and opportunities offered to our BA Acting Students.

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2024**

Our commitment to forward-thinking training has also been formally recognised this year, in re-accreditation from CDMT and ArtsEd being awarded 'Gold' for TEF 'Teaching Excellence Framework', by delivering excellence in areas that students care most about: teaching, learning and achieving positive outcomes from their studies. This outcome noted the student submission as one of the best submitted.

Employability

ArtsEd facilitates a robust practical creative environment to facilitate students to progress into professional work in all genres. We bring stage and screen casting directors to audition Acting students whilst still in training, which has started to bear fruit in students being cast for stage and screen. This addition, like our Musical Theatre course, provides another indicator of the quality of standards on the programme. We are proud our students continue to gain professional recognition and obtain high quality professional work with alumni being nominated for the **BBTA Awards** this year! Nominations include: Best Playwright; Best Supporting Male Actor in a Play & Best Graduate.

We are pleased to see **2023/24 Graduates** undertaking work since graduating: Cast as Mercutio in Jamie Lloyd's Romeo and Juliet; Joining the RSC cast of The School for Scandal; Cast in Test Match at the Orange Tree Theatre; Playing Paris in Shakespeare's Globe; Cast in 'Sorry not Sorry' at Tramshed; Edinburgh Fringe/The Lion Theatre - Critically acclaimed one man show written and performed by a graduate; 93% SoA Graduates secured agents before leaving and 30% were employed.

Below are further examples of the quality of work our Graduates/Alumni have undertaken:

Screen: Apple TV+ series 'Invasion'; Warner Brothers 'The Flash'; ITV 'The Walk In'; Apple TV 'Criminal Record'; Channel 4/Disney/ Lionsgate 'Queenie'; Netflix 'The Crown'; Syfy Channel 'The Arc' Season 2; Empire Productions 'Pulcinella' Apple TV 'Hijack'; BBC 'Doctors' and 'Casualty'; ITV 'Piglets'; Netflix 'One Day'; MGM Studios ' Lazarus'; Miramax/Working Title 'Bridget Jones Diary'.

Radio/Voicework: BBC Radio 4 series regular Torchwood; Prodigious UK, Iris Worldwide, BBC Audio Drama.

Theatre: Criterion Theatre 'Unbelievable' National Theatre extended tour 'The Ocean at the End of the Road' The Changeling Theatre Company 'Loves Labours Lost'; Leeds Playhouse/Home Theatre Manchester/Northern Stage 'The White Card'.

FINANCIAL RESULTS

The Trust produced a deficit for the year of £591,776 (2023: deficit of £107,596). The total accumulated unrestricted general fund surplus at the end of the year was £6,717,607 (2023: £7,299,987). There were designated funds at the year end of £188,110 (2023: £188,110).

Capital expenditure in the year totalled £370,824 (2023: £154,543). Year-end cash balances were £4,098,223 (2023: £4,159,559) and there were long term loans with Lloyds Bank plc of £5,606,671 (2023: £5,994,045).

From a financial perspective 2023/24 was a year of transition. The institution has continued to feel the impact of the cost of living crisis and inflation. Our financial result for the year was largely impacted by the costs relating to the Rezaie external investigation that was carried out between January and July 2024. Our total fee income for the year was £10,542,566 (2023: £10,592,476). Studio hire and mast income continued to grow in the period, generating income of £206,471 (2023: £175,451) and our Theatres Tax Credit generated income of £250,000 (2023: £230,000).

We are mindful that students and families have felt a significant financial strain We have continued to support families with bursaries and discounts from our unrestricted funds of £440,913 (2023: £422,309).

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2024**

Total expenditure in the year was £11,921,857 (2023: £11,332,502). The increase in costs is largely due to inflationary increases, alongside significant legal and regulatory costs arising as a result of the Rezaie investigation.

The Trustees remain confident that our financial position remains robust in an extremely challenging external environment that includes an uncertain political climate for the sector, along with high inflation and financial uncertainty that has put a financial strain on parents and students. A prudent budget has been prepared for 2024/25, during which we will be looking ahead to forge a new 5-year strategy.

Charitable Support

The Trust is immensely grateful for the support from the following individuals and trusts and foundations in 2023/24. Their generosity ensures that we can continue in our mission to enrol students with the greatest potential, regardless of their financial circumstances and that our facilities continue to be of a quality that matches their talent.

Special thanks to:

Andrew Lloyd Webber Foundation
The Leverhulme Trust

ArtsEd TAP and ArtsEd Parents & Families

We would like to thank the TAP committee for their continued hard work, commitment and enthusiasm, and the Day School & Sixth Form parent and carer community for their ongoing support of TAP events and ArtsEd's wider fundraising initiatives. Funds continue to be raised to be applied towards hardship grants.

ArtsEd Champions

A Cottis

ArtsEd Enthusiasts

S Simpson, R J Parkinson

ArtsEd Admirers

B Dias, F Mannan, G Williams, J Brant, S Osman, S Bates, T Yeates

Tim English and all the generous supporters of the Chris Hornby Bursary Fund

Justin & Sarah Savage and all the generous supporters of the Graham Martin Bursary Fund

Corporate

Acre Properties in memory of Ben Turner, Smith & Brant Theatricals

Trusts and Foundations

The D'Oyly Carte Charitable Trust, Help Musicians UK, The Honourable Society of Knights of the Round Table, Society of London Theatres (Laurence Olivier Bursary), The Lionel Bart Foundation, Lynne & Land Foundation, Pamela Brady Todd Fund, The Royal Victoria Hall Foundation (Lilian Baylis Award) The Sir John Gielgud Charitable Trust, Sophie's Silver Lining Fund, The Stanley Picker Charitable Trust

Legacy Pledges

Anon, Vanessa Cameron, David J Yeoward

Future Plans

Following the completion of the Rezaie Investigation and the subsequent resignation of the Principal in July 2024, the Board of Trustees undertook a number of actions:

- Commenced the process for the recruitment of a new Principal
- Commenced the process for the recruitment of a new Chair of Trustees
- Commissioned training for all Trustees and staff on EDI matters
- Commissioned leadership training for senior leaders in the institution
- Commissioned a staff survey and culture review, which will feed into the institution's new strategic plan.

A new and ambitious strategic plan will be launched in the coming year covering the period to 2030.

Reserves Policy

Total funds at the balance sheet date were £15,012,257 (2023: £15,604,033) of which £2,741,637 were restricted (2023: £2,893,984) and £10,925,717 were unrestricted (2023: £11,508,097). Details of restricted funds are provided in note 19. Of the unrestricted reserves, there is a designated fund of £188,110 (2023: £188,110) which has been set up for student bursaries. Also included in the unrestricted fund is the revaluation reserve of £4,020,000 (2023: £4,020,000) which arose on the last revaluation of the School's land and buildings. At the balance sheet date the permanent endowment fund had a balance of £1,344,903 (2023: £1,201,952).

As the school has historically invested in its building and, accordingly, there were no free reserves at the balance sheet date (2023: £nil). It is likely that free reserves will remain minimal. The Trustees believe that it is important to continue to maintain operational surpluses in order to build up total reserves and in order to be able to invest in the facilities and staff of ArtsEd.

Investment Policy

An investment policy has been written and adopted that seeks to optimise cash flow whilst maximising return on investment in a safe and secure manner. The investments are held within the permanent endowment fund. During the year, the net gain on investments was £142,951 (2023: losses of £11,308). The fund continues to generate restricted income totalling £38,000 (2023: £38,000).

Fundraising practices and performance

Raising voluntary funds from trusts, foundations and individuals is a vital source of income for ArtsEd, enabling us to fulfil our charitable objectives as effectively as possible. We are very grateful for the support from all of our donors.

At ArtsEd, we believe that fundraising should be an open, honest and respectful process. We aim to build partnerships with our supporters and donors that are based on mutual understanding and shared values. In developing our approach to fundraising, we have taken account of the Code of Fundraising Practice issued by the Fundraising Regulator. We have a small internal fundraising team which carries out our principal fundraising activity and make occasional use of external professional fundraisers for standalone fundraising projects. We do not engage commercial participators to carry out fundraising activity. The fundraising team works closely with ArtsEd's executive and trustees to develop its fundraising strategy and identify potential prospects, the vast majority of whom have an existing connection to ArtsEd or to a member of one of these internal bodies. ArtsEd does not engage in unsolicited face-to-face or telephone fundraising.

As part of General Data Protection Regulation, ArtsEd reviewed and updated its Privacy Policy with regards to fundraising. This policy, published on our website, clearly states what personal data ArtsEd will hold in relation to supporters and how this data will be used. It sets out how individuals can raise concerns or complaints.

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2024**

ArtsEd has received no complaints about its fundraising activities either during the financial year or subsequently.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk Management

The main risks that the Trustees have identified and the plans to manage those risks are:

Compliance – Compliance with the requirements of our regulators is fundamental for ArtsEd to continue to offer an outstanding education to its students in a safe environment. We manage this risk through the employment of appropriately qualified and experienced senior staff who report into the Board of Trustees and relevant Sub-Committees. A rolling list of actions is maintained to assist with the monitoring of compliance matters.

Reputation – The School's success is built on its reputation of the quality of its education/training and wellbeing of our students.

We manage this risk by:

- constantly reviewing the delivery and relevance of all our education and training
- recruiting, developing, and retaining outstanding academic and professional
- reviewing and applying our safeguarding policies
- providing pastoral support for both students and staff
- actively identifying and resolving health and safety related issues
- constantly reviewing compliance with regulatory matter, providing investment when required
- ensuring that an appropriate building infrastructure is in place for all staff and students

Finance – Our ability to continue is reliant on student fees and effectively managing costs, including factoring in VAT on DSSF fees in future periods.

We manage this risk by:

- marketing activity to maintain student numbers, and diversify supplementary income
- having a reputation for academic and vocational excellence and excellent student destinations
- having effective credit control procedures
- comprehensive budgeting and regular financial reporting against the approved budget

Competition – Innovative or unexpected developments are made by competitor organisations.

We manage this risk by:

- benchmarking the Schools' performance against industry standards
- regular review of the curriculum and training to ensure that they achieve academic and vocational excellence and meet industry expectations
- monitoring our student destinations
- recruiting and retaining the best staff

Through the risk management processes established for the Charity, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

Trustees' responsibilities for the financial statements

The Trustees, who are also directors of ArtsEd for the purposes of company law, are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare Financial Statements for each financial year. Under that law the Trustees have prepared the Financial Statements in accordance with United Kingdom Generally Accepted

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2024**

Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the profit or loss 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 Statement of Recommended Practice ("SORP");
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to auditors

The Trustees at the time when this Trustees' Report is approved have confirmed that:

- so far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Trustees have taken all the steps that ought to have been taken as Trustees in order to be aware of any information needed by the charitable company's auditors in connection with preparing this report and to establish that the charitable company's auditors are aware of this information.

Trustees' Report, incorporating the Strategic Report, approved on behalf of the Trustees:



Farida Mannan, Trustee, Acting Chair

21 January 2025

**THE ARTS EDUCATIONAL SCHOOLS
STATEMENT OF CORPORATE GOVERNANCE & INTERNAL CONTROL
FOR THE YEAR ENDED 31 AUGUST 2024**

Corporate Governance

The Statement which follows is provided to enable readers of the Annual Review and Financial Statements of the School to obtain a better understanding of its governance and legal structure and applies to the 2023/24 financial year and to the date of the approval of the audited financial statements.

The structure of Corporate Governance is set out on pages 3 and 4, being the first section of the Trustees' Report. The Governing Document which dates from 1962 and was last amended in 2023 underpins the Governing practices adopted by the Board.

The Trustees are legally responsible for the overall management and control of the Schools. The Board of Trustees meets at least three times a year. Day to day responsibilities are delegated to the Principal and the Board has six sub-committees that meet at least three times a year that cover specific areas of the business. For the year under review these were:

- The Finance and Audit Committee
- The Compliance and Risk Management Committee
- The Welfare, Safeguarding and Health and Safety
- The Day School and Sixth Form Committee
- The Higher Education Committee
- The Nominations and Remuneration

All the sub-committees are attended by the Principal and other senior staff as may be required. Minutes are taken from all such meetings which are included in the Board papers so that all Trustees have an appreciation of the issues dealt with by the sub-committees.

Every year the Board holds at least one Strategic Review day when issues of a longer term and more strategically orientated are considered.

The Principal and the Senior Leadership Board (SLB) meet weekly to discuss current issues and to agree actions for the short, medium and longer term as required.

The Finance & Audit Committee ensure the adequacy and effectiveness of arrangements for corporate governance, risk management and oversight of any statutory and other regulatory responsibilities including compliance with the OfS's ongoing conditions of registration, any terms and conditions of funding as well as any other relevant regulatory responsibilities.

As part of the action plan in response to the external investigation the Trustees commissioned an external specialist adviser to complete a governance effectiveness review which was completed in March 2022. As detailed on pages 7 and 8, detailed work on the actions arising from this review concluded in 2023/24.

Internal Controls

Identifying and managing risk is a key part of the work of the Board and the SLB. This is addressed by the maintenance of a detailed Risk Register that is discussed and updated as necessary at all the meetings of the Board and the SLB and is covered where appropriate by the other sub-committees.

The approach to internal controls is risk-based including an evaluation of the risks becoming a reality. The risk weighting is considered by assessing the likelihood of the risk and the potential damage it could do. This approach helps management and Trustees prioritise actions and enhance controls if the potential impact of a risk is considered to be increasing.

**THE ARTS EDUCATIONAL SCHOOLS
STATEMENT OF CORPORATE GOVERNANCE & INTERNAL CONTROL
FOR THE YEAR ENDED 31 AUGUST 2024**

Whilst many risks do have a financial implication many others do not and could have compliance, operational, health and safety or reputational implications. The Risk Register covers all such issues and not the purely financial ones.

Members of the Board of Trustees understands that it is their responsibility to ensure that a sound system of internal controls is maintained and confirms that it has reviewed the effectiveness of these arrangements.

The Trustees, SLB and external auditors have not identified any significant internal control weaknesses or failures in the financial year under review or in the period since the year end up to the date that the financial statements were signed that need to be disclosed.



Farida Mannan, Trustee, Acting Chair

21 January 2025

**THE ARTS EDUCATIONAL SCHOOLS
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARTS EDUCATIONAL SCHOOLS
FOR THE YEAR ENDED 31 AUGUST 2024**

Opinion

We have audited the financial statements of The Arts Educational Schools for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Office for Students Accounts Direction.

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 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

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

**THE ARTS EDUCATIONAL SCHOOLS
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARTS EDUCATIONAL SCHOOLS
FOR THE YEAR ENDED 31 AUGUST 2024**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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.

Matters on which we are required to report in respect of the Office for Students

In our opinion, in all material respects:

- funds administered by the charitable company for specific purposes during the year ended 31 August 2024 as disclosed in note 17, have been applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the OfS and Department for Education have been applied in accordance with the terms and conditions attached to them during the year ended 31 August 2024; and

We have nothing to report in respect of the following matters in relation to which the Office for Students requires us to report where:

- grant and fee income, as disclosed in the note 3 to the accounts, has been materially misstated
- expenditure on access and participation activities for the financial year has been materially misstated

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities statement set out on pages 20 and 21, 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to independent schools, higher education and further education provision including Independent Schools Inspectorate, Ofsted and the Office for Students regulations, charity and company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation

**THE ARTS EDUCATIONAL SCHOOLS
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARTS EDUCATIONAL SCHOOLS
FOR THE YEAR ENDED 31 AUGUST 2024**

of the financial statements such as the Companies Act 2006, Charities Act 2011 and the Office for Students Accounts Direction.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to revenue recognition, in particular in relation to voluntary and other income and management override of controls. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;
- Reviewing the income recognition around the year end to assess whether income had been recognised in the correct accounting period; and
- Challenging assumptions and judgements made by management in their accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tracey Young

Senior Statutory Auditor
For and on behalf of HaysMac LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

**THE ARTS EDUCATIONAL SCHOOLS
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2024**

	Note	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Endowment Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
INCOME FROM:						
Donations and legacies	2	25	159,121	-	159,146	220,757
Charitable activities						
Fee income	3	10,101,653	-	-	10,101,653	10,170,167
Other income	4	790,388	-	-	790,388	751,117
Investment income		97,943	38,000	-	135,943	94,173
TOTAL INCOME		10,990,009	197,121	-	11,187,130	11,236,214
EXPENDITURE ON:						
Raising funds		(54,071)	-	-	(54,071)	(75,684)
Charitable activities		(11,518,318)	(349,468)	-	(11,867,786)	(11,256,818)
TOTAL EXPENDITURE	5	(11,572,389)	(349,468)	-	(11,921,857)	(11,332,502)
NET EXPENDITURE BEFORE INVESTMENT GAINS/ (LOSSES)		(582,380)	(152,347)	-	(734,727)	(96,288)
Net gains/(losses) on investments		-	-	142,951	142,951	(11,308)
NET (EXPENDITURE) / INCOME BEFORE TRANSFERS		(582,380)	(152,347)	142,951	(591,776)	(107,596)
Transfers		-	-	-	-	-
NET MOVEMENT IN FUNDS		(582,380)	(152,347)	142,951	(591,776)	(107,596)
Funds brought forward at 1 September		11,508,097	2,893,984	1,201,952	15,604,033	15,711,629
TOTAL FUNDS AT 31 AUGUST		10,925,717	2,741,637	1,344,903	15,012,257	15,604,033

All amounts are derived from continuing activities.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

The notes on pages 30 to 50 form part of these financial statements.

Full comparatives for 2023 are provided in note 25.

**THE ARTS EDUCATIONAL SCHOOLS
BALANCE SHEET
AS AT 31 AUGUST 2024**

Registered Number: 0712444

	Note	2024		2023	
		£	£	£	£
FIXED ASSETS					
Tangible assets	12		18,561,748		18,928,307
INVESTMENTS					
Investments	13		1,445,189		1,264,238
CURRENT ASSETS					
Debtors	14	3,031,125		2,874,670	
Cash at bank and in hand		4,098,223		4,159,559	
			7,129,348		7,034,229
CREDITORS: amounts falling due within one year	15	(6,856,478)		(6,038,404)	
NET CURRENT ASSETS			272,870		995,825
TOTAL ASSETS LESS CURRENT LIABILITIES			20,279,807		21,188,370
CREDITORS: Amounts falling due after one year	15		(5,267,550)		(5,584,337)
NET ASSETS	18		15,012,257		15,604,033
RESERVES					
Unrestricted funds					
- general funds			6,717,607		7,299,987
- designated funds			188,110		188,110
- revaluation reserve			4,020,000		4,020,000
Restricted funds	19		2,741,637		2,893,984
Endowment funds	20		1,344,903		1,201,952
TOTAL FUNDS	17		15,012,257		15,604,033

The notes on pages 30 to 50 form part of these financial statements.

The financial statements were approved and authorised for issue by the Trustees on 21 January 2025 and were signed below on its behalf by:

Farida Mannan
Trustee, Acting Chair

Farida Mannan

Jonathan O'Boyle
Accountable Officer

Jonathan O'Boyle

**THE ARTS EDUCATIONAL SCHOOLS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2024**

		2024		2023	
	Note	£	£	£	£
Net cash provided by operating activities	22		813,590		773,484
Cash flows from investing activities					
Dividends		38,000		38,000	
Interest income		97,943		56,173	
Interest payable		(214,171)		(214,663)	
Purchase of fixed assets		(370,824)		(154,543)	
		_____		_____	
Net cash used in investing activities			(449,052)		(275,033)
Financing activities					
Cash outflows from repayments		(387,874)		(383,161)	
		_____		_____	
Net cash (outflow) from financing activities			(387,874)		(383,161)
			_____		_____
Change in cash and cash equivalents in the year			(23,336)		115,290
			_____		_____
Cash and cash equivalents at the beginning of the year			4,159,559		4,044,269
			_____		_____
Cash and cash equivalents at the end of the year	23		4,136,223		4,159,559
			=====		=====

The notes on pages 30 to 50 form part of these financial statements.

1. ACCOUNTING POLICIES

Basis of Preparation of the Financial Statements

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2019. The Financial Statements are drawn up under the historical cost convention, with the exception of investments which are included at valuation.

The Trust is a Public Benefit Entity registered as a charity in England and Wales, it was registered in 1962 (charity number: 311087).

Going concern

Having reviewed the funding facilities available to the Trust together with the expected ongoing demand for places and the Trust's future projected cash flows and in addition having reviewed the potential impact of the cost of living crisis and uncertainty on the Trust's finances, the Trustees have a reasonable expectation that the Trust has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the Trust's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements.

Group structure

A subsidiary called ArtsEd International Ltd (company number 11960873) was established on 24 April 2019. This subsidiary is now dormant and consolidated accounts are therefore no longer required. ArtsEd International Performing Arts Education LLC is limited by shares, of which The Arts Educational Schools owned 49%, until 1 September 2021, when the company was sold to the Dubai local management team for £1. Following the sale, the school no longer had control of the company. The company is now dormant.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, the Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Trust's financial statements.

Fees and Similar Income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the Trust against those fees, but including contribution received from restricted funds, are accounted for in the period in which the service is provided.

Government grants are reported as fees or other grants as appropriate.

Donations, grants and legacies

Donations, grants and legacies are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Investment income

Investment income from the investments and bank balances are accounted for on an accruals basis.

The income from the invested endowment fund is wholly restricted.

Expenditure

Charitable expenditure and administration costs comprise direct expenditure including staff costs attributable to the activity and are accounted for on the accruals basis. Where costs cannot be directly attributed they have been allocated to the activities on a basis consistent with the use of resources. The Trust is unable to recover VAT incurred on expenditure accordingly expenditure is shown inclusive of any associated VAT payable.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Trust and include the audit fees and costs linked to the strategic management of the Trust.

Fund accounting

Unrestricted funds comprise resources available to the Trustees to be applied for any purpose within the objects of the Trust.

Restricted funds comprise donations for purposes restricted by the wishes of the donor.

Endowment funds arise when the donor has expressly provided that the gift is to be invested and only the income of the fund may be spent. These funds are sub-analysed between those where the Trustees have the discretion to spend the capital (expenditure endowment) and those where there is no discretion to expend the capital (permanent endowment). The Charity has one permanent endowment fund, and no expendable endowment. The fund is managed by the investment managers on a total return basis. This means that the funds are invested to maximise the return on investment without regard as to whether that return is in the form of income from dividends or interest or capital appreciation (where the market value of the investment increases). The investment managers each year release a set amount of that return for spending on bursaries for Musical Theatre students.

Revaluation reserve comprises total revaluations in the deemed cost of the properties.

Designated funds are funds that the Trustees have earmarked for a particular purpose or use without restricting or committing the funds legally.

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

Pension

The Trust makes pension contributions to defined contribution pension schemes on behalf of certain employees. These contributions are held in a separately administered fund.

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Fixed asset investments

Investments are a form of basic financial instrument. Fixed asset investments are initially recognized at their transaction value and are subsequently measured at their fair value (market value) as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid deposit accounts.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. A specific provision is made for debts for which recoverability is in doubt.

Creditors and provisions

Creditors and provisions are recognized where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognized at their settlement amount after allowing for any trade discounts due.

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

Depreciation

Tangible fixed assets are stated at cost or deemed cost, net of depreciation and any provision for impairment. Tangible fixed assets costing greater than or equal to £500 are capitalised and stated at cost, net of depreciation. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	2% per annum
Computer equipment	33.33% per annum
Furniture and fittings	10% - 50% per annum
Motor vehicles	25% per annum
Building & theatre refurbishment	2% - 10% per annum

The valuation of freehold land and buildings on transition to FRS 102 at 1 September 2014 has been taken as the deemed cost.

2 INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Endowment Funds 2024 £	Total 2024 £
Donations	25	159,121	-	159,146
	<u>25</u>	<u>159,121</u>	<u>-</u>	<u>159,146</u>
<i>Comparative analysis</i>				
	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Endowment Funds 2023 £	Total 2023 £
Donations	36,210	184,547	-	220,757
	<u>36,210</u>	<u>184,547</u>	<u>-</u>	<u>220,757</u>

3 GRANT AND FEE INCOME

	2024 £	2023 £
Fee income from other bodies	865,977	920,967
Fee income for taught awards	3,368,698	3,399,343
Fee income from non-qualifying courses	5,866,978	5,849,857
	<u>10,101,653</u>	<u>10,170,167</u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2024 £	Unrestricted Funds 2023 £
Fees income		
Fees receivable	10,542,566	10,592,476
Bursaries and discounts	(440,913)	(422,309)
	<u>10,101,653</u>	<u>10,170,167</u>
Other income		
Studio, theatre hire and classes	206,471	175,451
Audition and registration fees	61,289	61,735
School productions	93,482	97,001
Catering	88,768	87,691
Bar income	11,896	11,854
Theatre tax relief	250,000	230,000
Other income	78,482	87,385
	<u>790,388</u>	<u>751,117</u>
	<u><u>10,892,041</u></u>	<u><u>10,921,284</u></u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

5. ANALYSIS OF TOTAL EXPENDITURE

	Staff Costs 2024	Other Costs 2024	Depreciation 2024	Total 2024
Raising funds:	£	£	£	£
Fundraising	49,465	4,606	-	54,071
Charitable activities				
Teaching costs	4,847,141	493,229	32,782	5,373,152
Welfare costs	1,021	406,595	-	407,616
Premises costs	512,580	859,029	700,759	2,072,368
Productions costs	571,515	134,445	-	705,960
Grants, awards and prizes	-	213,952	-	213,952
Support costs	1,299,939	1,472,772	3,842	2,776,553
Finance costs	-	318,185	-	318,185
	<u>7,232,196</u>	<u>3,898,207</u>	<u>737,383</u>	<u>11,867,786</u>
	<u>7,281,661</u>	<u>3,902,813</u>	<u>737,383</u>	<u>11,921,857</u>

Comparative analysis

	Staff Costs 2023	Other Costs 2023	Depreciation 2023	Total 2023
Raising funds:	£	£	£	£
Fundraising	63,794	11,890	-	75,684
Charitable activities				
Teaching costs	4,773,764	571,893	45,677	5,391,334
Welfare costs	2,000	405,821	-	407,821
Premises costs	459,946	1,002,899	690,321	2,153,166
Productions costs	525,590	134,470	-	660,060
Grants, awards and prizes	-	229,426	-	229,426
Support costs	993,511	1,184,259	3,843	2,181,613
Finance costs	-	233,398	-	233,398
	<u>6,754,811</u>	<u>3,762,166</u>	<u>739,841</u>	<u>11,256,818</u>
	<u>6,818,605</u>	<u>3,774,056</u>	<u>739,841</u>	<u>11,332,502</u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

6. ANALYSIS OF SUPPORT COSTS

All costs included in charitable activities are direct costs with the exception of support costs of schooling which comprise:

	General support	Governance costs	Total	General support	Governance costs	Total
	2024	2024	2024	2023	2023	2023
	£	£	£	£	£	£
Staff costs	1,261,918	38,021	1,299,939	956,846	36,665	993,511
Administrative costs	604,229	1,041	605,270	578,280	2,777	581,057
Professional costs	827,833	-	827,833	562,873	-	562,873
Audit remuneration	-	26,820	26,820	-	29,400	29,400
Bank charges	12,849	-	12,849	10,929	-	10,929
Depreciation	3,842	-	3,842	3,843	-	3,843
	<u>2,710,671</u>	<u>65,882</u>	<u>2,776,553</u>	<u>2,112,771</u>	<u>68,842</u>	<u>2,181,613</u>

7. NET MOVEMENT IN FUNDS

Net movement in funds is stated after charging:

	2024	2023
	£	£
Operating leases – equipment	56,420	71,978
Depreciation of tangible fixed assets – owned by the charity	737,383	739,841
Interest costs	214,171	214,663
Auditors’ remuneration – audit	30,000	26,820
Auditors’ remuneration – other	9,000	15,870
	<u>1,046,974</u>	<u>1,779,172</u>

8. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

Staff Costs

	2024	2023
	£	£
Wages and salaries	6,500,620	6,086,243
Social security costs	564,706	529,932
Pension costs	203,015	189,108
Apprenticeship levy	13,320	13,322
	<u>7,281,661</u>	<u>6,818,605</u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

Trustees' remuneration and expenses

The charity trustees were not paid and did not receive any benefits from employment with the Trust in the year (2023: £nil). Trustees were reimbursed expenses of £1,041 for travel to/from meetings and subsistence during the year (2023: £2,764). No charity trustee received payment for professional or other services supplied to the charity (2023: £nil).

Key Management Personnel

The key management personnel of the charity comprise the trustees and the Senior Leadership Board listed on page 5. The total employee benefits of the key management personnel were £791,336 (2023: £820,329).

STAFF NUMBERS

The average headcount employed by the charitable company during the year was as follows:

	2024 Number	2023 Number
Principal and management	8	8
Domestic	15	15
Facilities/IT/Library	15	15
Finance	4	4
Production	11	11
Administration	15	13
Teaching staff	147	151
	<u>215</u>	<u>217</u>

HIGHER PAID STAFF

The number of staff whose basic salary exceeded £60k per annum during the year was as follows:

	No. of Staff 2024	No. of Staff 2023
£60,000-£64,999	4	4
£65,000 - £69,999	1	-
£70,000 - £74,999	-	2
£75,000 - £79,999	2	1
£85,000 - £85,999	1	-
£105,000 - £109,999	1	-
£110,000 - £114,999	-	1
£150,000 - £154,999	-	1
£190,000 - £194,999	1	-
	<u>10</u>	<u>9</u>

Pension contributions totaling £33,024 (2023: £23,756) were made on behalf of 10 (2023: 9) of the above employees.

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

PRINCIPAL'S REMUNERATION

The total remuneration package for the Principal during the year was as follows:

	2024	2023
	£	£
Julie Spencer (until 9 July 2024)		
Basic salary	113,382	113,300
Pension contributions	4,997	3,067
Other taxable benefits	180	191
Payment in lieu of notice	80,000	-
	<u>198,559</u>	<u>116,558</u>

The Principal's remuneration package is set by reference to similar organisations and is approved by the Board following a recommendation from the Chair. There is an annual appraisal with the Chair and Deputy Chair when targets are set for the ensuing short, medium and long term together with a discussion and assessment of the achievements in the period under review.

The Principal's (head of provider) total remuneration is 4.88 times (2023: 3.28 times) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

Following the resignation of the Principal on 9 July 2024, the Trustees appointed an Interim Executive Leadership Team, consisting of the Finance Director, the Director of the School of Musical Theatre and the Headteacher of the Day School and Sixth Form, to lead the institution until a new Principal was recruited. The aggregate remuneration in the period from 10 July to 31 August was:

	2024	2023
	£	£
Executive Leadership Team (from 10 July 2024)		
Basic salary	39,741	-
Pension contributions	1,478	-
Other taxable benefits	98	-
	<u>41,317</u>	<u>-</u>

SEVERANCE PAYMENTS

The total amount of severance payments for the year was £126,465 (2023: £76,000) to 3 individuals (2023: 1).

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

9. RELATED PARTY TRANSACTIONS

Trustees made donations of £3,563 to the School (2023: £3,462). There were no other related party transactions.

10. PENSIONS

The charity makes contributions to defined contribution pension schemes on behalf of certain employees. The charge for the year was £203,015 (2023: £189,108). At the year end, there was an amount payable of £29,047 (2023: £30,632).

11. SUBSIDIARIES

The charitable company has two subsidiary entities: ArtsEd International Limited (registered in the England and Wales), Company number 11960873 and ArtsEd International Performing Arts Education LLC (known as ArtsEd Dubai) (registered in Dubai) which is based in Dubai. Both entities are now considered dormant.

ArtsEd International Limited

ArtsEd International Limited is limited by shares, of which The Arts Educational Schools is the sole Shareholder. It was incorporated on 24 April 2019. The company provides educational services internationally. During the year the Company did not trade. This company is dormant.

The income and expenditure of Arts Ed International Limited for the year ended 31 August 2024 was:

	2024	2023
	£	£
Turnover	-	-
Cost of sales	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

The assets and liabilities of Arts Ed international Limited at 31 August 2024 were:

	2024	2023
	£	
Fixed Assets	-	-
Debtors	109,974	109,974
Creditors	(109,974)	(109,974)
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

ArtsEd International Performing Arts Education LLC

ArtsEd International Performing Arts Education LLC is limited by shares, of which The Arts Educational Schools owned 49%, until 1 September 2021, when the company was sold to the Dubai local management team for £1. Following the sale, the school no longer had control of the company and it has subsequently been excluded from the consolidation. The company is dormant.

The income and expenditure of ArtsEd Dubai for the year ended 31 August 2024 were:

	2024	2024
	£	£
Turnover	-	-
Cost of sales	-	-
Admin costs	-	-
	<hr/>	<hr/>
	-	-
	<hr/> <hr/>	<hr/> <hr/>

The assets and liabilities of ArtsEd International Performing Arts Education LLC at 31 August 2024 were:

	2024	2023
	£	£
Cash	-	-
Debtors	-	-
Creditors	-	-
	<hr/>	<hr/>
	-	-
	<hr/> <hr/>	<hr/> <hr/>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

12. TANGIBLE FIXED ASSETS	Freehold land and buildings	Furniture	Computer	Motor vehicles	Building, studios & theatre	Assets under construction	Total
	£	£	£	£	£	£	£
Cost or deemed cost							
At 1 September 2023	6,600,000	2,149,018	671,615	30,228	15,762,024	241,840	25,454,725
Additions	-	353,002	17,822	-	-	-	370,824
At 31 August 2024	6,600,000	2,502,020	689,437	30,228	15,762,024	241,840	25,825,549
Depreciation							
At 1 September 2023	1,660,512	1,766,001	636,943	22,224	2,198,898	241,840	6,526,418
Depreciation charge for the year	97,000	130,918	32,782	3,842	472,841	-	737,383
At 31 August 2024	1,757,512	1,896,919	669,725	26,066	2,671,739	241,840	7,263,801
Net Book Value							
At 31 August 2024	4,842,488	605,101	19,712	4,162	13,090,285	-	18,561,748
At 31 August 2023	4,939,489	383,016	34,673	8,003	13,563,126	-	18,928,307

13. INVESTMENTS

	2024 £	2023 £
Fair value brought forward at 1 September	1,264,238	1,275,546
Gain/(loss) on revaluation of investments	142,951	(11,308)
Investment income retained	38,000	-
Fair value as at 31 August	1,445,189	1,264,238

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

14. DEBTORS

	2024	2023
	£	£
Trade debtors	2,427,568	2,380,996
Prepayments	325,821	219,682
Other debtors	277,736	273,992
	<u>3,031,125</u>	<u>2,874,670</u>

15. CREDITORS: amounts falling due within one year

	2024	2023
	£	£
Bank loan (note 16)	421,949	409,708
Trade creditors	422,073	221,784
Other creditors	1,595,047	1,566,789
Accruals	585,248	511,347
Deferred income	3,832,161	3,328,776
	<u>6,856,478</u>	<u>6,038,404</u>

Included within other creditors is an amount of £133,527 (2023: £139,300) relating to taxes and social security.

CREDITORS: amounts falling due in more than one year

	2024	2023
	£	£
Bank loan (note 16)	5,184,222	5,584,337
Deferred income	83,328	-
	<u>5,267,550</u>	<u>5,584,337</u>

ANALYSIS OF DEFERRED INCOME

	2024	2023
	£	£
At 1 September	3,328,776	3,270,803
Released to income in the year	(3,328,776)	(3,270,803)
Deferred in the year	3,915,489	3,328,776
At 31 August	<u>3,915,489</u>	<u>3,328,776</u>

Deferred income consists of fees income received in advance. Deferred income of £83,328 (2023: nil) relates to a period of greater than one year.

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

16. BANK LOAN: classification of amounts falling due within one year and more than one year	2024	2023
	£	£
Bank loan	5,184,222	5,584,337
Wholly repayable within five years	2,170,599	2,109,508
Wholly repayable within more than five years	3,435,572	3,884,537
	5,606,171	5,994,045
Less: Included in current liabilities	(421,949)	(409,708)
Amounts included above	5,184,222	5,584,337

There are two 15 year loans with Lloyds Bank plc secured by a charge over the assets of the Charity. One loan for £6,000,000 is at a fixed rate of 2.97% the second for £1,000,000 is at a rate of the Bank of England base rate plus 2.2%. These loans were made available to provide funding for the new studio block that was completed in November 2020.

17. ACCUMULATED FUNDS

	Opening Fund	Income	Expenditure	Transfers	Gains & losses	Closing Funds
	2024	2024	2024	2024	2024	2024
	£	£	£	£	£	£
Unrestricted general funds	7,299,987	10,990,009	(11,572,389)	-	-	6,717,607
- revaluation reserve	4,020,000	-	-	-	-	4,020,000
Designated reserves						
- bursaries	188,110	-	-	-	-	188,110
Total unrestricted funds	11,508,097	10,990,009	(11,572,389)	-	-	10,925,717
Restricted funds	2,893,984	197,121	(349,468)	-	-	2,741,637
Endowment funds	1,201,952	-	-	-	142,951	1,344,903
Total funds	15,604,033	11,187,130	(11,921,857)	-	142,951	15,012,257

The general fund is the unrestricted reserves after allowing for all designated funds. The designated fund has been set up for the provision of bursaries.

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

Comparative analysis

	Opening Fund 2023 £	Income 2023 £	Expenditure 2023 £	Transfers 2023 £	Gains & losses 2023 £	Closing Funds 2023 £
Unrestricted general funds	7,259,064	11,013,667	(10,973,084)	340	-	7,299,987
- revaluation reserve	4,020,000	-	-	-	-	4,020,000
Designated reserves - bursaries	188,110	-	-	-	-	188,110
	<u>11,467,174</u>	<u>11,013,667</u>	<u>(10,973,084)</u>	<u>340</u>	<u>-</u>	<u>11,508,097</u>
Total unrestricted funds	11,467,174	11,013,667	(10,973,084)	340	-	11,508,097
Restricted funds	3,031,195	222,547	(359,418)	(340)	-	2,893,984
Endowment funds	1,213,260	-	-	-	(11,308)	1,201,952
	<u>15,711,629</u>	<u>11,236,214</u>	<u>(11,332,502)</u>	<u>-</u>	<u>(11,308)</u>	<u>15,604,033</u>
Total funds	<u><u>15,711,629</u></u>	<u><u>11,236,214</u></u>	<u><u>(11,332,502)</u></u>	<u><u>-</u></u>	<u><u>(11,308)</u></u>	<u><u>15,604,033</u></u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds 2024 £	Revaluation Reserve 2024 £	Designated Reserves 2024 £	Restricted Funds 2024 £	Endowment Funds 2024 £	2024 Total £
Tangible fixed assets	12,364,267	4,020,000	-	2,177,481	-	18,561,748
Investments	-	-	-	62,286	1,382,903	1,445,189
Net current assets	(379,110)	-	188,110	501,870	(38,000)	272,870
Long Term Liability	(5,267,550)	-	-	-	-	(5,267,550)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2024	6,717,607	4,020,000	188,110	2,741,637	1,344,903	15,012,257
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

**Comparative
Analysis**

	General Funds 2023 £	Revaluation Reserve 2023 £	Designated Reserves 2023 £	Restricted Funds 2023 £	Endowment Funds 2023 £	2023 Total £
Tangible fixed assets	12,593,060	4,020,000	-	2,315,247	-	18,928,307
Investments	-	-	-	62,286	1,201,952	1,264,238
Net current assets	291,264	-	188,110	516,451	-	995,825
Long Term Liability	(5,584,337)	-	-	-	-	(5,584,337)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2023	7,299,987	4,020,000	188,110	2,893,984	1,201,952	15,604,033
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

19. ANALYSIS OF MOVEMENTS IN RESTRICTED FUNDS:

	Balance at 1 September 2023 £	Income £	Expenditure £	Transfer £	Balance at 31 August 2024 £
ALW Foundation	2,315,247	-	(137,766)	-	2,177,481
The ArtsEd Student Fund	27,677	-	(4,482)	-	23,195
The ArtsEd Scholarship Fund	10,995	40,705	(65,462)	13,762	-
Bursary fund	20,566	-	-	-	20,566
Capital campaign	397,872	-	-	-	397,872
Chris Hornby Fund	7,086	4,784	(2,500)	-	9,370
The CMF Scholarship Fund	1,085	-	-	-	1,085
Guildford Academic Associates	1,327	-	-	-	1,327
Leverhulme Trust	-	99,750	(98,100)	-	1,650
Restoration levy	40,778	-	-	-	40,778
Spencer Will Trust	1,091	-	-	-	1,091
TAP	7,636	-	-	-	7,636
Graham Martin Memorial	4,111	-	(2,500)	-	1,611
Excellence Award	13,933	38,000	(38,658)	-	13,275
Friends Giving	44,580	13,882	-	(13,762)	44,700
	<u>2,893,984</u>	<u>197,121</u>	<u>(349,468)</u>	<u>-</u>	<u>2,741,637</u>

- The Andrew Lloyd Webber Foundation donated £3.5million to the Schools to fund a major refurbishment project. The funds were received in the three years ended 31 August 2012, 2013 and 2014. The money was spent to improve four key areas: the main theatre, costume storage, the film and television studios and disabled facilities. At the end of October 2013 when the work was virtually complete, the expenditure was transferred to fixed assets and from that date is being depreciated and included under expenditure.
- The ArtsEd Student Fund- This was set up to accommodate student hardship.
- The ArtsEd Scholarship Fund is used to provide scholarships.
- The Bursary Fund is used to provide bursaries.
- The Capital Campaign is used to help fund the project build.
- The Chris Hornby Fund was created to award an annual scholarship to a Musical Theatre student.
- The CMF Charitable Trust donated towards a scholarship for a Musical Theatre student.
- Leverhulme Trust made a donation for the provision of higher education bursaries.
- The donation from Guildford Academic Associates is for a bursary fund for the Musical Theatre students.
- The restoration levy arose from a £1 charge on every box office ticket (during the period of the studio redevelopments) which was put towards maintenance of the building.
- The Spencer Will Trust donated £5,000 towards equipment for the Film and TV department.
- The TAP fund consists of donations made to the Charity by the Day School and Sixth Form parent's association, to be applied towards hardship purposes.
- Excellence Award: a donation of £1,000,000 was made in 2015-16 which is to be used to provide awards for exceptionally talented Musical Theatre students.
- The Graham Martin Memorial Fund is a bursary fund for HE students.
- The Friends Giving fund is a bursary fund for HE students.

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

20. ANALYSIS OF MOVEMENTS IN ENDOWMENT FUNDS:

	Balance at 1 September 2023	Income	Expenditure	Gains and losses	Balance at 31 August 2024
	£	£	£	£	£
Musical Theatre bursary fund	1,201,952	-	-	142,951	1,344,903
	<u>1,201,952</u>	<u>-</u>	<u>-</u>	<u>142,951</u>	<u>1,344,903</u>
	<u><u>1,201,952</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>142,951</u></u>	<u><u>1,344,903</u></u>
 <i>Comparative Analysis</i>					
	Balance at 1 September 2022	Income	Expenditure	Gains and losses	Balance at 31 August 2023
	£	£	£	£	£
Musical Theatre bursary fund	1,213,260	-	-	(11,308)	1,201,952
	<u>1,213,260</u>	<u>-</u>	<u>-</u>	<u>(11,308)</u>	<u>1,201,952</u>
	<u><u>1,213,260</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>(11,308)</u></u>	<u><u>1,201,952</u></u>

21. CAPITAL COMMITMENTS

At 31 August 2024, capital expenditure contracted for but not provided in these accounts amounted to nil (2023: £nil).

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2024	2023
	£	£
Net movement in funds	(591,776)	(107,596)
Depreciation charges	737,383	739,841
(Gains)/losses on revaluation of investments	(142,951)	11,308
Interest receivable	(97,943)	(56,173)
Interest payable	214,171	214,663
Dividends receivable	(38,000)	(38,000)
(Increase)/decrease in debtors	(156,455)	(250,364)
Increase/(decrease) in creditors	889,161	259,805
	<u> </u>	<u> </u>
Net cash provided by operating activities	<u><u>813,590</u></u>	<u><u>773,484</u></u>

23. ANALYSIS OF CHANGE IN NET DEBT

	At		Movement	At
	1 September	Cash flows	due within	31 August
	2023		and after	2024
	£	£	one year	£
			£	
Cash at bank	4,159,559	(61,336)	-	4,098,223
Cash held within investments	-	38,000	-	38,000
Debt due within one year	(409,708)	387,874	(400,115)	(421,949)
Debt due after one year	(5,584,337)	-	400,115	(5,184,222)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u><u>(1,834,486)</u></u>	<u><u>364,538</u></u>	<u><u>-</u></u>	<u><u>(1,469,948)</u></u>

24. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2024, the charitable company had future minimum lease commitments under non-cancellable operating leases as set out below:

	Assets other than land & buildings	
	2024	2023
	£	£
Within 1 year	34,978	41,488
Within 2 – 5 years	39,473	29,014
	<u> </u>	<u> </u>
	<u><u>74,451</u></u>	<u><u>70,502</u></u>

THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

25. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE 2023 FINANCIAL YEAR

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Endowment Funds 2023 £	Total Funds 2023 £
INCOME FROM:					
Donations and legacies	2	36,210	184,547	-	220,757
Charitable activities					
Fee income	3	10,170,167	-	-	10,170,167
Other income	4	751,117	-	-	751,117
Investment income		56,173	38,000	-	94,173
TOTAL INCOME		<u>11,013,667</u>	<u>222,547</u>	<u>-</u>	<u>11,236,214</u>
EXPENDITURE ON:					
Raising funds		(75,684)	-	-	(75,684)
Charitable activities		(10,897,400)	(359,418)	-	(11,256,818)
TOTAL EXPENDITURE	5	<u>(10,973,084)</u>	<u>(359,418)</u>	<u>-</u>	<u>(11,332,502)</u>
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT (LOSSES)		40,583	(136,871)	-	(96,288)
Net (losses) on investments		-	-	(11,308)	(11,308)
NET INCOME/ (EXPENDITURE) BEFORE TRANSFERS		<u>40,583</u>	<u>(136,871)</u>	<u>(11,308)</u>	<u>(107,596)</u>
Transfers		340	(340)	-	-
NET MOVEMENT IN FUNDS		<u>40,923</u>	<u>(137,211)</u>	<u>(11,308)</u>	<u>(107,596)</u>
Funds brought forward at 1 September		11,467,174	3,031,195	1,213,260	15,711,629
TOTAL FUNDS AT 31 AUGUST		<u><u>11,508,097</u></u>	<u><u>2,893,984</u></u>	<u><u>1,201,952</u></u>	<u><u>15,604,033</u></u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

**26. COMPARATIVE ANALYSIS OF MOVEMENTS IN RESTRICTED FUNDS FOR THE 2023
FINANCIAL YEAR:**

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfer £	Balance at 31 August 2023 £
ALW Foundation	2,453,013	-	(137,766)	-	2,315,247
The ArtsEd Student Fund	36,175	-	(8,498)	-	27,677
The ArtsEd Scholarship Fund	3,807	62,788	(55,600)	-	10,995
Bursary fund	20,566	-	-	-	20,566
Capital campaign	397,872	-	-	-	397,872
Chris Hornby Fund	5,182	4,404	(2,500)	-	7,086
The CMF Scholarship Fund	1,085	-	-	-	1,085
Guildford Academic Associates	1,327	-	-	-	1,327
Leverhulme Trust	1,088	94,812	(99,544)	3,644	-
Restoration levy	40,778	-	-	-	40,778
Spencer Will Trust	2,338	-	(1,247)	-	1,091
TAP	7,404	232	-	-	7,636
Graham Martin Memorial	6,811	300	(3,000)	-	4,111
Excellence Award	23,463	38,000	(47,530)	-	13,933
Friends Giving	22,569	22,011	-	-	44,580
The Green Roof Fund	7,717	-	(3,733)	(3,984)	-
	<u>3,031,195</u>	<u>222,547</u>	<u>(359,418)</u>	<u>(340)</u>	<u>2,893,984</u>

Please refer to note 19 for details of each of the restricted funds.

THE ARTS EDUCATIONAL SCHOOLS

England & Wales - Charity number 311087

Accounts

THE ARTS EDUCATIONAL SCHOOLS
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

Company Number: 00712444
Registered Charity Number: 311087

**THE ARTS EDUCATIONAL SCHOOLS
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

CONTENTS	Page
Patrons, Governors, Officers and Advisors	1
Trustees' report	3
Statement of corporate governance & internal control	21
Independent auditor's report	23
Statement of financial activities	26
Balance sheet	27
Cash flow statement	28
Notes to the financial statements	29

**THE ARTS EDUCATIONAL SCHOOLS
PATRONS, GOVERNORS, OFFICERS AND ADVISORS
FOR THE YEAR ENDED 31 AUGUST 2023**

President	Lord Lloyd-Webber	
Vice Presidents	Robert Powell David Grindrod Sharon D Clarke	
Patrons and Artistic Creatives	Don Black, OBE Sir Matthew Bourne, OBE John Brant Chrissie Cartwright Anthony Cherry Bill Deamer Janie Dee Mike Dixon Anthony Drew Nigel Havers David Howe Rachel Kavanaugh	Mary King Nigel Lilley Lynette Linton Robert Lindsay Lesley Manville Stephen Mear Sir Trevor Nunn Arlene Phillips Mark Shenton George Stiles Ian Talbot Roy Williams
The Governors and Trustees	Brian Brodie Jaqueline Brunjes (resigned 13 July 2023) Ann Cottis Stephen Denyer Cherry Dickins Simon Dowson-Collins (resigned 14 December 2023) Benjamin Gudgeon	Brenlen Jinkens Joanna Macdonnell Farida Mannan Robert Mathieson Guy Mullin-Henderson (resigned 13 July 2023) Ruth Mundy Julie Spencer (appointed 23 March 2023) Jennifer Wilkinson
Officers		
Principal	Dr. Julie Spencer	
Company Secretary	Alexander Gillespie	
Registered office	Cone Ripman House 14 Bath Road London W4 1LY Website: www.artsed.co.uk	
Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG	

**THE ARTS EDUCATIONAL SCHOOLS
PATRONS, GOVERNORS, OFFICERS AND ADVISORS
FOR THE YEAR ENDED 31 AUGUST 2023**

Bankers

Lloyds Bank Plc
St Mary's Court
100 Lower Thames Street
London
EC3R 6HX

Insurance brokers

Marsh Limited
Education Practice
Capital House
1-5 Perrymount Road
Haywards Heath
West Sussex
RH16 3SY

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023**

REFERENCE AND ADMINISTRATIVE INFORMATION

The Arts Educational Schools ('the Trust' or 'ArtsEd') is a company limited by guarantee not having a share capital (company number 0712444) and is registered as a charity (registered charity number 311087). The Trustees and executive officers of the Charity are as listed on page 1. Particulars of the Trust's registered office which is also the main place of business and details of the professional advisers are given on pages 1 and 2.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Trust is governed by its Memorandum of Association dating from 1962 and last amended in 2023.

Method of Recruitment and Appointment of Trustees

The Trustees of the Charity are the Trust's directors for the purposes of the Companies Act.

In accordance with the Articles, the Trustees of ArtsEd may recommend individuals to be appointed as new Trustees and the Members (i.e. those who are "Members" for the purposes of company law as set out in the Articles) can also nominate individuals. Candidates are interviewed, and if appropriate put forward for election by the Trustees. The new Trustees are then appointed at the Annual General Meeting. In practice the Board will encourage the Principal, and other connected parties to suggest the names of potential candidates.

The Board carries out regular reviews and skills audits to identify the appropriate mixture of skills and experience required to manage the multi-faceted affairs of ArtsEd which is also a registered charity, a company limited by guarantee, a medium sized business, and a local employer with over 200 employees.

We devote a good deal of thought to successor planning and keep a register of the mixture of skills and professional backgrounds represented on the Board. Our aim is to achieve a balanced Board with a core of individuals with educational, legal, accountancy, finance, property management, business, marketing and performing arts industry backgrounds. We review this balance regularly.

Our Articles specify that there should be a minimum of 5 and a maximum of 15 Trustees on our Board.

Trustees may serve up to three terms of three years and shall serve for no more than nine years.

The current Trustees are:

Brian Brodie	(appointed 2022)	Elected June 2022
Ann Cottis	(appointed 2017)	Re-elected April 2023
Stephen Denyer	(appointed 2019)	Re-elected June 2022
Cherry Dickins	(appointed 2022)	Elected July 2022
Benjamin Gudgeon	(appointed 2022)	Elected June 2022
Brenlen Jinkens	(appointed 2017)	Re-elected April 2023
Joanna MacDonnell	(appointed 2022)	Elected June 2022
Farida Mannan	(appointed 2022)	Elected June 2022
Robert Mathieson	(appointed 2017)	Re-elected April 2023
Ruth Mundy	(appointed 2021)	Elected March 2021
Julie Spencer	(appointed 2023)	Elected March 2023
Jennifer Wilkinson	(appointed 2022)	Elected June 2022

Policies and Procedures adopted for the induction and training of Trustees

All new Trustees are given a tour of the school and the chance to meet staff and students. All Trustees are provided with copies of the policies, procedures, minutes, accounts, budgets, plans, an induction pack and any other documents they need to undertake their role as Trustees. Trustees are encouraged to attend training courses and seminars arranged by the Association of Governing Bodies of Independent Schools (AGBIS) and other professional providers, such as law and accountancy firms in order to reinforce their awareness of their varied duties and responsibilities. Trustees also receive training on KCSIE and Prevent.

Organisational Management

The Trustees are legally responsible for the overall management and control of the Schools and meet at least three times a year. The day-to-day responsibilities are delegated to the Principal. The Board has six sub-committees which meet as follows:

- The Finance Committee meets four times a year to review financial operations.
- The Facilities Committee meets three times a year to review IT and building facilities.
- The Development Committee meets three times a year to review development and funding opportunities.
- The Day School Sixth Form Committee meets at least once per term to review governance of the School.
- The Higher Education Committee meets at least once per term to review all HE Programme
- The EDI Committee meets at least once per term to review our EDI initiatives.

During the year a review of the committee structure was undertaken, which included consideration of the role and responsibilities delegated to each sub-committee; and a consideration of the terms of reference and membership of each committee. An amended committee structure will be in place effective from 1 September 2023.

In addition, a Project Board oversees and reports on delivery of capital projects. The Project Board advises on proposals for improvements, alterations, and refurbishment in the redevelopment of the ArtsEd campus. All meetings of the Trustees are attended by the Principal together with other senior staff as may be required for that meeting. Specially convened meetings of staff and Trustees are arranged from time to time on topics of strategic interest. Trustees often attend performances and meetings with external partners.

Schools Structure

ArtsEd comprises the Day School (Day School for 11-16 and Sixth Form for 16-18), the School of Musical Theatre and the School of Acting. In addition, ArtsEd Extra offers provision to the local community. These departments are supported by the Finance, Facilities, HR, Production, Academic Management, Communication and Development teams and other administrative and support services.

Senior Leadership Board

The Senior Leadership Board for the year ended 31 August 2023 comprised:

Julie Spencer, Principal
Yewande Akindele, Deputy Principal
Matthew Bulmer, Headteacher (left 17 August 2023)
Anthony Campbell (appointed 26 September 2022)
Frank Daniel, Facilities Manager
Alexander Gillespie, Finance Director
Nick Granville, IT Manager (left 16 December 2022)
David Grindrod, Executive Director (left 31 December 2022)
Peter Middleton, Interim Headteacher (appointed 1 September 2023)
Jonathan O'Boyle, Director – School of Musical Theatre
Sue Sandle, Director of Development (left 11 May 2023)
Kim Vithana, Director – School of Acting (appointed 1 September 2022)

Pay Policy for Senior Staff

The Trustees consider that they, together with the Senior Leadership Board, comprise the Key Management Personnel. The Trustees give of their time freely. Annual salary increases for all staff are approved by the Trustees. The pay and remuneration of the Principal and senior staff is kept under annual review. Criteria used in setting pay includes:

- nature of the role and responsibilities
- trends in pay.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The objects for which the Trust is established are to promote the advancement of education and in connection therewith in particular to acquire, establish, provide, conduct, and carry on residential and non-residential schools in which children and students may receive a general education in conjunction with a specialised education for students desiring to follow a career in or connected with the performing arts.

Aims and intended impact

ArtsEd's aim is to provide a first-class education through strong vocational and general education and through developing wider artistic and social skills in all its pupils and students. Each pupil or student is encouraged to develop and fulfill his or her potential, promoting self-confidence and desire to contribute to the wider community.

Objectives and Activities

ArtsEd's mission is to deliver successful and fulfilling careers for all our students and staff. This mission is at the core of all decision making and ensures that students and staff are central to strategic planning.

Strategic Aims

- Provide outstanding education and training
- Widen participation and encourage a diverse student intake
- Exploit our growing reputation
- Increase our emphasis on staff development and engagement
- Foster a culture of philanthropy
- Develop the building and its facilities to enhance the student experience
- Sustain the financial health of the Schools while allowing for investment in new initiatives

Key Strategic Objectives

- To provide exceptional learning opportunities that enable all pupils and students to realise their individual potential
- To recruit, develop and retain outstanding academic and professional staff
- To review the delivery and relevance of all our education and training
- To evaluate how student development and achievement is enabled through robust quality assurance and enhancement
- To provide excellent pastoral care
- To market ArtsEd as the destination of choice for a successful and fulfilling education and career
- To develop our distinctive brand identity as the leading force in Musical Theatre training
- To continue to maintain strong relationships with the industry
- To retain and progress talented staff through development, staff wellbeing and performance management, to enable them to realise their full potential
- To build philanthropic and public support for student scholarships, the Student Support Fund and the capital campaign
- To provide facilities that are fit for purpose, through effective maintenance and refurbishment programmes, space planning and facilities management
- To achieve the required level of operational surplus to meet ongoing investment requirements and provide contingency against unanticipated adverse developments
- To achieve maximum cost efficiency and value for money in all operations
- To sustain our cash flow and liquidity
- To monitor fee levels across the sector to ensure that we remain competitive

PUBLIC BENEFIT

The Trust provides a public benefit by providing first class independent education and vocational training, both through strong teaching and through developing wider artistic and social skills in all its pupils and students. This is intended to provide an environment where each student can develop and fulfil his or her potential, thus to help build self-confidence and inculcate a desire to contribute to the wider community.

Grants and bursaries, provided by the Trust, enable those who cannot afford to pay the full fees, to benefit from an ArtsEd education. Students are also able to apply for the Dance and Drama Award (DaDA) scheme which is provided by the Education and Skills Funding Agency. This allows the most talented students from a broad range of backgrounds to benefit from the training which ArtsEd offers.

The school encourages the local community to hire the Andrew Lloyd Webber Foundation theatre and other spaces for their own activities.

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023**

In addition to the above, ArtsEd have hosted or attended the below events:

- For the first time in 2022/23, ArtsEd hosted a “Community Week”, a free program of events and workshops over a 2-week period in July 2023. These included:
 - o Dads do dance class
 - o A trans femme makeup workshop with Mac cosmetics (partnered with West London Queer Project)
 - o Singing workshop with residents at Denville Hall
 - o Art workshop for local families (age range 0-96)
 - o Morning yoga classes on our roof garden
 - o Choir in day workshop
 - o Partnered workshop with Hogarth Community Centre
- Audition fee waivers are available to applicants from disadvantaged backgrounds.
- The School gave free use of its theatre to the Chiswick Book Festival
- The School gave free use of its facilities to the Bedford Park Society
- The Day School performed at and supported the Bedford Park Festival
- Students performed for residents at a local Age Concern Day Centre

The Trustees have given consideration to the Charity Commission’s general guidance on public benefit, and in particular to its supplementary public benefit guidance on advancing education, and have concluded:

- that there are clearly identifiable benefits from the Schools’ work which relate directly to their aims as set out above;
- there is no significant detriment flowing directly from the Schools’ work which we consider needs to be balanced against those benefits;
- that the benefits which the Schools provide are widely available to the public.

REGULATORY COMPLIANCE

The summary of the external investigation undertaken by Rebecca Tuck QC (in June 2021) into allegations of historic misconduct, and the subsequent announcement by the Board of Trustees were published on 22 October 2021. The report contained a range of recommendations in response to the conclusions of the report which related over a number of years to the HE Musical Theatre activity. The Trustees subsequently agreed an action plan, which included reviews of policy and procedures, employment of an external governance adviser to review Board governance, a review of HE well-being and enhanced HE staff training with an external review of the implementation of the action plan.

Foundational work commenced immediately upon the completion of the report. An institutional restructuring of safeguarding procedures was undertaken, alongside the review and roll out of training for all staff and Trustees. A policy review working group was established to assist the institution with its policy reviews. In March 2022 an external governance adviser completed a review of the Trust’s governance. The outcome of this review has had a profound effect on our operations. A 12-month action plan to address the recommendations from this review was subsequently approved by the Trustees, which focussed on 10 key themes:

1. Articles of Association
2. Membership of Committees
3. Annual Assurance
4. Governance and Management
5. Committee Administration

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023**

6. Mapping Governance and Regulatory Codes and guidance
7. Committee Structure Review
8. Development and Training
9. Review
10. Resources

ArtsEd commenced and completed work in a number of areas in 2021/22 in response to these recommendations and this work continued in 2022/23. A Clerk was appointed to the Board and in June 2022 the Trust adopted its amended Articles of Association, to include public interest governance principals, which amongst other amendments will help ensure on-going compliance with the OFS regulatory framework and the requirements of our other regulators. The amended articles also give greater clarity with regards the role of the Higher Education Committee and the DSSF Governors within ArtsEd's governance structure. The Articles of Association were further updated in March 2023 to incorporate the Principal as a Trustee.

In 2022/23 the following projects were undertaken:

- A review of the makeup of the Board of Trustees, in particular the skills mix of the Trustees. As part of this review, Trustees considered their individual skills.
- A review of the subcommittees that support the Board of Trustees, to help ensure that the Board of Trustees is best supported in its decision making and that each subcommittee is appropriately staffed and represented from a Trustee and senior management perspective. Part of this work involved a review of the terms of reference of each committee in the new structure, and the adoption of a clear framework of delegation of responsibilities.
- A consideration of annual assurance, to help ensure and confirm that the Trustees receive appropriate and timely information from each subcommittee, and that the key actions and outcomes from each subcommittee are reported to the Trustees in a timely and effective manner.
- Continued engagement between the Trustees and the SLB, through regular meetings between the Principal and the Chair of the Trustees, and through meetings between the Chair of the Trustees and the SLB members, both individually and collectively.
- The on-going review and mapping of ArtsEd's governance structure, delegation of responsibilities, and processes in accordance with the requirements of OFS and other applicable regulatory frameworks as these frameworks and requirements evolve.

In addition, throughout 2022/23, policies and procedures continued to be reviewed, with the aim of providing clarity of expectations to staff and Trustees, so that each individual is accountable for their actions in the context of the defined policies. The updated policies have been published on our website. Training has been provided to relevant staff, to support the effective implementation of the policies.

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023**

STRATEGIC REPORT

**REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR
Student and Pupil numbers**

	2022/2023	2021/2022
Applications received		
Musical theatre (3 year BA)	1,529	1,310
Acting (3 year BA)	937	838
Acting (1 year MA)	293	282
Applicants auditioned		
Musical theatre (3 year BA)	1,110	1,110
Acting (3 year BA)	674	764
Acting (1 year MA)	200	244
New student intake		
Musical theatre (3 year BA)	50	54
Acting (3 year BA)	34	32
Acting (1 year MA)	27	29
Total students (at year end)		
Musical theatre	185	187
Acting	150	145
Total	335	332
Pupils (including "A" Level)		
Applications	307	284
Offers	189	201
Acceptances	102	107
Total number of pupils at year end	<u>296</u>	<u>312</u>

ArtsEd continues to maintain high standards across its range of activities and to sustain stable pupil and student numbers and these are more fully described for each of the schools below.

The Trustees would like to thank all staff members for the continuing success of ArtsEd, for achieving such excellent academic results and for the continued stability in the financial results.

DAY SCHOOL AND SIXTH FORM

At ArtsEd, we believe that students, and their parents, should be given the assurance that they will achieve to the very best of their potential. This is achieved in both the academic and vocational aspects of the 'ArtsEd Curriculum' through the excellence of teaching and learning; fundamentally, this is set within an environment where pastoral care is at its heart and that is inclusive, nurturing and enables all our students to thrive. This is reflected in our strong academic results that show significant added value throughout each student's journey at the School. When asked, our students say that they feel their academic success at ArtsEd is a result of the excellent teaching that is coupled with feeling safe, valued and supported. There are small class sizes which enable us to know the individual student and develop highly productive working relationships between students and teachers.

We are an academically non-selective school with a collaborative ethos that instils a sense of self-belief in our students which, when combined with the very significant levels of personal development, undoubtedly create the foundations for their academic success. This ethos within our school, coupled with small cohort sizes (number of students in Year 11: GCSE - 29; Year 13: A level - 11 and BTEC - 64), means that ArtsEd has a much smaller number of candidates sitting GCSE and A levels than most other independent schools; we also have a much wider spread of talent and ability. Consequently, it is inevitable that there will be fluctuations in the overall results of different cohorts; combined year group outcomes do not show the programmes of personalised support for individual students, nor do they reflect the significant progress made by them. The results at ArtsEd reflect the quality of teaching and learning, the ability of our students and their commitment to achieving their best throughout the time they are with us.

This year we are delighted with the results of our students, which reflect outstanding personal achievement, and we congratulate them all.

Year 13 Results

Our Sixth Form students can take one of three different pathways: A levels, BTEC, or uniquely a combination of both. Those on the A level pathway usually start with up to 4 A levels. This year, the majority of students studied the BTEC pathway, which is the BTEC Level 3 Extended Diploma in Performing Arts Practice (Acting/Musical Theatre/Dance) and is the equivalent of 3 A levels; in addition, a significant number of these BTEC students also chose to study 1 or 2 A levels.

This year's Year 13 produced some outstanding results and, when the BTEC and A level results are combined, they achieved a headline of 72% A*- A and 94% A*- C. These were superb and although there was a slight fall in A*- C results from the previous year (1%), this was a much smaller correction than the national picture where on average there was a fall of nearly 8%.

	2023 A level and BTEC combined %
A*-A	72
A*-B	86
A*-C	94

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023**

There were some excellent A level outcomes with 83% of grades awarded at A*-C (86% last year). There were some outstanding results, including a number of students who achieved at least one A*.

	2023 A level only %
A*-A	26
A*-B	63
A*-C	83

The BTEC Level 3 Extended Diploma has three main specialisms in the Performing Arts: Acting, Dance and Musical Theatre. There were some outstanding results in these vocational courses, where Distinction* (D*) is the equivalent to an A* at A level; Distinction (D) is an A grade; Merit (M) is a B grade; and Pass (P) a C grade. 92% of students achieved DDD or better (equivalent to AAA at A level); 78% achieving D*D*D* (A level equivalent of 3 A* grades) – this was a 5% increase on the previous year.

BTEC Result	A Level equivalent grades	2023 BTEC only %
D*D*D*	A*A*A*	78
D*D*D* - D*D*D	A*A*A*- A*A*A	81
D*D*D* - D*D D	A*A*A*- A*A A	89
D*D*D* - D D D	A*A*A*- A A A	92
DDM	AAB	97
DMM	ABB	98
MMP	BBC	100

Year 11 Results

We were delighted with the GCSE results of our students this year and many students outperformed their predictions. The percentage of students achieving 9-4 including Maths and one English GCSE was 76% (2022 - 78%) – this was really pleasing given the rise in grade boundaries post COVID. Subject areas including Biology, Chemistry and Physics, History, Geography, Film Studies, Art, Drama and Dance achieved a 100% pass rate (9-4). The School's percentage of grades 9-7 was 8% higher than the national average.

All GCSEs	2023 %
9-4	88

Maths & English GCSE	2023 %
Maths 9 – 4	76
English (combined) 9 – 4	92

These outcomes demonstrate that our 'ArtsEd Curriculum', which combines both academic and vocational study, enables us to nurture our hardworking, committed and motivated pupils to achieve some outstanding results.

Destinations post Year 13

This year, our 2023 Year 13 students have secured places at a wide range of conservatoires and institutions for further training and higher education. In addition to those listed below, a number of students have gone straight into the performing arts industry.

Musical Theatre, Acting and Dance:

ArtsEd
BIMM London
Bird College
East15 Acting School
Emil Dale
Guildford School of acting
Identity School of Acting
Laine Theatre Arts
LAMDA
LIPA
Mountview
Performers
Rose Bruford
Royal Central School of Speech and Drama
Trinity Laban Conservatoire of Music and Dance
Urdang
Wilkes Academy

Art and film:

Art Academy London
London College of Fashion (UAL)
Pinewood Studios Screen Acting

University courses:

University College London (UCL)
University of Arts London (UAL)
University of Chichester
University of Leeds
University of Manchester
University of York

International Academies:

American Musical and Dramatic Academy LA
New York Film Academy

POST-18 PROVISION

As one of the UK's leading centres of conservatoire education, ArtsEd is proud of its reputation as a provider of world-class, contemporary training. Our Musical Theatre course is consistently recognised as the best in the UK, and one of only a handful which can genuinely claim to produce 'triple threat' performers. Our 3-year Acting course is leading the way in delivering a robust, inclusive, skills-based actor training, focusing on new thinking in response to the rapidly evolving world of the arts and culture.

Based on a range of evidence, including graduate destinations, external reports, feedback from students and industry professionals, annual evaluation, and internal self-assessment, we believe our overall effectiveness to be outstanding. We report a variety of statistical data to the Higher Education Statistics Agency (HESA) including for the Destination of Leavers from Higher Education survey, which calculated that 100% of our graduates go on to work or further study.

Our graduate destinations are outstanding. Each year ArtsEd graduates can be seen performing in commercial theatres in the West End and on tour, as well as appearing in television dramas and feature films.

A number of regulatory, accrediting and validating bodies have oversight of our provision (both HE and FE), and reports from these provide assurance of the quality and relevance of our provision:

- Extremely positive reports from Trinity and graduate outcomes have confirmed DaDA funding for 2023/24.
- A gold rating by TEF (Teaching Excellence Framework).
- We are accredited by the Council for Dance, Drama and Musical Theatre.
- We are a founder member of the Federation of Drama Schools.

- Our provision meets the guidelines set by Equity and Spotlight for conservatoire training.

We can therefore be confident that our content and our curricula remain relevant, the standards of teaching and learning remain very high, with high expectations for what all learners can achieve, and that our education and training provides each student with the best possible preparation for a successful and fulfilling career.

The school continues to attract highly skilled and expert practitioners with a wealth of relevant subject knowledge to teach at ArtsEd, both as regular tutors and visiting creatives. In Year 1 the majority of teaching is undertaken by core in-house staff to encourage confidence, generosity to the ensemble, and to allow students the time and support to develop a broad range of technical skills before testing them against industry standards. As the courses progress, through projects, public productions and professional practice modules, students are introduced to a wide range of practitioners, directors and creatives, including leaders in their field as well as emerging artists. The experience of working with these people develops students' skills and confidence and allows them to build up a broad portfolio of professional contacts in preparation for entry to the industry. This combination of rigorous technical training from in-house staff, and the experience of working with a huge variety of industry professionals, is a key strength of teaching and learning at ArtsEd.

ArtsEd is noted in the industry for our success in attracting and retaining a particularly diverse student body, over one third of our students come from Black, East Asian, South Asian, and other under-represented Ethnic groups. We continue to address under-representation and lack of diversity in UK drama schools in our student population, permanent staffing and the creative practitioners we bring in to work with us. We are committed to maintaining our strength in this area, improving diversity of all kinds over the coming years.

Our commitment to inclusivity is apparent in a warm and welcoming environment, with a strong attention on the development of the individual. The pastoral care that is a core aspect of our provision is rooted in the expertise of our staff and is driven by the belief that a person's wellbeing is core to their success. Training is undertaken each year to update and allow us to critically reflect on our provision and practices. Extensive performance experience gives staff an understanding of the rigours and demands of the industry and the ability to inspire resilience alongside expertise. This is an essential element in creating graduates who are confident, resourceful and committed performers, well prepared to enrich and influence the creative industries in the UK and beyond.

Diversity statistics

In September 2022 the School of Acting recorded an intake of **41%** Black, East Asian, South Asian, and other under-represented Ethnic groups. The School of Musical Theatre recorded an intake of **17%**. Overall, **29%** of the new intake of students are Black, East Asian, South Asian, and other under-represented Ethnic groups. It is an ongoing target to maintain and improve equality, inclusivity and diversity, and efforts are made at audition to recruit students from a diverse range of backgrounds and support them to succeed at the highest levels. We continue to explore how we can influence the intake in Musical Theatre, through targeted outreach and marketing strategies. Our commitment to diversity is demonstrated by the table below, which shows a positive trend over years, reflecting our efforts to attract talented students from a range of backgrounds to our post-18 courses.

New intake

% Black, East Asian, South Asian, and other under-represented Ethnic groups.

2023-24	26%
2022-23	29%
2021-22	41%
2020-21	30%
2019-20	37%

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023**

2018-19	29%
2017-18	23%
2016-17	21%
2015-16	20%
2014-15	18%

Wellbeing and Pastoral Care

The challenge of supporting the growing number of pupils and students with mental health is one faced by all education and training providers. Trustees are committed to supporting initiatives for continual improvement in pastoral care in support services and the promotion of wellbeing for all our students and staff. The HE Registry Team now have a centralised Student Support Team in place who support our students through a range of support mechanisms and procedures such as a new Personal Tutoring System and revised Attendance Policy. ArtsEd also offer on-site external Counselling Service to all students and confidential external online support is available to both staff and students through Togetherall.com. We are committed to ensuring the effectiveness of our support systems for students and ensuring students are supported during their time at ArtsEd.

School of Musical Theatre

ArtsEd's Musical Theatre ("MT") department is regarded as the premier Musical Theatre school in the country, and one of only a handful which can genuinely claim a 'triple threat' training. The training is rigorous and robust. All our Graduate shows for 22/23 were in person with sold out audiences at our Andrew Lloyd Webber Foundation Theatre. For the third year running the MT showcase was filmed as showreels directed by Jonathan O'Boyle, who is the Director of the School of Musical Theatre. The filmed showcase is positive outcome of the pandemic and will remain in the curriculum.

Employability

Students continue to be well prepared for employment, both in the development of the key skills necessary for work in the profession, and in the development of understanding about the industry. They take part in regular mock and preview interviews and auditions, and the requirement to audition for roles in their final year productions and films gives students a real sense of what to expect when seeking professional work. Students benefit from an extensive programme of professional practice talks from agents, casting directors and actors on a range of subjects including how to start their own theatre company, how to manage their finances and taxes, how to develop their own work for television, how to market themselves and understanding their individual casting potential. These industry guests frequently cast and audition the students for professional productions.

Similarly, the policy of bringing West End casting directors to audition BA Musical Theatre whilst still in training continues to be highly successful and will continue for the forthcoming year.

Graduate Success

Recent graduate Josh Barnett has been nominated for a Stage Debut Award for Best Performer in a Musical for his work in Newsies at the Troubadour Wembley Park Theatre.

We have several students up for awards at the Black British Theatre Awards:

Charis Alexandra and Leah Vassell are both nominated for *Best Recent Graduate*.

Charis Alexandra is nominated for *Best Supporting Female Actor in a Musical* for her work in *Tina: The Tina Turner Musical* at the Aldwych Theatre.

Nicole-Lily Baisden is nominated for *Best Female Lead Actor in a Musical* for her work in *42nd Street* at Sadler's Wells Theatre.

2023 Graduates

58 students graduated in 2023.

58 students – 100% – secured an agent before they left ArtsEd in May 2023.

Employment

As of 27th September, 33 students secured employment within the first three months of graduating ArtsEd.

That is 55% of students gaining employment within the first 3 months after graduating.

Recent graduate destinations include West End Musicals: *Old Friends: Stephen Sondheim Concert, The Wizard of Oz, Mamma Mia, Moulin Rouge, Tina: The Musical, Back To The Future, Les Miserables, Grease, Pretty Woman* and *Cabaret*.

Regional theatre including: *Assassins* and *Rock Follies* at Chichester Festival Theatre, *Evita* at Curve Leicester, *Roman Holiday* at Bath Theatre Royal, *Hairspray* at Kilworth House.

UK Tours including: *Hamilton, Wizard of Oz, Wicked, Madagascar The Musical, Jesus Christ Superstar, Pretty Woman*.

As well as International and European tours, including *The Phantom of the Opera* and *Love Never Dies*, and further engagements (concerts and new writing workshops).

Olivier Awards 2023 – The ArtsEd Choir at the Royal Albert Hall.

2022 Graduates

This was a record-breaking year. 100% of students (51 students) secured an agent before graduating. As of October 2022, 75% of students gained employment within the first three months of graduating.

Destinations included West End Musicals and plays including: *Frozen, Moulin Rouge, Tina: The Musical, Back To The Future, Les Misérables, Mary Poppins, Grease, Hex, South Pacific, Pretty Woman, The Crucible, The Lion, The Witch and The Wardrobe* and *Cabaret*.

Regional theatre including: *Crazy For You* at Chichester Festival Theatre, *Mrs. Doubtfire* and *R&H's Cinderella* in Manchester, *Bake Off The Musical* at Cheltenham Theatre.

UK Tours including: *Girl From The North Country, Six The Musical, Strictly Ballroom*.

TV including: *Archie* (ITV). As well as European tours and further engagements (concerts and new writing workshops).

School of Acting

Our School of Acting is one of the most diverse schools in the sector, from both a student and teacher stance. Its reputation has grown substantially. By culturally diversifying the curriculum, pedagogical approach and operational structures it has seen a meaningful cultural shift which has impacted positively on the wellbeing of both students and staff. This is highlighted in the increase of student applications, yet again, at the end of the 2022/23 audition cycle. We offer an inclusive, diverse contemporary industry-facing programme, an exciting alternative to the traditional model of classical theatre training. The BA Acting course was the first to introduce intimacy training and British Sign Language embedded within the 1st Year curriculum, these strands are further

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023**

developing to ensure that they weave through all three year's training including 3rd year show support. We continue to develop cross curriculum and co teaching to enhance student experience and our TV Film delivery has been noted by screen industry professionals as the best drama school training provision. This is evidenced in the continued success of the Original Screenplays 2023 '*Prompt Date*' which has won Best Short Film 2023 at the Vlaardings Film Festival (Netherlands), '*21st Century Séance*' which was selected and now nominated at Grindhouse Nights Film Festival – New Jersey, USA and '*Ocras*' which has an Official Selection at the 29th International Festival of Golden Beggar – Slovakia. This again highlights the exceptional training and opportunities offered to our BA Acting Students.

Our commitment to forward-thinking training has also been formally recognised this year, in re-accreditation from CDMT and ArtsEd being awarded '*Gold*' for TEF '*Teaching Excellence Framework*', by delivering excellence in areas that students care most about: teaching, learning and achieving positive outcomes from their studies. This outcome noted the student submission as one of the best submitted.

Employability

ArtsEd facilitates a robust practical creative environment to facilitate students to progress into professional work in all genres. We bring stage and screen casting directors to audition Acting students whilst still in training, which has started to bear fruit in students being cast for stage and screen. This addition, like our Musical Theatre course, provides another indicator of the quality of standards on the programme. We are proud our students continue to gain professional recognition and obtain high quality professional work.

We are pleased to see **2023 Graduates** undertaking work since graduating in September 2023 for :The Rep Theatre Birmingham '*The Lion, the Witch and the Wardrobe*', Soho Theatre Tour '*Brown Boys Swim*'; Sky '*Sweet Pea*'; Bannatar/Thomas Productions '*My Bloody Galentine*'; Edinburgh Fringe/The Lion Theatre - Critically acclaimed one man show written and performed by a graduate. Voiceovers for The Guardian and Amazon Prime. 97% SoA Graduates secured agents before leaving and 30% were employed.

Below is an example of some of the work our **2021/22 Graduates** have undertaken during 2022/23:
Screen: Apple TV+ series '*Invasion*'; Warner Brothers '*The Flash*'; ITV '*The Walk In*'; Apple TV '*Criminal Record*'; Channel 4/Disney/ Lionsgate '*Queenie*'; Netflix '*The Crown*'; Syfy Channel '*The Arc*' Season 2; Empire Productions '*Pulcinella*' Apple TV '*Hijack*';
Radio/Voicework: BBC Radio 4 series regular Torchwood; Prodigious UK, Iris Worldwide, BBC Audio Drama.
Theatre: Criterion Theatre '*Unbelievable*' National Theatre extended tour '*The Ocean at the End of the Road*' The Changeling Theatre Company '*Loves Labours Lost*'; Leeds Playhouse/Home Theatre Manchester/Northern Stage '*The White Card*'.

FINANCIAL RESULTS

The Trust produced a deficit for the year of £107,596 (2022: surplus of £108,791). The total accumulated unrestricted general fund surplus at the end of the year was £7,299,987 (2022: £7,259,064). There were designated funds at the year end of £188,110 (2022: £188,110).

Capital expenditure in the year totalled £154,543 (2022: £1,081,403). Year-end cash balances were £4,159,719 (2022: £4,044,269) and there were long term loans with Lloyds Bank plc of £5,994,045 (2022: £6,377,206).

From a financial perspective 2022/23 continued to be a year of recovery and consolidation. The institution has felt the impact of the cost of living crisis and rising inflation, in particular with regards utilities. Our total fee income for the year was £10,592,476 (2022: £10,491,781). Studio hire income continued to grow in the period, generating income of £175,451 (2022: £164,179) and our Theatres Tax Credit generated income of £230,000 (2022: £170,000) due to extra relief from the government. The financial results for the year ended 31 August 2023 continue to be impacted by the on-going regulatory cost arising from the investigation, including the work required to implement the recommendations arising from it.

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023**

We are mindful that students and families have felt a significant financial strain during and after the Covid-19 pandemic. We have continued to support families with bursaries from our unrestricted funds of £422,309 (2022: £425,377).

Total expenditure in the year was £11,332,502 (2022: £10,810,567). The increase in costs is largely due to inflationary increases, alongside significant legal and regulatory costs arising.

The Trustees remain confident that our financial position remains robust in an extremely challenging external environment that includes high inflation and financial uncertainty that has put a financial strain on parents and students. A prudent budget has been prepared for 2023/24, during which we will be looking ahead to forge a new 5-year strategy.

Charitable Support

The Trust is immensely grateful for the support from the following individuals and trusts and foundations in 2022/23. Their generosity ensures that we can continue in our mission to enrol students with the greatest potential, regardless of their financial circumstances and that our facilities continue to be of a quality that matches their talent.

Special thanks to:

Andrew Lloyd Webber Foundation
The Leverhulme Trust

ArtsEd TAP and ArtsEd Parents & Families

We would like to thank the TAP committee for their continued hard work, commitment and enthusiasm, and the Day School & Sixth Form parent and carer community for their ongoing support of TAP events and ArtsEd's wider fundraising initiatives. Funds continue to be raised to be applied towards hardship grants.

ArtsEd Champions

Anon, Kate & Pat Butler, Matt Coombes, Ann Cottis, Clare Ferguson, Michael Harrison, Alastair Kerr, Dennis & Valerie Lavin, Shannon Lawder, Jamie Lonsdale, William Newsom, Richard Parkinson & Hamilton McBrien

ArtsEd Enthusiasts

Sue Adie, Jacque Brunjes, Genevieve Winter, Andrew D Hine Esq

ArtsEd Admirers

Anon, John Brant, Sandy Cahill, Tony & Christine Gamble, Diana Maine, Richard Millar, Helen Vickers, John & Wendy Williams, Paul Wooller, Murray Lindo, Scott Jacobson, Manina Weldon, The Bedford Park Society

Tim English and all the generous supporters of the Chris Hornby Bursary Fund

Justin & Sarah Savage and all the generous supporters of the Graham Martin Bursary Fund

Corporate

Acre Properties in memory of Ben Turner, Smith & Brant Theatricals

Trusts and Foundations

The D'Oyly Carte Charitable Trust, Help Musicians UK, The Honourable Society of Knights of the Round Table, Society of London Theatres (Laurence Olivier Bursary), The Lionel Bart Foundation, Lynne & Land Foundation, Pamela Brady Todd Fund, The Royal Victoria Hall Foundation (Lilian Baylis Award) The Sir John Gielgud Charitable Trust, Sophie's Silver Lining Fund, The Stanley Picker Charitable Trust

Legacy Pledges

Anon, Vanessa Cameron, David J Yeoward

Legators

Eve Pettinger MBE

The Principal has requested that a special mention should be made of the outstanding contribution of the Trustees who not only give generously of their time but also make significant financial donations that are very much appreciated.

Future Plans

In 2021, the Board approved an action plan to address the recommendations of the external Investigation setting a timetable for implementation and undertook an external review of governance in summer 2022. This work continued in 2022/23 and will continue furthermore into 2023/24. The Board and senior management are committed to keeping informed the regulatory and validating institutions and other stakeholders on the progress in implementation of its action plan, which will continue to form a key part of our work in 2023/24. Further details of the work undertaken and to complete has been given on pages 7 and 8 of this report,

The ambitions and priorities set out in the Five Year strategic plan continue to guide our plans. This strategic plan will be revised over the coming year when a new and ambitious strategic plan will be launched covering the period to 2030.

Reserves Policy

Total funds at the balance sheet date were £15,604,033 (2022: £15,711,629) of which £2,893,984 were restricted (2022: £3,031,195) and £11,508,097 were unrestricted (2022: £11,467,174). Details of restricted funds are provided in note 19. Of the unrestricted reserves, there is a designated fund of £188,110 (2022: £188,110) which has been set up for student bursaries. Also included in the unrestricted fund is the revaluation reserve of £4,020,000 (2022: £4,020,000) which arose on the last revaluation of the School's land and buildings. At the balance sheet date the permanent endowment fund had a balance of £1,201,952 (2022: £1,213,260).

As the school has historically invested in its building and, accordingly, there were no free reserves at the balance sheet date (2022: £nil). It is likely that free reserves will remain minimal. The Trustees believe that it is important to continue to maintain operational surpluses in order to build up total reserves and in order to be able to invest in the facilities and staff of ArtsEd.

Investment Policy

An investment policy has been written and adopted that seeks to optimise cash flow whilst maximising return on investment in a safe and secure manner. The investments are held within the permanent endowment fund. During the year, the net loss on investments was £11,308 (2022: losses of £133,895). The fund continues to generate restricted income totalling £38,000 (2022: £38,000).

Fundraising practices and performance

Raising voluntary funds from trusts, foundations and individuals is a vital source of income for ArtsEd, enabling us to fulfil our charitable objectives as effectively as possible. We are very grateful for the support from all of our donors.

At ArtsEd, we believe that fundraising should be an open, honest and respectful process. We aim to build partnerships with our supporters and donors that are based on mutual understanding and shared values. In developing our approach to fundraising, we have taken account of the Code of Fundraising Practice issued by the Fundraising Regulator. We have a small internal fundraising team which carries out our principal

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2023**

fundraising activity and make occasional use of external professional fundraisers for standalone fundraising projects. We do not engage commercial participators to carry out fundraising activity. The fundraising team works closely with ArtsEd's executive and trustees to develop its fundraising strategy and identify potential prospects, the vast majority of whom have an existing connection to ArtsEd or to a member of one of these internal bodies. ArtsEd does not engage in unsolicited face-to-face or telephone fundraising.

As part of General Data Protection Regulation, ArtsEd reviewed and updated its Privacy Policy with regards to fundraising. This policy, published on our website, clearly states what personal data ArtsEd will hold in relation to supporters and how this data will be used. It sets out how individuals can raise concerns or complaints. ArtsEd has received no complaints about its fundraising activities either during the financial year or subsequently.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk Management

The main risks that the Trustees have identified and the plans to manage those risks are:

Compliance – Compliance with the requirements of our regulators is fundamental for ArtsEd to continue to offer an outstanding education to its students in a safe environment. On pages 7 and 8 of this report, we have outlined the significant amount of work that has been undertaken in response to the investigation by Rebecca Tuck QC in 2021. A comprehensive review of our risk register was subsequently undertaken in 2022, with all on-going relevant regulatory and compliance matters, including those identified in the Rebecca Tuck QC report and the subsequent external governance review, to ensure that the risk register appropriately captured all relevant matters arising. In early 2023/24 a new compliance and risk management sub-committee was established.

Reputation – The School's success is built on its reputation of the quality of its education/training and wellbeing of our students.

We manage this risk by:

- constantly reviewing the delivery and relevance of all our education and training
- recruiting, developing, and retaining outstanding academic and professional
- reviewing and applying our safeguarding policies
- providing pastoral support for both students and staff
- actively identifying and resolving health and safety related issues
- constantly reviewing compliance with regulatory matter, providing investment when required
- ensuring that an appropriate building infrastructure is in place for all staff and students

Finance – Our ability to continue is reliant on student fees and effectively managing costs.

We manage this risk by:

- marketing activity to maintain student numbers, and diversify supplementary income
- having a reputation for academic and vocational excellence and excellent student destinations
- having effective credit control procedures
- comprehensive budgeting and regular financial reporting against the approved budget

Competition – Innovative or unexpected developments are made by competitor organisations.

We manage this risk by:

- benchmarking the Schools' performance against industry standards
- regular review of the curriculum and training to ensure that they achieve academic and vocational excellence and meet industry expectations
- monitoring our student destinations
- recruiting and retaining the best staff

Through the risk management processes established for the Charity, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

Trustees' responsibilities for the financial statements

The Trustees, who are also directors of ArtsEd for the purposes of company law, are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare Financial Statements for each financial year. Under that law the Trustees have prepared the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the profit or loss 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 Statement of Recommended Practice ("SORP");
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards 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.

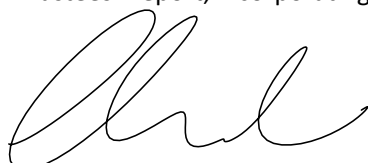
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with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

Provision of information to auditors

The Trustees at the time when this Trustees' Report is approved have confirmed that:

- so far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Trustees have taken all the steps that ought to have been taken as Trustees in order to be aware of any information needed by the charitable company's auditors in connection with preparing this report and to establish that the charitable company's auditors are aware of this information.

Trustees' Report, incorporating the Strategic Report, approved on behalf of the Trustees:



**Brian Brodie, Chair
15 December 2023**

**THE ARTS EDUCATIONAL SCHOOLS
STATEMENT OF CORPORATE GOVERNANCE & INTERNAL CONTROL
FOR THE YEAR ENDED 31 AUGUST 2023**

Corporate Governance

The Statement which follows is provided to enable readers of the Annual Review and Financial Statements of the School to obtain a better understanding of its governance and legal structure and applies to the 2022/23 financial year and to the date of the approval of the audited financial statements.

The structure of Corporate Governance is set out on pages 3 and 4, being the first section of the Trustees' Report. The Governing Document which dates from 1962 and was last amended in 2023 underpins the Governing practices adopted by the Board.

The Trustees are legally responsible for the overall management and control of the Schools. The Board of Trustees meets at least three times a year. Day to day responsibilities are delegated to the Principal and the Board has six sub-committees that meet at least three times a year that cover specific areas of the business. For the year under review these were:

- The Finance Committee
- The Facilities Committee
- The Development Committee
- The Day School and Sixth Form Committee
- The Higher Education Committee
- The EDI Committee

The minutes of the Management Health and Safety Committee together with all reports from the external advisers are shared with members of the Facilities Committee.

On 5 June 2021 the Board agreed that the Chair, supported by the Deputy Chair and one other Trustee, would manage the Board's response to the external investigation carried out by Rebecca Tuck QC. This response continued in 2022/23. The Policies and Practices Working Group of three Trustees (established in the prior year) continued to work with the Head of HR to take forward the review established in response to the recommendations of the external investigation together with the external governance review (carried out in 2022/23), as explained in detail on pages 7 and 8.

All the sub-committees are attended by the Principal and other senior staff as may be required. Minutes are taken from all such meetings which are included in the Board papers so that all Trustees have an appreciation of the issues dealt with by the sub-committees.

Every year the Board holds at least one Strategic Review day when issues of a longer term and more strategically orientated are considered.

The Principal and the Senior Leadership Board (SLB) meet weekly to discuss current issues and to agree actions for the short, medium and longer term as required. For the current year this has included significant discussions and actions arising from the investigation and the subsequent governance review.

The Finance Committee ensure the adequacy and effectiveness of arrangements for corporate governance, risk management and oversight of any statutory and other regulatory responsibilities including compliance with the OfS's ongoing conditions of registration, any terms and conditions of funding as well as any other relevant regulatory responsibilities.

As part of the action plan in response to the external investigation the Trustees commissioned an external specialist adviser to complete a governance effectiveness review which was completed in March 2022. As

**THE ARTS EDUCATIONAL SCHOOLS
STATEMENT OF CORPORATE GOVERNANCE & INTERNAL CONTROL
FOR THE YEAR ENDED 31 AUGUST 2023**

detailed on pages 7 and 8, a detailed action plan is in place to deal with the recommendations arising from this review.

Internal Controls

Identifying and managing risk is a key part of the work of the Board and the SLB. This is addressed by the maintenance of a detailed Risk Register that is discussed and updated as necessary at all the meetings of the Board and the SLB and is covered where appropriate by the other sub-committees.

The approach to internal controls is risk-based including an evaluation of the risks becoming a reality. The risk weighting is considered by assessing the likelihood of the risk and the potential damage it could do. This approach helps management and Trustees prioritise actions and enhance controls if the potential impact of a risk is considered to be increasing.

Whilst many risks do have a financial implication many others do not and could have compliance, operational, health and safety or reputational implications. The Risk Register covers all such issues and not the purely financial ones.

Members of the Board of Trustees understands that it is their responsibility to ensure that a sound system of internal controls is maintained and confirms that it has reviewed the effectiveness of these arrangements.

The Trustees, SLB and external auditors have not identified any significant internal control weaknesses or failures in the financial year under review or in the period since the year end up to the date that the financial statements were signed that need to be disclosed.



Brian Brodie, Chair

15 December 2023

**THE ARTS EDUCATIONAL SCHOOLS
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARTS EDUCATIONAL SCHOOLS
FOR THE YEAR ENDED 31 AUGUST 2023**

Opinion

We have audited the financial statements of The Arts Educational Schools for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Office for Students Accounts Direction.

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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

**THE ARTS EDUCATIONAL SCHOOLS
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARTS EDUCATIONAL SCHOOLS
FOR THE YEAR ENDED 31 AUGUST 2023**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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.

Matters on which we are required to report in respect of the Office for Students

In our opinion, in all material respects:

- funds administered by the charitable company for specific purposes during the year ended 31 August 2023 as disclosed in note 17, have been applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the OfS and Department for Education have been applied in accordance with the terms and conditions attached to them during the year ended 31 August 2023; and

We have nothing to report in respect of the following matters in relation to which the Office for Students requires us to report where:

- grant and fee income, as disclosed in the note 3 to the accounts, has been materially misstated
- expenditure on access and participation activities for the financial year has been materially misstated

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities statement set out on pages 18 and 19, 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to independent schools, higher education and further education provision regulation including Independent Schools Inspectorate, Ofsted and the Office for Students, charity and company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation

**THE ARTS EDUCATIONAL SCHOOLS
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARTS EDUCATIONAL SCHOOLS
FOR THE YEAR ENDED 31 AUGUST 2023**

of the financial statements such as the Companies Act 2006, Charities Act 2011 and the Office for Students Accounts Direction.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to revenue recognition, in particular in relation to voluntary and other income and management override of controls. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;
- Reviewing the income recognition around the year end to assess whether income had been recognised in the correct accounting period; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tracey Young

Senior Statutory Auditor

For and on behalf of Haysmacintyre LLP, Statutory Auditors

20 December

..... 2023

10 Queen Street Place
London
EC4R 1AG

**THE ARTS EDUCATIONAL SCHOOLS
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Endowment Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
INCOME FROM:						
Donations and legacies	2	36,210	184,547	-	220,757	313,473
Charitable activities						
Fee income	3	10,170,167	-	-	10,170,167	10,066,444
Other income	4	751,117	-	-	751,117	633,419
Other grants	4	-	-	-	-	-
Investment income		56,173	38,000	-	94,173	39,917
TOTAL INCOME		<u>11,013,667</u>	<u>222,547</u>	<u>-</u>	<u>11,236,214</u>	<u>11,053,253</u>
EXPENDITURE ON:						
Raising funds		(75,684)	-	-	(75,684)	(85,942)
Charitable activities		(10,897,400)	(359,418)	-	(11,256,818)	(10,724,625)
TOTAL EXPENDITURE	5	<u>(10,973,084)</u>	<u>(359,418)</u>	<u>-</u>	<u>(11,332,502)</u>	<u>(10,810,567)</u>
NET INCOME / EXPENDITURE BEFORE INVESTMENT (LOSSES)		<u>40,583</u>	<u>(136,871)</u>	<u>-</u>	<u>(96,288)</u>	<u>242,686</u>
Net (losses) on investments		-	-	(11,308)	(11,308)	(133,895)
NET (EXPENDITURE) / INCOME BEFORE TRANSFERS		<u>40,583</u>	<u>(136,871)</u>	<u>(11,308)</u>	<u>(107,596)</u>	<u>108,791</u>
Transfers		340	(340)	-	-	-
NET MOVEMENT IN FUNDS		<u>40,923</u>	<u>(137,211)</u>	<u>(11,308)</u>	<u>(107,596)</u>	<u>108,791</u>
Funds brought forward at 1 September		11,467,174	3,031,195	1,213,260	15,711,629	15,602,838
TOTAL FUNDS AT 31 AUGUST		<u><u>11,508,097</u></u>	<u><u>2,893,984</u></u>	<u><u>1,201,952</u></u>	<u><u>15,604,033</u></u>	<u><u>15,711,629</u></u>

All amounts are derived from continuing activities.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

The notes on pages 29 to 49 form part of these financial statements.

Full comparatives for 2022 are provided in note 26.

**THE ARTS EDUCATIONAL SCHOOLS
BALANCE SHEET
AS AT 31 AUGUST 2023**

Registered Number: 0712444

		2023		2022	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	12		18,928,307		19,513,605
INVESTMENTS					
Investments	13		1,264,238		1,275,546
CURRENT ASSETS					
Stock			-		-
Debtors	14	2,874,670		2,624,306	
Cash at bank and in hand		4,159,559		4,044,269	
			<u>7,034,229</u>		<u>6,668,575</u>
CREDITORS: amounts falling due within one year	15	<u>(6,038,404)</u>		<u>(5,767,022)</u>	
NET CURRENT ASSETS			<u>995,825</u>		<u>901,553</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>21,188,370</u>		<u>21,690,704</u>
CREDITORS: Amounts falling due after one year	16		<u>(5,584,337)</u>		<u>(5,979,075)</u>
NET ASSETS	18		<u><u>15,604,033</u></u>		<u><u>15,711,629</u></u>
RESERVES					
Unrestricted funds					
- general funds			7,299,987		7,259,064
- designated funds			188,110		188,110
- revaluation reserve			4,020,000		4,020,000
Restricted funds	19		2,893,984		3,031,195
Endowment funds	20		1,201,952		1,213,260
TOTAL FUNDS	17		<u><u>15,604,033</u></u>		<u><u>15,711,629</u></u>

The notes on pages 29 to 49 form part of these financial statements.

The financial statements were approved and authorised for issue by the Trustees on 15 December 2023 and were signed below on its behalf by:



**Brian Brodie
Chair**



**Ann Cottis
Chair of the Finance Committee**

	Note	2023		2022	
		£	£	£	£
Net cash provided by operating activities	22		773,484		931,448
Cash flows from investing activities					
Dividends		38,000		38,000	
Interest income		56,173		1,917	
Interest payable		(214,663)		(187,433)	
Purchase of fixed assets		(154,543)		(1,081,403)	
		_____		_____	
Net cash used in investing activities			(275,033)		(1,228,919)
Financing activities					
Cash outflows from repayments		(383,161)		(389,688)	
		_____		_____	
Net cash (outflow)/inflow from financing activities			(383,161)		(389,688)
			_____		_____
Change in cash and cash equivalents in the year			115,290		(687,159)
Cash and cash equivalents at the beginning of the year			4,044,269		4,731,428
			_____		_____
Cash and cash equivalents at the end of the year	23		4,159,559		4,044,269
			=====		=====

The notes on pages 29 to 49 form part of these financial statements.

1. ACCOUNTING POLICIES

Basis of Preparation of the Financial Statements

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the 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 2022. The Financial Statements are drawn up under the historical cost convention, with the exception of investments which are included at valuation.

The Trust is a Public Benefit Entity registered as a charity in England and Wales, it was registered in 1962 (charity number: 311087).

Going concern

Having reviewed the funding facilities available to the Trust together with the expected ongoing demand for places and the Trust's future projected cash flows and in addition having reviewed the potential impact of the cost of living crisis and uncertainty on the Trust's finances, the Trustees have a reasonable expectation that the Trust has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the Trust's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements.

Group structure

A subsidiary called ArtsEd International Ltd (company number 11960873) was established on 24 April 2019. This subsidiary is now dormant and consolidated accounts are therefore no longer required. ArtsEd International Performing Arts Education LLC is limited by shares, of which The Arts Educational Schools owned 49%, until 1 September 2021, when the company was sold to the Dubai local management team for £1. Following the sale, the school no longer had control of the company. The company is now dormant.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, the Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Trust's financial statements.

Fees and Similar Income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the Trust against those fees, but including contribution received from restricted funds, are accounted for in the period in which the service is provided.

Government grants are reported as fees or other grants as appropriate.

Donations, grants and legacies

Donations, grants and legacies are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Investment income

Investment income from the investments and bank balances are accounted for on an accruals basis.

The income from the invested endowment fund is wholly restricted.

Expenditure

Charitable expenditure and administration costs comprise direct expenditure including staff costs attributable to the activity and are accounted for on the accruals basis. Where costs cannot be directly attributed they have been allocated to the activities on a basis consistent with the use of resources. The Trust is unable to recover VAT incurred on expenditure accordingly expenditure is shown inclusive of any associated VAT payable.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Trust and include the audit fees and costs linked to the strategic management of the Trust.

Fund accounting

Unrestricted funds comprise resources available to the Trustees to be applied for any purpose within the objects of the Trust.

Restricted funds comprise donations for purposes restricted by the wishes of the donor.

Endowment funds arise when the donor has expressly provided that the gift is to be invested and only the income of the fund may be spent. These funds are sub-analysed between those where the Trustees have the discretion to spend the capital (expenditure endowment) and those where there is no discretion to expend the capital (permanent endowment). The Charity has one permanent endowment fund, and no expendable endowment. The fund is managed by the investment managers on a total return basis. This means that the funds are invested to maximise the return on investment without regard as to whether that return is in the form of income from dividends or interest or capital appreciation (where the market value of the investment increases). The investment managers each year release a set amount of that return for spending on bursaries for Musical Theatre students.

Revaluation reserve comprises total revaluations in the deemed cost of the properties.

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

Designated funds are funds that the Trustees have earmarked for a particular purpose or use without restricting or committing the funds legally.

Pension

The Trust makes pension contributions to defined contribution pension schemes on behalf of certain employees. These contributions are held in a separately administered fund.

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Fixed asset investments

Investments are a form of basic financial instrument. Fixed asset investments are initially recognized at their transaction value and are subsequently measured at their fair value (market value) as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid deposit accounts.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. A specific provision is made for debts for which recoverability is in doubt.

Creditors and provisions

Creditors and provisions are recognized where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognized at their settlement amount after allowing for any trade discounts due.

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

Depreciation

Tangible fixed assets are stated at cost or deemed cost, net of depreciation and any provision for impairment. Tangible fixed assets costing greater than or equal to £500 are capitalised and stated at cost, net of depreciation. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	2% per annum
Computer equipment	33.33% per annum
Furniture and fittings	10% - 50% per annum
Motor vehicles	25% per annum
Building & theatre refurbishment	2% - 10% per annum

The valuation of freehold land and buildings on transition to FRS 102 at 1 September 2014 has been taken as the deemed cost.

2 INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Endowment Funds 2023 £	Total 2023 £
Donations	36,210	184,547	-	220,757
	<u>36,210</u>	<u>184,547</u>	<u>-</u>	<u>220,757</u>
<i>Comparative analysis</i>				
	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Endowment Funds 2022 £	Total 2022 £
Donations	90,000	223,473	-	313,473
	<u>90,000</u>	<u>223,473</u>	<u>-</u>	<u>313,473</u>

3 GRANT AND FEE INCOME

	2023 £	2022 £
Fee income from other bodies	920,967	934,795
Fee income for taught awards	3,399,343	3,298,057
Fee income from non-qualifying courses	5,849,857	5,833,592
	<u>10,170,167</u>	<u>10,066,444</u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2023 £	Unrestricted Funds 2022 £
Fees income		
Fees receivable	10,592,476	10,491,781
Bursaries and discounts	(422,309)	(425,337)
	<u>10,170,167</u>	<u>10,066,444</u>
Other income		
Studio hire and classes	175,451	164,179
Audition and registration fees	61,735	58,875
School productions	97,001	83,301
Catering	87,692	76,474
Bar income	11,854	-
Theatre tax relief	230,000	170,000
Other income	87,385	80,590
	<u>761,117</u>	<u>633,419</u>
	<u><u>10,921,284</u></u>	<u><u>10,699,863</u></u>

THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

5. ANALYSIS OF TOTAL EXPENDITURE

	Staff Costs 2023 £	Other Costs 2023 £	Depreciation/ Impairment 2023 £	Total 2023 £
Raising funds:				
Fundraising	63,794	11,890	-	75,684
Charitable activities				
Teaching costs	4,773,764	571,893	45,677	5,391,334
Welfare costs	2,000	405,821	-	407,821
Premises costs	459,946	1,002,899	690,321	2,153,166
Productions costs	525,590	134,470	-	660,060
Grants, awards and prizes	-	229,426	-	229,426
Support costs	993,511	1,184,259	3,843	2,181,613
Finance costs	-	233,398	-	233,398
	<u>6,754,811</u>	<u>3,762,166</u>	<u>739,841</u>	<u>11,256,818</u>
	<u>6,818,605</u>	<u>3,774,056</u>	<u>739,841</u>	<u>11,332,502</u>

Comparative analysis

	Staff Costs 2022 £	Other Costs 2022 £	Depreciation 2022 £	Total 2022 £
Raising funds:				
Fundraising	73,113	12,829	-	85,942
Charitable activities				
Teaching costs	4,529,459	509,066	67,794	5,106,319
Welfare costs	-	342,733	-	342,733
Premises costs	442,608	778,054	911,163	2,131,825
Productions costs	509,647	119,813	-	629,460
Grants, awards and prizes	-	249,781	-	249,781
Support costs	1,066,287	1,058,910	3,522	2,128,719
Finance costs	-	135,788	-	135,788
	<u>6,548,001</u>	<u>3,194,145</u>	<u>982,479</u>	<u>10,724,625</u>
	<u>6,621,114</u>	<u>3,206,974</u>	<u>982,479</u>	<u>10,810,567</u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

6. ANALYSIS OF SUPPORT COSTS

All costs included in charitable activities are direct costs with the exception of support costs of schooling which comprise:

	General support	Governance costs	Total	General support	Governance costs	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Staff costs	956,846	36,665	993,511	1,032,241	34,046	1,066,287
Administrative costs	578,280	2,777	581,057	598,536	1,313	599,849
Professional costs	562,873	-	562,873	375,428	45,643	421,071
Audit remuneration	-	29,400	29,400	-	23,240	23,240
Bank charges	10,929	-	10,929	14,750	-	14,750
Depreciation	3,843	-	3,843	3,522	-	3,522
	<u>2,212,771</u>	<u>68,842</u>	<u>2,181,613</u>	<u>2,024,477</u>	<u>104,242</u>	<u>2,128,719</u>

7. NET MOVEMENT IN FUNDS

	2023	2022
	£	£
Net movement in funds is stated after charging:		
Operating leases – equipment	71,978	66,279
Depreciation of tangible fixed assets – owned by the charity	739,841	982,479
Interest costs	214,663	187,433
Auditors’ remuneration – audit	26,820	23,050
Auditors’ remuneration – other	15,870	-
	<u>1,069,072</u>	<u>1,269,241</u>

8. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

Staff Costs

	2023	2022
	£	£
Wages and salaries	6,086,243	5,799,255
Redundancies	-	107,591
Social security costs	529,932	533,512
Pension costs	189,108	168,854
Apprenticeship levy	13,322	11,902
	<u>6,818,615</u>	<u>6,621,114</u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

Trustees' remuneration and expenses

The charity trustees were not paid and did not receive any benefits from employment with the Trust in the year (2022: £nil). Trustees were reimbursed expenses of £2,764 for travel to/from meetings and subsistence during the year (2022: £1,313). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Key Management Personnel

The key management personnel of the charity comprise the trustees and the Senior Leadership Board listed on page 5. The total employee benefits of the key management personnel were £820,329 (2022: £814,983).

STAFF NUMBERS

The average headcount employed by the charitable company during the year was as follows:

	2023 Number	2022 Number
Principal and management	8	11
Domestic	15	15
Facilities/IT/Library	15	11
Finance	4	4
Production	11	11
Administration	13	11
Teaching staff	151	147
	<u>217</u>	<u>210</u>

HIGHER PAID STAFF

The number of staff whose basic salary exceeded £60k per annum during the year was as follows:

	No. of Staff 2023	No. of Staff 2022
£60,000-£64,999	4	2
£65,000 - £69,999	-	1
£70,000 - £74,999	2	1
£75,000 - £79,999	1	-
£110,000 - £114,999	1	1
£150,000 - £154,999	1	-
	<u>9</u>	<u>4</u>

Pension contributions totaling £23,756 (2022: £8,720) were made on behalf of 9 (2022: 4) of the above employees.

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

PRINCIPAL'S REMUNERATION

The total remuneration package for the Principal during the year was as follows:

	2023	2022
	£	£
Julie Spencer (Interim Principal 7 June 2021-24 April 2022; Principal from 25 April 2022)		
Basic Salary	113,300	110,000
Pension contributions	3,067	2,201
Other taxable benefits	191	151
	<u>116,558</u>	<u>112,352</u>
Chris Hocking (Principal until 7 June 2021)		
Basic Salary	-	29,632
Pension contributions	-	1,482
Other taxable benefits	-	17
Redundancy payment	-	30,000
	<u>-</u>	<u>61,131</u>
	<u><u>116,558</u></u>	<u><u>112,352</u></u>

The Principal's remuneration package is set by reference to similar organisations and is approved by the Board following a recommendation from the Chair. There is an annual appraisal with the Chair and Deputy Chair when targets are set for the ensuing short, medium and long term together with a discussion and assessment of the achievements in the period under review.

The Principal's (head of provider) total remuneration is 3.28 times (2022: 3.22 times) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

SEVERANCE PAYMENTS

The total amount of severance payments for the year was £76,000 (2022: £107,591) to 1 individual (2022: 5).

9. RELATED PARTY TRANSACTIONS

Trustees made donations of £3,462 to the School (2022: £3,974). There were no other related party transactions.

10. PENSIONS

The charity makes contributions to defined contribution pension schemes on behalf of certain employees. The charge for the year was £189,108 (2022: £165,493). At the year end, there was an amount payable of £30,632 (2022: £26,126).

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

11. SUBSIDIARIES

The charitable company has two subsidiary entities: ArtsEd International Limited (registered in the England and Wales), Company number 11960873 and ArtsEd International Performing Arts Education LLC (known as ArtsEd Dubai) (registered in Dubai) which is based in Dubai. Both entities are now considered dormant.

ArtsEd International Limited

ArtsEd International Limited is limited by shares, of which The Arts Educational Schools is the sole Shareholder. It was incorporated on 24 April 2019. The company provides educational services internationally. During the year the Company did not trade. This company is dormant.

The income and expenditure of Arts Ed International Limited for the year ended 31 August 2023 was:

	2023	2022
	£	£
Turnover	-	-
Cost of sales	-	-
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

The assets and liabilities of Arts Ed international Limited at 31 August 2023 were:

	2023	2022
	£	
Fixed Assets	-	-
Debtors	109,974	109,974
Creditors	(109,974)	(109,974)
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

ArtsEd International Performing Arts Education LLC

ArtsEd International Performing Arts Education LLC is limited by shares, of which The Arts Educational Schools owned 49%, until 1 September 2021, when the company was sold to the Dubai local management team for £1. Following the sale, the school no longer had control of the company and it has subsequently been excluded from the consolidation. The company is dormant.

The income and expenditure of ArtsEd Dubai for the year ended 31 August 2023 were:

	2023	2022
	£	£
Turnover	-	-
Cost of sales	-	-
Admin costs	-	-
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

The assets and liabilities of ArtsEd International Performing Arts Education LLC at 31 August 2023 were:

	2023	2022
	£	£
Cash	-	-
Debtors	-	-
Creditors	-	-
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

12. TANGIBLE FIXED ASSETS	Freehold land and buildings	Furniture	Computer	Motor vehicles	Building, studios & theatre	Assets under construction	Total
	£	£	£	£	£	£	£
Cost or deemed cost							
At 1 September 2022	6,600,000	2,037,678	664,298	30,228	15,726,138	241,840	25,300,182
Additions	-	111,340	7,317	-	35,886	-	154,543
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2023	6,600,000	2,149,018	671,615	30,228	15,762,024	241,840	25,454,725
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation							
At 1 September 2022	1,563,512	1,645,392	591,265	18,382	1,726,186	241,840	5,786,577
Depreciation charge for the year	96,999	120,610	45,677	3,843	472,712	-	739,841
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2023	1,660,512	1,766,001	636,943	22,224	2,198,898	241,840	6,526,418
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Book Value							
At 31 August 2023	4,939,489	383,016	34,673	8,003	13,563,126	-	18,928,307
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2022	5,036,488	392,286	73,033	11,846	13,999,952	-	19,513,605
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

13. INVESTMENTS

	2023	2022
	£	£
Fair value brought forward at 1 September 2022	1,275,546	1,409,441
Loss on revaluation of investments	(11,308)	(133,895)
	<u>1,264,238</u>	<u>1,275,546</u>
Fair value as at 31 August 2023	<u><u>1,264,238</u></u>	<u><u>1,275,546</u></u>

14. DEBTORS

	2023	2022
	£	£
Trade debtors	2,380,996	2,201,437
Prepayments	219,682	232,956
Other debtors	273,992	189,913
	<u>2,874,670</u>	<u>2,624,306</u>
	<u><u>2,874,670</u></u>	<u><u>2,624,306</u></u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

15. CREDITORS: amounts falling due within one year

	2023	2022
	£	£
Bank loan	409,708	398,131
Trade creditors	221,784	316,781
Other creditors	1,566,789	1,547,424
Accruals	511,347	233,883
Deferred income	3,328,776	3,270,803
	<u>6,038,404</u>	<u>5,767,022</u>

Included within other creditors is an amount of £139,300 (2022: £133,474) relating to taxes and social security.

	2023	2022
	£	£
ANALYSIS OF DEFERRED INCOME		
At 1 September 2022	3,270,803	3,329,300
Released to income in the year	(3,270,803)	(3,329,300)
Deferred in the year	3,328,776	3,270,803
At 31 August 2023	<u>3,328,776</u>	<u>3,270,803</u>

Deferred income consists of fees income received in advance.

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

16. CREDITORS: amounts falling due in more than one year	2023	2022
	£	£
Bank loan	5,584,337	5,979,075
Wholly repayable within five years	2,109,508	2,109,508
Wholly repayable within more than five years	3,884,537	4,267,698
	5,994,045	6,377,206
Less: Included in current liabilities	(409,708)	(398,131)
Amounts included above	5,584,337	5,979,075

There are two 15 year loans with Lloyds Bank plc secured by a charge over the assets of the Charity. One loan for £6,000,000 is at a fixed rate of 2.97% the second for £1,000,000 is at a rate of the Bank of England base rate plus 2.2%. These loans were made available to provide funding for the new studio block that was completed in November 2020.

17. ACCUMULATED FUNDS

	Opening Fund 2023 £	Income 2023 £	Expenditure 2023 £	Transfers 2023 £	Gains & losses 2023 £	Closing Funds 2023 £
Unrestricted general funds	7,259,064	11,013,667	(10,973,084)	340	-	7,299,087
- revaluation reserve	4,020,000	-	-	-	-	4,020,000
Designated reserves						
- bursaries	188,110	-	-	-	-	188,110
Total unrestricted funds	11,467,174	11,013,667	(10,973,084)	340	-	11,508,097
Restricted funds	3,031,195	222,547	(359,418)	(340)	-	2,893,984
Endowment funds	1,213,260	-	-	-	(11,308)	1,201,952
Total funds	15,711,629	11,236,214	(11,332,502)	-	(11,308)	15,604,033

The general fund is the unrestricted reserves after allowing for all designated funds. The designated fund has been set up for the provision of bursaries.

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

Comparative analysis

	Opening Funds 2022 £	Income 2022 £	Expenditure 2022 £	Transfers 2022 £	Gains & losses 2022 £	Closing Funds 2022 £
Unrestricted funds						
- general funds	6,802,269	10,791,780	(10,443,773)	108,788	-	7,259,064
- revaluation reserve	4,020,000	-	-	-	-	4,020,000
Designated reserves						
- bursaries	188,110	-	-	-	-	188,110
	<u>11,010,379</u>	<u>10,791,780</u>	<u>(10,443,773)</u>	<u>108,788</u>	<u>-</u>	<u>11,467,174</u>
Total unrestricted funds						
Restricted funds	3,245,304	261,473	(366,794)	(108,788)	-	3,031,195
Endowment funds	1,347,155	-	-	-	(133,895)	1,213,260
	<u>15,602,838</u>	<u>11,053,253</u>	<u>(10,810,567)</u>	<u>-</u>	<u>(133,895)</u>	<u>15,711,629</u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds 2023 £	Revaluation Reserve 2023 £	Designated Reserves 2023 £	Restricted Funds 2023 £	Endowment Funds 2023 £	2023 Total £
Tangible fixed assets	12,593,060	4,020,000	-	2,315,247	-	18,928,307
Investments	-	-	-	62,286	1,201,952	1,264,238
Net current assets	291,264	-	188,110	516,451	-	995,825
Long Term Liability	(5,584,337)	-	-	-	-	(5,584,337)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2023	<u>7,299,987</u>	<u>4,020,000</u>	<u>188,110</u>	<u>2,893,984</u>	<u>1,201,952</u>	<u>15,604,033</u>

**Comparative
Analysis**

	General Funds 2022 £	Revaluation Reserve 2022 £	Designated Reserves 2022 £	Restricted Funds 2022 £	Endowment Funds 2022 £	2022 Total £
Tangible fixed assets	13,040,592	4,020,000	-	2,453,013	-	19,513,605
Investments	-	-	-	62,286	1,213,260	1,275,546
Net current assets	197,547	-	188,110	515,896	-	901,553
Long Term Liability	(5,979,075)	-	-	-	-	(5,979,075)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2022	<u>7,259,064</u>	<u>4,020,000</u>	<u>188,110</u>	<u>3,031,195</u>	<u>1,213,260</u>	<u>15,711,629</u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

19. ANALYSIS OF MOVEMENTS IN RESTRICTED FUNDS:

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfer £	Balance at 31 August 2023 £
ALW Foundation	2,453,013	-	(137,766)	-	2,315,247
The ArtsEd Student Fund	36,175	-	(8,498)	-	27,677
The ArtsEd Scholarship Fund	3,807	62,788	(55,600)	-	10,995
Bursary fund	20,566	-	-	-	20,566
Capital campaign	397,872	-	-	-	397,872
Chris Hornby Fund	5,182	4,404	(2,500)	-	7,086
The CMF Scholarship Fund	1,085	-	-	-	1,085
Guildford Academic Associates	1,327	-	-	-	1,327
Leverhulme Trust	1,088	94,812	(99,544)	3,644	-
Restoration levy	40,778	-	-	-	40,778
Spencer Will Trust	2,338	-	(1,247)	-	1,091
TAP	7,404	232	-	-	7,636
Graham Martin Memorial	6,811	300	(3,000)	-	4,111
Excellence Award	23,463	38,000	(47,530)	-	13,933
Friends Giving	22,569	22,011	-	-	44,580
The Green Roof Fund	7,717	-	(3,733)	(3,984)	-
	<u>3,031,195</u>	<u>222,547</u>	<u>(359,418)</u>	<u>(340)</u>	<u>2,893,984</u>

- The Andrew Lloyd Webber Foundation donated £3.5million to the Schools to fund a major refurbishment project. The funds were received in the three years ended 31 August 2012, 2013 and 2014. The money was spent to improve four key areas: the main theatre, costume storage, the film and television studios and disabled facilities. At the end of October 2013 when the work was virtually complete, the expenditure was transferred to fixed assets and from that date is being depreciated and included under expenditure.
- The ArtsEd Student Fund- This was set up to accommodate student hardship.
- The ArtsEd Scholarship Fund is used to provide scholarships.
- The Bursary Fund is used to provide bursaries.
- The Capital Campaign is used to help fund the project build.
- The Chris Hornby Fund was created to award an annual scholarship to a Musical Theatre student.
- The CMF Charitable Trust donated towards a scholarship for a Musical Theatre student.
- Leverhulme Trust made a donation for the provision of higher education bursaries (a transfer from the general fund was made to subsidise bursaries funded by the Trust).
- The donation from Guildford Academic Associates is for a bursary fund for the Musical Theatre students.
- The restoration levy is £1 charge on every box office ticket which goes towards maintenance of the building.
- The Spencer Will Trust donated £5,000 towards equipment for the Film and TV department.
- The TAP fund consists of donations made to the Charity by the Day School and Sixth Form parent's association, to be applied towards hardship purposes.
- Excellence Award: a donation of £1,000,000 was made in 2015-16 which is to be used to provide awards for exceptionally talented Musical Theatre students.
- The Graham Martin Memorial Fund is a bursary fund for HE students.
- The Friends Giving fund is a bursary fund for HE students.
- The Green Roof Fund has been set up to help finance the new green roof (following the completion of the roof a transfer of the fund was made towards capital costs incurred from the general fund).

THE ARTS EDUCATIONAL SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 AUGUST 2023

20. ANALYSIS OF MOVEMENTS IN ENDOWMENT FUNDS:

	Balance at 1 September 2022	Income	Expenditure	Gains and losses	Balance at 31 August 2023
	£	£	£	£	£
Musical Theatre bursary fund	1,213,260	-	-	(11,308)	1,201,952
	<u>1,213,260</u>	<u>-</u>	<u>-</u>	<u>(11,308)</u>	<u>1,201,952</u>

*Comparative
Analysis*

	Balance at 1 September 2021	Income	Expenditure	Gains and losses	Balance at 31 August 2022
	£	£	£	£	£
Musical Theatre bursary fund	1,347,155	-	-	(133,895)	1,213,260
	<u>1,347,155</u>	<u>-</u>	<u>-</u>	<u>(133,895)</u>	<u>1,213,260</u>

21. CAPITAL COMMITMENTS

At 31 August 2023, capital expenditure contracted for but not provided in these accounts amounted to nil (2022: £nil).

THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

25. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE 2022 FINANCIAL YEAR

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Endowment Funds 2022 £	Total Funds 2022 £
INCOME FROM:					
Donations and legacies	2	90,000	223,473	-	313,473
Charitable activities					
Fee income	3	10,066,444	-	-	10,066,444
Other income	4	633,419	-	-	633,419
Investment income		1,917	38,000	-	39,917
TOTAL INCOME		10,791,780	261,473	-	11,053,253
EXPENDITURE ON:					
Raising funds		(85,942)	-	-	(85,942)
Charitable activities		(10,357,831)	(366,794)	-	(10,724,625)
TOTAL EXPENDITURE	5	(10,443,773)	(366,794)	-	(10,810,567)
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT (LOSSES) / GAINS		348,007	(105,321)	-	242,686
Net (losses)/gains on investments		-	-	(133,895)	(133,895)
NET INCOME/ (EXPENDITURE) BEFORE TRANSFERS		348,007	(105,321)	(133,895)	108,791
Transfers		108,788	(108,788)	-	-
NET MOVEMENT IN FUNDS		456,795	(214,109)	(133,895)	108,791
Funds brought forward at 1 September		11,010,379	3,245,304	1,347,155	15,602,838
TOTAL FUNDS AT 31 AUGUST		11,467,174	3,031,195	1,213,260	15,711,629

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

**26. COMPARATIVE ANALYSIS OF MOVEMENTS IN RESTRICTED FUNDS FOR THE 2022
FINANCIAL YEAR:**

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfer £	Balance at 31 August 2022 £
ALW Foundation	2,590,779	-	(137,766)	-	2,453,013
The ArtsEd Student Fund	61,324	674	(5,823)	(20,000)	36,175
The ArtsEd Scholarship Fund	780	83,462	(100,435)	20,000	3,807
Bursary fund	20,546	20	-	-	20,566
Capital campaign	397,872	-	-	-	397,872
Chris Hornby Fund	4,771	2,911	(2,500)	-	5,182
The CMF Scholarship Fund	1,085	-	-	-	1,085
Guildford Academic Associates	1,327	-	-	-	1,327
Leverhulme Trust	1,088	80,916	(80,916)	-	1,088
Restoration levy	35,036	5,742	-	-	40,778
Spencer Will Trust	3,585	-	(1,247)	-	2,338
TAP	3,260	4,144	-	-	7,404
Graham Martin Memorial	5,808	4,003	(3,000)	-	6,811
Excellence Award	20,570	38,000	(35,107)	-	23,463
Friends Giving	-	22,569	-	-	22,569
The Green Roof Fund	97,473	19,032	-	(108,788)	7,717
	<u>3,245,304</u>	<u>261,473</u>	<u>(366,794)</u>	<u>(108,788)</u>	<u>3,031,195</u>

Please refer to note 19 for details of each of the restricted funds.

THE ARTS EDUCATIONAL SCHOOLS

England & Wales - Charity number 311087

Accounts

THE ARTS EDUCATIONAL SCHOOLS
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

Company Number: 00712444
Registered Charity Number: 311087

**THE ARTS EDUCATIONAL SCHOOLS
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

CONTENTS	Page
Patrons, Governors, Officers and Advisors	1
Trustees' report	3
Statement of corporate governance & internal control	20
Independent auditor's report	22
Consolidated statement of financial activities	25
Consolidated balance sheet	26
Charity balance sheet	27
Consolidated cash flow statement	28
Notes to the consolidated financial statements	29

**THE ARTS EDUCATIONAL SCHOOLS
PATRONS, GOVERNORS, OFFICERS AND ADVISORS
FOR THE YEAR ENDED 31 AUGUST 2022**

President Lord Lloyd-Webber

Vice Presidents Robert Powell
David Grindrod
Sharon D Clarke

Patrons and Artistic Creatives	Don Black, OBE	Mary King
	Sir Matthew Bourne, OBE	Nigel Lilley
	John Brant	Lynette Linton
	Chrissie Cartwright	Robert Lindsay
	Anthony Cherry	Lesley Manville
	Bill Deamer	Stephen Mear
	Janie Dee	Sir Trevor Nunn
	Mike Dixon	Arlene Phillips
	Anthony Drew	Mark Shenton
	Nigel Havers	George Stiles
	David Howe	Ian Talbot
	Rachel Kavanaugh	Roy Williams

The Governors and Trustees

Brian Brodie (appointed 21 June 2022)	David Ian (resigned 21 June 2022)
Mark Burch (resigned 7 February 2022)	Brenlen Jinkens
Jaqueline Brunjes	Nicholas La Barrie (resigned 2 February 2022)
Sandra Cahill (resigned 21 June 2022)	Joanna Macdonnell (appointed 21 June 2022)
Ann Cottis	Diana Maine (resigned 21 June 2022)
Stephen Denyer	Farida Mannan (appointed 5 January 2022)
Cherry Dickins (appointed 12 July 2022)	Robert Mathieson
Simon Dowson-Collins (appointed 21 June 2022)	Guy Mullin-Henderson
Clare Ferguson (resigned 21 June 2022)	Ruth Mundy
Benjamin Gudgeon (appointed 21 June 2022)	Jennifer Wilkinson (appointed 21 June 2022)

Members of the Trust *

Ian Biller	Prue Gee	Robert Powell
Martin Bishop	David Grindrod	Robert Pritchett
Rosemarie Breitenstein	Dorothy Ind	Joyce Rae
Judy Bristow	Geoffrey King	Sue Rose
Doreen Brown	Peter Kyle OBE	Jane Seymour
The Duchess of Buccleuch	Maggie Lee	John Shuffrey
Vanessa Cameron, MBE	Ruth Leon	Diane Yeo
Coralyn Canfor-Dumas	Cherie Lunghi	
Emma Cherniavsky	Kenneth May	
Martin Clunes	Terry Molloy	
Penny Deben	Mike Morris	
Graham Elton	Muriel Pilkington	
Maria Friedman	Babs Powell	

*Note: Following an amendment to the Articles of Association on 21 June 2022 all Members of the Trust listed above ceased to be members from 21 June 2022.

**THE ARTS EDUCATIONAL SCHOOLS
PATRONS, GOVERNORS, OFFICERS AND ADVISORS
FOR THE YEAR ENDED 31 AUGUST 2022**

Officers

Principal

Dr. Julie Spencer

Company Secretary

Michael Stewart (resigned 7 February 2022)
Alexander Gillespie (appointed 7 February 2022)

Registered office

Cone Ripman House
14 Bath Road
London
W4 1LY
Website: www.artsed.co.uk

Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Bankers

Lloyds Bank Plc
St Mary's Court
100 Lower Thames Street
London
EC3R 6HX

Insurance brokers

Marsh Limited
Education Practice
Capital House
1-5 Perrymount Road
Haywards Heath
West Sussex
RH16 3SY

REFERENCE AND ADMINISTRATIVE INFORMATION

The Arts Educational Schools ('the Trust' or 'ArtsEd') is a company limited by guarantee not having a share capital (company number 0712444) and is registered as a charity (registered charity number 311087). The Trustees, Members of the Trust (until 21 June 2022, when all Membership ceased) and executive officers of the Charity are as listed on pages 1 and 2. Particulars of the Trust's registered office which is also the main place of business and details of the professional advisers are given on page 2.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Trust is governed by its Memorandum of Association dating from 1962 and last amended in 2022.

Method of Recruitment and Appointment of Trustees

The Trustees of the Charity are the Trust's directors for the purposes of the Companies Act.

In accordance with the Articles, the Trustees of ArtsEd may recommend individuals to be appointed as new Trustees and the Members (i.e. those who are "Members" for the purposes of company law as set out in the Articles) can also nominate individuals. Candidates are interviewed, and if appropriate put forward for election by the Trustees. The new Trustees are then appointed at the Annual General Meeting. In practice the Board will encourage the Principal, and other connected parties to suggest the names of potential candidates.

The Board carries out regular reviews and skills audits to identify the appropriate mixture of skills and experience required to manage the multi-faceted affairs of ArtsEd which is also a registered charity, a company limited by guarantee, a medium sized business, and a local employer with over 100 employees.

We devote a good deal of thought to successor planning and keep a register of the mixture of skills and professional backgrounds represented on the Board. Our aim is to achieve a balanced Board with a core of individuals with educational, legal, accountancy, finance, property management, business, marketing and performing arts industry backgrounds. We review this balance regularly.

Our Articles specify that there should be a minimum of 5 and a maximum of 15 Trustees on our Board.

Trustees may serve up to three terms of three years and shall serve for no more than nine years.

The current Trustees are:

Brian Brodie	(appointed 2022)	Elected June 2022
Jacqueline Brunjes	(appointed 2017)	Re-elected April 2020
Ann Cottis	(appointed 2017)	Re-elected April 2020
Stephen Denyer	(appointed 2019)	Elected June 2019
Cherry Dickins	(appointed 2022)	Elected July 2022
Simon Dowson-Collins	(appointed 2022)	Elected June 2022
Benjamin Gudgeon	(appointed 2022)	Elected June 2022
Brenlen Jinkens	(appointed 2017)	Re-elected April 2020
Joanna MacDonnell	(appointed 2022)	Elected June 2022
Farida Mannan	(appointed 2022)	Elected June 2022
Robert Mathieson	(appointed 2017)	Re-elected April 2020
Guy Mullin-Henderson	(appointed 2014)	Re-elected March 2021
Ruth Mundy	(appointed 2021)	Elected March 2021
Jennifer Wilkinson	(appointed 2022)	Elected June 2022

Policies and Procedures adopted for the induction and training of Trustees

All new Trustees are given a tour of the school and the chance to meet staff and students. All Trustees are provided with copies of the policies, procedures, minutes, accounts, budgets, plans, an induction pack and any other documents they need to undertake their role as Trustees. Trustees are encouraged to attend training courses and seminars arranged by the Association of Governing Bodies of Independent Schools (AGBIS) and other professional providers, such as law and accountancy firms in order to reinforce their awareness of their varied duties and responsibilities. Trustees also receive training on KCSIE and Prevent.

Organisational Management

The Trustees are legally responsible for the overall management and control of the Schools and meet at least three times a year. The day-to-day responsibilities are delegated to the Principal. The Board has six sub-committees which meet as follows:

- The Finance Committee meets four times a year to review financial operations.
- The Facilities Committee meets three times a year to review IT and building facilities.
- The Development Committee meets three times a year to review development and funding opportunities.
- The Day School Sixth Form Committee meets at least once per term to review governance of the School.
- The Higher Education Committee meets at least once per term to review all HE Programme
- The EDI Committee meets at least once per term to review our EDI initiatives.

During the year a review of the committee structure was undertaken, which included consideration of the role and responsibilities delegated to each sub-committee; and a consideration of the terms of reference and membership of each committee. This work will conclude in 2022-23.

In addition, a Project Board oversees and reports on delivery of capital projects. The Project Board advises on proposals for improvements, alterations, and refurbishment in the redevelopment of the ArtsEd campus. All meetings of the Trustees are attended by the Principal together with other senior staff as may be required for that meeting. Specially convened meetings of staff and Trustees are arranged from time to time on topics of strategic interest. Trustees often attend performances and meetings with external partners.

Membership of the Trust

During the year the Trust had 47 members. We should like to thank those members of the Trust who have actively supported the School during the year. Following the adoption of the amended Articles of Association on 21 June 2022, all Membership of the Trust ceased from that date.

Schools Structure

ArtsEd comprises the Day School (Day School for 11-16 and Sixth Form for 16-18), the School of Musical Theatre and the School of Acting. In addition, ArtsEd Extra offers provision to the local community. These departments are supported by the Finance, Facilities, HR, Production, Academic Management, Communication and Development teams and other administrative and support services.

Senior Leadership Board

The Senior Leadership Board for the year ended 31 August 2022 comprised:

- Julie Spencer, Principal (Interim Principal until 24 April 2022, Principal from 25 April 2022)
- Yewande Akindele, Deputy Principal (appointed 1 November 2021)
- Matthew Bulmer, Headteacher (appointed 1 January 2022)
- Frank Daniel, Facilities Manager
- Alexander Gillespie, Finance Director (appointed 31 January 2022)
- Nick Granville, IT Manager
- David Grindrod, Executive Director (appointed 1 September 2021)
- Jonathan O'Boyle, Director – School of Musical Theatre (appointed 1 November 2021)
- Cheryl Jarman, HR Manager (resigned 31 July 2022)
- Sue Sandle, Director of Development
- Di Stedman, Production Manager (resigned 28 February 2022)
- Michael Stewart, Finance Director (until 31 January 2022)
- Kim Vithana, Director – School of Acting (appointed 1 September 2022)

Pay Policy for Senior Staff

The Trustees consider that they, together with the Senior Leadership Board, comprise the Key Management Personnel. The Trustees give of their time freely. Annual salary increases for all staff are approved by the Finance Committee. The pay and remuneration of the Principal and senior staff is kept under annual review. A number of criteria are used in setting pay:

- nature of the role and responsibilities
- competitor salaries in the region
- the sector average salary for comparable positions
- trends in pay.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The objects for which the Trust is established are to promote the advancement of education and in connection therewith in particular to acquire, establish, provide, conduct, and carry on residential and non-residential schools in which children and students may receive a general education in conjunction with a specialised education for students desiring to follow a career in or connected with the performing arts.

Aims and intended impact

ArtsEd's aim is to provide a first-class education through strong vocational and general education and through developing wider artistic and social skills in all its pupils and students. Each pupil or student is encouraged to develop and fulfill his or her potential, promoting self-confidence and desire to contribute to the wider community.

Objectives and Activities

ArtsEd's mission is to deliver successful and fulfilling careers for all our students and staff. This mission is at the core of all decision making and ensures that students and staff are central to strategic planning.

Strategic Aims

- Provide outstanding education and training
- Widen participation and encourage a diverse student intake
- Exploit our growing reputation
- Increase our emphasis on staff development and engagement
- Foster a culture of philanthropy
- Develop the building and its facilities to enhance the student experience
- Sustain the financial health of the Schools while allowing for investment in new initiatives

Key Strategic Objectives

- To provide exceptional learning opportunities that enable all pupils and students to realise their individual potential
- To recruit, develop and retain outstanding academic and professional staff
- To review the delivery and relevance of all our education and training
- To evaluate how student development and achievement is enabled through robust quality assurance and enhancement
- To provide excellent pastoral care
- To market ArtsEd as the destination of choice for a successful and fulfilling education and career
- To develop our distinctive brand identity as the leading force in Musical Theatre training
- To continue to maintain strong relationships with the industry
- To retain and progress talented staff through development, staff wellbeing and performance management, to enable them to realise their full potential
- To build philanthropic and public support for student scholarships, the Student Support Fund and the capital campaign
- To provide facilities that are fit for purpose, through effective maintenance and refurbishment programmes, space planning and facilities management
- To achieve the required level of operational surplus to meet ongoing investment requirements and provide contingency against unanticipated adverse developments
- To achieve maximum cost efficiency and value for money in all operations
- To sustain our cash flow and liquidity
- To monitor fee levels across the sector to ensure that we remain competitive

PUBLIC BENEFIT

The Trust provides a public benefit by providing first class independent education and vocational training, both through strong teaching and through developing wider artistic and social skills in all its pupils and students. This is intended to provide an environment where each student can develop and fulfil his or her potential, thus to help build self-confidence and inculcate a desire to contribute to the wider community.

Grants and bursaries, provided by the Trust, enable those who cannot afford to pay the full fees, to benefit from an ArtsEd education. Students are also able to apply for the Dance and Drama Award (DaDA) scheme which is provided by the Education and Skills Funding Agency. This allows the most talented students from a broad range of backgrounds to benefit from the training which ArtsEd offers.

The school encourages the local community to hire the Andrew Lloyd Webber Foundation theatre and other spaces for their own activities.

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2022**

In addition to the above, ArtsEd have hosted or attended the below events:

- Audition fee waivers are available to applicants from disadvantaged backgrounds.
- The Principal has given free advice on teacher training.
- School continued to work as affiliate drama school to Rising Waves, a free mentoring scheme for artists and creative practitioners of British East and South East Asian heritage.
- The Day School has held a cross-curricular day with local schools and communities
- The School gave free use of its theatre to the Chiswick Book Festival
- The School gave free use of its facilities to the Bedford Park Society
- The Day School performed at and supported the Bedford Park Festival
- Students performed for residents at a local Age Concern Day Centre
- ArtsEd hosts Dynamic Piano Lessons, which offers lessons to local children with dyslexia and/or autism.

The Trustees have given consideration to the Charity Commission's general guidance on public benefit, and in particular to its supplementary public benefit guidance on advancing education, and have concluded:

- that there are clearly identifiable benefits from the Schools' work which relate directly to their aims as set out above;
- there is no significant detriment flowing directly from the Schools' work which we consider needs to be balanced against those benefits;
- that the benefits which the Schools provide are widely available to the public.

REGULATORY COMPLIANCE

The summary of the external investigation undertaken by Rebecca Tuck QC (in June 2021) into allegations of historic misconduct, and the subsequent announcement by the Board of Trustees were published on 22 October 2021 and are available on the ArtsEd website. The report contained a range of recommendations in response to the conclusions of the report which related over a number of years to the HE Musical Theatre activity. The Trustees at a meeting on 20 October 2021 agreed an action plan which was summarised in the Trustees' announcement. This plan included reviews of policy and procedures, employment of an external governance adviser to review Board governance, a review of HE well-being and enhanced HE staff training with an external review of the implementation of the action plan.

In the announcement of 22 October the Chair stated "The Board of Trustees is ultimately responsible for the conduct of the staff, freelancers and visiting creatives, and on behalf of ArtsEd, I am deeply sorry. However I am confident that these robust measures are necessary and will deliver the change that is required". The Trustees and the Senior Leadership Board remain committed to ensuring that all recommendations from the external investigation and the subsequent work undertaken are embedded in ArtsEd's strategic and operational plans."

Foundational work commenced immediately upon the completion of the report. An institutional restructuring of safeguarding procedures was undertaken, alongside the review and roll out of training for all staff and Trustees. A policy review working group was established to assist the institution with its policy reviews. In March 2022 an external governance adviser completed a review of the Trust's governance. The outcome of this review has had a profound effect on our operations. A 12-month action plan to address the recommendations from this review was subsequently approved by the Trustees, which focussed on 10 key themes:

1. Articles of Association
2. Membership of Committees

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2022**

3. Annual Assurance
4. Governance and Management
5. Committee Administration
6. Mapping Governance and Regulatory Codes and guidance
7. Committee Structure Review
8. Development and Training
9. Review
10. Resources

ArtsEd commenced and completed work in a number of areas in 2021/22 in response to these recommendations. A Clerk was appointed to the Board and in June 2022 the Trust adopted its amended Articles of Association, to include public interest governance principals, which amongst other amendments will help ensure on-going compliance with the OFS regulatory framework and the requirements of our other regulators. The amended articles also give greater clarity with regards the role of the Higher Education Committee and the DSSF Governors within ArtsEd's governance structure.

Other projects that commenced and are expected to conclude over the following 12 months include:

- A review of the makeup of the Board of Trustees, in particular the skills mix of the Trustees. As part of this review, Trustees will self-classify their individual skills.
- A review of the subcommittees that support the Board of Trustees, to help ensure that the Board of Trustees is best supported in its decision making and that each subcommittee is appropriately staffed and represented from a Trustee and senior management perspective. Part of this work will also involve a review of the terms of reference of each committee in the new structure, and the adoption of a clear framework of delegation of responsibilities.
- A consideration of annual assurance, to help ensure and confirm that the Trustees receive appropriate and timely information from each subcommittee, and that the key actions and outcomes from each subcommittee are reported to the Trustees in a timely and effective manner.
- Continued engagement between the Trustees and the SLB, through regular meetings between the Principal and the Chair of the Trustees, and through meetings between the Chair of the Trustees and the SLB members, both individually and collectively.
- The on-going review and mapping of ArtsEd's governance structure, delegation of responsibilities, and processes in accordance with the requirements of OFS and other applicable regulatory frameworks as these frameworks and requirements evolve.

In addition, throughout 2021/22, a comprehensive review and update of all policies and procedures was undertaken, with the aim of providing clarity of expectations to staff and Trustees, so that each individual is accountable for their actions in the context of the defined policies. The updated policies have been published on our website. Training has been provided to relevant staff, to support the effective implementation of the policies.

A comprehensive review of training was undertaken, with the institution given sufficient resource available for training, to enable staff and Trustees to effectively undertake their duties with a broader and deeper understanding of the requirements of the institution, the regulators, and expectations of key external stakeholders.

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2022**

STRATEGIC REPORT

**REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR
Student and Pupil numbers**

	2021/2022	2020/2021
Applications received		
Musical theatre (3 year BA)	1,310	1,403
Acting (3 year BA)	838	883
Acting (1 year MA)	282	287
Applicants auditioned		
Musical theatre (3 year BA)	1,110	1,152
Acting (3 year BA)	764	771
Acting (1 year MA)	244	253
New student intake		
Musical theatre (3 year BA)	54	54
Acting (3 year BA)	32	32
Acting (1 year MA)	29	28
Total students (at year end)		
Musical theatre	187	188
Acting	145	156
Total	332	344
Pupils (including "A" Level)		
Applications	284	252
Offers	201	180
Acceptances	107	116
Total number of pupils at year end	<u>312</u>	<u>294</u>

ArtsEd continues to maintain high standards across its range of activities and to sustain stable pupil and student numbers and these are more fully described for each of the schools below.

The Trustees would like to thank all staff members for the continuing success of ArtsEd, for achieving such excellent academic results and for the continued stability in the financial results.

DAY SCHOOL AND SIXTH FORM

We are extremely proud of our GCSE, A-Level and BTEC examination results, and credit goes to the hardworking and dedicated staff.

It is important to emphasise that as a school we do not select on academic ability, but we have always been confident that our small class sizes, our positive and supportive pupil/teacher relationships and our robust curriculum enable pupils of all abilities to achieve to a very high level. This year's results underline that these features of ArtsEd are continuing to empower and equip our pupils to surpass expectations. The value-added tables will be released later this year but with a VA score of +1.5 again (comparing to 2019, the last meaningful set of data) it is likely that we will have outperformed our nearest competitors once again.

GCSE RESULTS

In terms of educational progress and attainment the actual results achieved by the Year 11 cohort in their GCSEs were compared to their predicted results according to the CAT (cognitive ability test) data supplied by GL Learning, which is a nationally recognised provider of educational statistics.

The new 'Headline' Measure is:

Progress 8 = **+1.47**

Overall the pupils did exceptionally well, 51% of our results were 7+ (or an A/A*, in old money). CATs had predicted that to be 1.2%.

We are pleased to report that all our pupils have gone on to study A Level or BTEC courses at their first-choice colleges or schools - including ArtsEd Sixth Form.

In the core subject areas of Maths and English, it is important to note that the results exceeded the CAT predictions by nearly 80%.

A LEVEL RESULTS

The students achieved a 100% pass rate with 42% of all grades achieving an A* or A, and 86% achieving A*-C, which is significantly above the national average.

When combined with our BTEC results, 95%, all results were A*-C or equivalent, which cements our position as the most academically successful performing arts school in the U.K.

BTEC RESULTS

Our BTEC cohort succeeded in achieving an outstanding set of results with **100%** securing a Triple Distinction*/ Distinction combination (equivalent to 3 A*/A grades at A level) with **73%** securing **Triple Distinction*** (equivalent to 3 A*s).

HIGHER EDUCATION DESTINATIONS

This year the majority (58%) of our Year 13 students wanted to carry on with vocational training at specialist conservatoires, and they secured places to study courses in Acting, Dance, Musical Theatre and Visual Arts in some of the most prestigious institutions in the UK and overseas.

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2022**

ArtsEd; GSA; LAMDA; Mountview; Trinity Laban; The Royal Central School of Speech and Drama; Rose Bruford; LIPA; PPA; Emile Dale; Laine Theatre Arts; Courtyard Theatre; Rambert; Performers; Oxford School of Drama; Urdang and London Studio Centre.

17% of our students have chosen to attend universities such as Sussex, Warwick, Nottingham, Chichester, Falmouth, Bristol, Bath University to study Politics and Leeds Arts University. We have a student at Royal Central School of Speech and Drama studying Costume Construction and a student at Solent University in Southampton studying Film Production. This demonstrates our commitment to supporting and encouraging all our students as individuals to continue learning and to pursue their personal ambitions. We have students at Cambridge, Oxford and the Ivy League.

16% of our students have gone straight into work.

9% took a gap year.

POST-18 PROVISION

As one of the UK's leading centres of conservatoire education, ArtsEd is proud of its reputation as a provider of world-class, contemporary training. Our Musical Theatre course is consistently recognised as the best in the UK, and one of only a handful which can genuinely claim to produce 'triple threat' performers. Our 3-year Acting course is leading the way in delivering a robust, inclusive, skills-based actor training, focusing on new thinking in response to the rapidly evolving world of the arts and culture. Applications for the Acting course have significantly increased to nearly 900 in 2022/23.

Based on a range of evidence, including graduate destinations, external reports, feedback from students and industry professionals, annual evaluation, and internal self-assessment, we believe our overall effectiveness to be outstanding. We report a variety of statistical data to the Higher Education Statistics Agency (HESA) including for the Destination of Leavers from Higher Education survey, which calculated that 100% of our graduates go on to work or further study.

Our graduate destinations are outstanding. Each year ArtsEd graduates can be seen performing in commercial theatres in the West End and on tour, as well as appearing in television dramas and feature films.

A number of regulatory, accrediting and validating bodies have oversight of our provision (both HE and FE), and reports from these provide assurance of the quality and relevance of our provision:

- Extremely positive reports from Trinity and graduate outcomes have confirmed DaDA funding for 2023/24.
- Initial TEF (Teaching Excellence Framework) results has placed ArtsEd above the benchmarks.
- The National Student Survey (NSS) 2022 ArtsEd students rated us 85.5% for overall satisfaction in comparison to 76.3% sector wide.
- We are accredited by the Council for Dance, Drama and Musical Theatre.
- We are a founder member of the Federation of Drama Schools.
- Our provision meets the guidelines set by Equity and Spotlight for conservatoire training.

We can therefore be confident that our content and our curricula remain relevant, the standards of teaching and learning remain very high, with high expectations for what all learners can achieve, and that our education and training provides each student with the best possible preparation for a successful and fulfilling career.

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2022**

The school continues to attract highly skilled and expert practitioners with a wealth of relevant subject knowledge to teach at ArtsEd, both as regular tutors and visiting creatives. In Year 1 the majority of teaching is undertaken by core in-house staff to encourage confidence, generosity to the ensemble, and to allow students the time and support to develop a broad range of technical skills before testing them against industry standards. As the courses progress, through projects, public productions and professional practice modules, students are introduced to a wide range of practitioners, directors and creatives, including leaders in their field as well as emerging artists. The experience of working with these people develops students' skills and confidence and allows them to build up a broad portfolio of professional contacts in preparation for entry to the industry. This combination of rigorous technical training from in-house staff, and the experience of working with a huge variety of industry professionals, is a key strength of teaching and learning at ArtsEd.

ArtsEd is noted in the industry for our success in attracting and retaining a particularly diverse student body, over one third of our students come from Black, East Asian, South Asian, and other under-represented Ethnic groups. We continue to address under-representation and lack of diversity in UK drama schools in our student population, permanent staffing and the creative practitioners we bring in to work with us. We are committed to maintaining our strength in this area, improving diversity of all kinds over the coming years.

Our commitment to inclusivity is apparent in a warm and welcoming environment, with a strong attention on the development of the individual. The pastoral care that is a core aspect of our provision is rooted in the expertise of our staff and is driven by the belief that a person's wellbeing is core to their success. Training is undertaken each year to update and allow us to critically reflect on our provision and practices. Extensive performance experience gives staff an understanding of the rigours and demands of the industry and the ability to inspire resilience alongside expertise. This is an essential element in creating graduates who are confident, resourceful and committed performers, well prepared to enrich and influence the creative industries in the UK and beyond.

Diversity statistics

In September 2022 the School of Acting recorded an intake of **41%** Black, East Asian, South Asian, and other under-represented Ethnic groups. The School of Musical Theatre recorded an intake of **20%**. Overall, **29%** of the new intake of students are Black, East Asian, South Asian, and other under-represented Ethnic groups. It is an ongoing target to maintain and improve equality, inclusivity and diversity, and efforts are made at audition to recruit students from a diverse range of backgrounds and support them to succeed at the highest levels. We continue to explore how we can influence the intake in Musical Theatre, through targeted outreach and marketing strategies. Our commitment to diversity is demonstrated by the table below, which shows a positive trend over years, reflecting our efforts to attract talented students from a range of backgrounds to our post-18 courses.

New intake

% Black, East Asian, South Asian, and other under-represented Ethnic groups.

2022-23	29%
2021-22	41%
2020-21	30%
2019-20	37%
2018-19	29%
2017-18	23%
2016-17	21%
2015-16	20%
2014-15	18%

Wellbeing and Pastoral Care

The challenge of supporting the growing number of pupils and students with mental health difficulties is one faced by all education and training providers. Trustees are committed to supporting initiatives for continual improvement in pastoral care and have approved increased investment in support services and the promotion of wellbeing for all our students and staff. Our work in this area was acknowledged at the inaugural Industry Minds awards in September 2020, when ArtsEd was voted Institute of the Year for the work we do in pioneering and furthering mental and physical health in the creative arts. During Covid we offered online support with Togetherall.com, alongside offering access to a specialised counsellor and a nutrition and well-being officer. [We are currently reviewing provision with the support of an external expert as part of our action plan following the external investigation to ensure that we continue to respond to the needs of the students and staff.]

School of Musical Theatre

ArtsEd's Musical Theatre ("MT") department is regarded as the premier Musical Theatre school in the country, and one of only a handful which can genuinely claim a 'triple threat' training. Despite the continued impact of the Covid pandemic on the industry as a whole, ArtsEd's training remained rigorous and robust. Graduate shows in the 2021/22 season were back to in person audiences and were well received by industry professionals. For the second year running the MT showcase was filmed as showreels directed by Jonathan O'Boyle, who is the new Director of Musical Theatre (as of November 2021). The filmed showcase is positive outcome of the pandemic and will remain in the curriculum. Classes, tutorials, masterclasses, performance projects, assessments and rehearsals for final year productions were all back on site and in the classroom/rehearsal room.

Employability

Students continue to be well prepared for employment, both in the development of the key skills necessary for work in the profession, and in the development of understanding about the industry. They take part in regular mock and preview interviews and auditions, and the requirement to audition for roles in their final year productions and films gives students a real sense of what to expect when seeking professional work. Students benefit from an extensive programme of professional practice talks from agents, casting directors and actors on a range of subjects including how to start their own theatre company, how to manage their finances and taxes, how to develop their own work for television, how to market themselves and understanding their individual casting potential. These industry guests frequently cast and audition the students for professional productions.

Similarly, the policy of bringing West End casting directors to audition BA Musical Theatre whilst still in training continues to be highly successful and will continue for the forthcoming year.

2022 Graduates

This was a record-breaking year. 100% of students (51 students) secured an agent before graduating. As of October 2022, 75% of students gained employment within the first three months of graduating.

Destinations included West End Musicals and plays including: *Frozen*, *Moulin Rouge*, *Tina: The Musical*, *Back To The Future*, *Les Misérables*, *Mary Poppins*, *Grease*, *Hex*, *South Pacific*, *Pretty Woman*, *The Crucible*, *The Lion*, *The Witch* and *The Wardrobe* and *Cabaret*.

Regional theatre including: *Crazy For You* at Chichester Festival Theatre, *Mrs. Doubtfire* and *R&H's Cinderella* in Manchester, *Bake Off The Musical* at Cheltenham Theatre.

UK Tours including: *Girl From The North Country*, *Six The Musical*, *Strictly Ballroom*.

TV including: *Archie* (ITV). As well as European tours and further engagements (concerts and new writing workshops).

2021 Graduates

Over this reporting period, graduates appeared or were cast in *Pretty Woman: The Musical* (West End), *South Pacific* (Chichester Festival Theatre), *Hairspray* (London Coliseum), *Les Misérables* (West End), *The Magician's Elephant* (RSC), *The Addams Family* (UK Tour), *The Book of Mormon* (West End and UK Tour), *The Phantom of The Opera* (West End), *Back to the Future* (West End) and feature film *The Bog*.

School of Acting

Our School of Acting is one of the most diverse schools in the sector, from both a student and teacher stance. Its reputation has grown substantially. By decolonising and diversifying the curriculum, pedagogical approach and operational structures it has seen a meaningful cultural shift which has impacted positively on the wellbeing of both students and staff. This is highlighted in the increase of student applications which doubled at the end of the 2022/23 audition cycle. We offer an inclusive, diverse contemporary industry-facing programme, an exciting alternative to the traditional model of classical theatre training. The BA Acting course was the first to introduce intimacy training and British Sign Language embedded within the 1st Year curriculum, these strands are further developing to ensure that they weave through all year's training. We continue to develop cross curriculum and co teaching to enhance student experience and our TV Film delivery has been noted by screen industry professionals as the best drama school training provision. The success of last year's 2020 graduate original film *The Phoenix* continues this year with a BFI nomination for Best Original Short Film Script 2022. There is further success with our 2022 original films *Little Voices* has been shortlisted for best short film at the LA and New York Short Film festivals highlighting the exceptional training and opportunities offered to our BA Acting students.

Employability

ArtsEd facilitate a robust practical creative environment to facilitate students to progress into professional work in all genres. We bring stage and screen casting directors to audition Acting students whilst still in training which has started to bear fruit in students being cast for stage and screen. This addition, like our Musical Theatre course provides another indicator of the quality of standards on the programme. Despite the Arts still recovering from Covid we are proud our students continue to gain professional recognition and obtain high quality professional work.

We are pleased to see 30% of **2022 Graduates** undertaking work since graduating in September 2022 at and for the National Theatre; Amazon Prime; Apple TV+; BBC Radio 4; Nexus Studios; Theatre Peckham; Crowded Room Theatre Company; Camden Theatre.

Below is an example of some of the work our **2021 Graduates** have undertaken during 2021/22:

Screen: Apple TV+ series regular in *Criminal Record*; ITV *Hijack*; ITV *The Walk In*; ITV *You and Me*; SYFY series lead *The Ark*; BBC TV series *Father Brown*; the feature film *Same but Different*.

Short Films: *Halfway Between Land and Sea*; *Cub*; *In Reality*; *Romeo*; *Hangers in July*; *In Reality*.

Radio: BBC Radio 4 series regular *Torchwood*; Radio 4 *We see no Colour*; BBC Audio Drama *Maydays*.

Theatre: Royal Shakespeare Co; Soho Theatre; Theatre Clwyd; Nottingham Playhouse; Changeling Theatre Co; Young Shakespeare Co; Petersfield Shakespeare Co; Taking Flight Theatre Co; Tin House Theatre Co; Horizons Theatre.

2020 Graduates continue to undertake high profile work at the Globe Theatre; Bridge Theatre; National Theatre; Bush Theatre; Royal Shakespeare Theatre; Netflix; ITV; BBC; Amazon Prime.

FINANCIAL RESULTS

The Trust produced a surplus for the year of £108,791 (2021: £379,955). The total accumulated unrestricted general fund surplus at the end of the year was £7,259,064 (2021: £6,802,269). There were designated funds at the year end of £188,110 (2021: £188,110).

Capital expenditure in the year totalled £1,081,403 (2021: £2,212,414). Year-end cash balances were £4,044,269 (2021: £4,731,428) and there were long term loans with Lloyds Bank plc of £6,377,206 (2021: £6,766,895).

From a financial perspective 2021/22 was a year of recovery and consolidation. It was the year that we emerged from the Covid-19 pandemic, with all classes across all cohorts in the institution returning to the school for teaching. Our total fee income for the year was £10,491,781 (2021: £9,850,677), reflective of the return to normal, and the return to school for some who deferred during the height of the pandemic. Studio hire income recovered in the period, generating income of £164,179 (2021: £63,981) and our Theatres Tax Credit generated income of £170,000 (2021: £nil) following a full year of shows presented to the public, combined with extra relief from the government. The financial results for the year ended 31 August 2022 were adversely affected by the on-going costs of the investigation, including the work required to implement the recommendations arising from it.

We are mindful that students and families have felt a significant financial strain during and after the Covid-19 pandemic. We have continued to support families with bursaries from our unrestricted funds of £425,377 (2021: £386,977).

Total expenditure in the year was £10,810,657 (2021: £10,128,832). The reason for the increase in costs is twofold: firstly we returned to full capacity from a teaching and operational perspective following the closures due to the Covid-19 pandemic in 2020/21; and we continue to ensure that we are implementing the recommendations following our 2021 investigation through a review of our operations and governance.

The Trustees remain confident that our financial position remains robust in an extremely challenging external environment that includes the on-going fallout from the Covid-19 pandemic, rising inflation and uncertainty that has put a financial strain on parents and students, and the energy crisis, which will almost quadruple our energy bill in 2022/23. Accordingly, a prudent budget has been prepared for 2022/23. This will be a transitional year where senior staff have been tasked with ensuring that we prioritise spending to continue to operate our core activities to deliver an outstanding education to our students, whilst meeting the requirements of our regulators.

Charitable Support

The Trust is immensely grateful for the support from the following individuals and trusts and foundations in 2021/22. Their generosity ensures that we can continue in our mission to enrol students with the greatest potential, regardless of their financial circumstances and that our facilities continue to be of a quality that matches their talent.

Special thanks to:

Andrew Lloyd Webber Foundation
The Leverhulme Trust

ArtsEd TAP and ArtsEd Parents & Families

We would like to thank the TAP committee for their continued hard work, commitment and enthusiasm, and the Day School & Sixth Form parent and carer community for their ongoing support of TAP events and ArtsEd's wider fundraising initiatives. The result in 2021/22 being the completion of the wonderful Green Roof Terrace.

Green Roof Supporters

The CMF Charitable Trust, Arts and Sports Trust, Tatiana & Sergey Ogorodnov, Cherie Lunghi, Mott Foundation, Rob and Cherry Wood, Shannon Lawder, Rachel Dachtler, Ellen Epstein, Jane McCallum, Sue Moffat, Clare Tunningley, Konstantinos Vanos, Louise Cooper, Richard & Ingrid Jack, Michael Jolly, Liz and John Miles, Helen Power, Rie Motoki Seguin, Sabine Stanford, Diana Appiah, Amanda Bernstein, Sarah & Will Chitty, Mauve Durand Ms Fleming, Lisa Gibbs, Jen Lihn, Liz and John Miles, Felix Pelegrino, Adele Preston, Joyce Rae, Michela Rignanese, John Spencer, Walter Veirs, Mrs Wignall

ArtsEd Champions

Anon, Kate & Pat Butler, Ann Cottis, Clare Ferguson, Michael Harrison, Alastair Kerr, Dennis & Valerie Lavin, Shannon Lawder, Jamie Lonsdale, William Newsom, Richard Parkinson & Hamilton McBrien

ArtsEd Enthusiasts

Sue Adie, Jacque Brunjes, Genevieve Winter, Andrew D Hine Esq

ArtsEd Admirers

Anon, John Brant, Sandy Cahill, Tony & Christine Gamble, Diana Maine, Richard Millar, Helen Vickers, John & Wendy Williams, Paul Wooller, Murray Lindo, Scott Jacobson, Manina Weldon, The Bedford Park Society

Tim English and all the generous supporters of the Chris Hornby Bursary Fund

Justin & Sarah Savage and all the generous supporters of the Graham Martin Bursary Fund

Corporate

Acre Properties in memory of Ben Turner, Smith & Brant Theatricals

Trusts and Foundations

The D'Oyly Carte Charitable Trust, Help Musicians UK, The Honourable Society of Knights of the Round Table, Society of London Theatres (Laurence Olivier Bursary), The Lionel Bart Foundation, Lynne & Land Foundation, Pamela Brady Todd Fund, The Royal Victoria Hall Foundation (Lilian Baylis Award) The Sir John Gielgud Charitable Trust, Sophie's Silver Lining Fund, The Stanley Picker Charitable Trust

Legacy Pledges

Anon, Vanessa Cameron, David J Yeoward

Legators

Eve Pettinger MBE

The Principal has requested that a special mention should be made of the outstanding contribution of the Trustees who not only give generously of their time but also make significant financial donations that are very much appreciated.

Future Plans

On 20 October 2021 the Board approved an action plan to address the recommendations of the external Investigation setting a timetable for implementation and undertook an external review of governance in summer 2022. The Board and senior management are committed to keeping informed the regulatory and validating institutions and other stakeholders on the progress in implementation of its action plan, which will continue to form a key part of our work in 2022/23. Further details of the work undertaken and to complete has been given on pages 7 and 8 of this report,

The ambitions and priorities set out in the Five Year strategic plan continue to guide our plans. This strategic plan will be revised over the coming year.

Reserves Policy

Total funds at the balance sheet date were £15,711,629 (2021: £15,602,838) of which £3,031,195 were restricted (2021: £3,245,304) and £11,467,174 were unrestricted (2021: £11,010,379). Details of restricted funds are provided in note 20. Of the unrestricted reserves, there is a designated fund of £188,110 (2021: £188,110) which has been set up for student bursaries. Also included in the unrestricted fund is the revaluation reserve of £4,020,000 (2021: £4,020,000) which arose on the last revaluation of the School's land and buildings. At the balance sheet date the permanent endowment fund had a balance of £1,213,260 (2021: £1,347,155).

As the school has historically invested in its building and, accordingly, there were no free reserves at the balance sheet date, (2021: £nil). It is likely that free reserves will remain minimal. The Trustees believe that it is important to continue to maintain operational surpluses in order to build up total reserves and in order to be able to invest in the facilities and staff of ArtsEd.

Investment Policy

An investment policy has been written and adopted that seeks to optimise cash flow whilst recognised return on investment in a safe and secure manner. The investments are held within the permanent endowment fund. During the year, the net loss on investments was £133,895 (2021: gain of £145,121). The fund continues to generate restricted income totalling £38,000 (2021: £28,150).

Fundraising practices and performance

Raising voluntary funds from trusts, foundations and individuals is a vital source of income for ArtsEd, enabling us to fulfil our charitable objectives as effectively as possible. We are very grateful for the support from all of our donors.

At ArtsEd, we believe that fundraising should be an open, honest and respectful process. We aim to build partnerships with our supporters and donors that are based on mutual understanding and shared values. In developing our approach to fundraising, we have taken account of the Code of Fundraising Practice issued by the Fundraising Regulator. We have a small internal fundraising team which carries out our principal fundraising activity and make occasional use of external professional fundraisers for standalone fundraising projects. We do not engage commercial participators to carry out fundraising activity. The fundraising team works closely with ArtsEd's executive and trustees to develop its fundraising strategy and identify potential prospects, the vast majority of whom have an existing connection to ArtsEd or to a member of one of these internal bodies. ArtsEd does not engage in unsolicited face-to-face or telephone fundraising.

As part of General Data Protection Regulation, ArtsEd reviewed and updated its Privacy Policy with regards to fundraising. This policy, published on our website, clearly states what personal data ArtsEd will hold in relation to supporters and how this data will be used. It sets out how individuals can raise concerns or complaints. ArtsEd has received no complaints about its fundraising activities either during the financial year or subsequently.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk Management

The main risks that the Trustees have identified and the plans to manage those risks are:

Compliance – Compliance with the requirements of our regulators is fundamental for ArtsEd to continue to offer an outstanding education to its students in a safe environment. On pages 7 and 8 of this report, we have outlined the significant amount of work that has been undertaken in response to the Trustees' announcement on 22 October 2021, following the completion of an investigation by Rebecca Tuck QC. A comprehensive review of our risk register was subsequently undertaken in 2022, with all on-going relevant regulatory and compliance matters, including those identified in the Rebecca Tuck QC report and the subsequent external governance review, to ensure that the risk register appropriately captured all relevant matters arising.

Reputation – The School's success is built on its reputation of the quality of its education/training and wellbeing of our students.

We manage this risk by:

- constantly reviewing the delivery and relevance of all our education and training
- recruiting, developing, and retaining outstanding academic and professional staff through our staff recruitment policies
- reviewing and applying our safeguarding policies
- providing pastoral support for both students and staff
- actively identifying and resolving health and safety related issues

Finance – Our ability to continue is reliant on student fees and effectively managing costs.

We manage this risk by:

- marketing activity to maintain student numbers
- having a reputation for academic and vocational excellence and excellent student destinations
- having effective credit control procedures
- comprehensive budgeting and regular financial reporting against the approved budget

Competition – Innovative or unexpected developments are made by competitor organisations.

We manage this risk by:

- benchmarking the Schools' performance against industry standards
- regular review of the curriculum and training to ensure that they achieve academic and vocational excellence and meet industry expectations
- monitoring our student destinations
- recruiting and retaining the best staff through our HR policies

Through the risk management processes established for the Charity, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

Trustees' responsibilities for the financial statements

The Trustees, who are also directors of ArtsEd for the purposes of company law, are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare Financial Statements for each financial year. Under that law the Trustees have prepared the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2022**

of the state of affairs of the charitable company and of the profit or loss 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 Statement of Recommended Practice ("SORP");
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards 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.

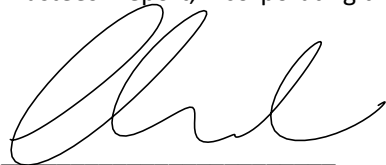
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with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

Provision of information to auditors

The Trustees at the time when this Trustees' Report is approved have confirmed that:

- so far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Trustees have taken all the steps that ought to have been taken as Trustees in order to be aware of any information needed by the charitable company's auditors in connection with preparing this report and to establish that the charitable company's auditors are aware of this information.

Trustees' Report, incorporating the Strategic Report, approved on behalf of the Trustees:



**Brian Brodie, Chair
24 November 2022**

**THE ARTS EDUCATIONAL SCHOOLS
STATEMENT OF CORPORATE GOVERNANCE & INTERNAL CONTROL
FOR THE YEAR ENDED 31 AUGUST 2022**

Corporate Governance

The Statement which follows is provided to enable readers of the Annual Review and Financial Statements of the School to obtain a better understanding of its governance and legal structure and applies to the 2021/22 financial year and to the date of the approval of the audited financial statements.

The structure of Corporate Governance is set out on pages 3 and 4, being the first section of the Trustees' Report. The Governing Document which dates from 1962 and was last amended in 2022 underpins the Governing practices adopted by the Board.

The Trustees are legally responsible for the overall management and control of the Schools. The Board of Trustees meets at least three times a year. Day to day responsibilities are delegated to the Principal and the Board has six sub-committees that meet at least three times a year that cover specific areas of the business. For the year under review these were:

- The Finance Committee
- The Facilities Committee
- The Development Committee
- The Day School and Sixth Form Committee
- The Higher Education Committee
- The EDI Committee

The minutes of the Management Health and Safety Committee together with all reports from the external advisers are shared with members of the Facilities Committee.

In the prior year, on 5 June 2021 the Board agreed that the Chair, supported by the Deputy Chair and one other Trustee, would manage the Board's response to the external investigation. This response continued in the current year. On 20 October 2021 the Board approved the establishment of the Policies and Practices Working Group of three Trustees working with the Head of HR to take forward the review established in response to the recommendations of the external investigation together with the employment of an external governance adviser to review Board governance, as explained in detail on pages 7 and 8.

For the year under review the Project Board, a temporary committee to oversee capital projects, has met regularly and a report from the Chair of the Project Board is included in Board papers, when applicable. This report includes an operational and financial update informing the Board of the most current developments.

All the sub-committees are attended by the Principal and other senior staff as may be required. Minutes are taken from all such meetings which are included in the Board papers so that all Trustees have an appreciation of the issues dealt with by the sub-committees.

Every year the Board holds at least one Strategic Review day when issues of a longer term and more strategically orientated are considered.

The Principal and the Senior Leadership Board (SLB) meet weekly to discuss current issues and to agree actions for the short, medium and longer term as required. For the current year this has included significant discussions and actions arising from the investigation and the subsequent governance review.

The Finance Committee ensure the adequacy and effectiveness of arrangements for corporate governance, risk management and oversight of any statutory and other regulatory responsibilities including compliance

**THE ARTS EDUCATIONAL SCHOOLS
STATEMENT OF CORPORATE GOVERNANCE & INTERNAL CONTROL
FOR THE YEAR ENDED 31 AUGUST 2022**

with the OfS's ongoing conditions of registration, any terms and conditions of funding as well as any other relevant regulatory responsibilities.

As part of the action plan in response to the external investigation the Trustees commissioned an external specialist adviser to complete a governance effectiveness review which was completed in March 2022. As detailed on pages 7 and 8, a 12-month action plan is in place to deal with the recommendations arising from this review.

Internal Controls

Identifying and managing risk is a key part of the work of the Board and the SLB. This is addressed by the maintenance of a detailed Risk Register that is discussed and updated as necessary at all the meetings of the Board and the SLB and is covered where appropriate by the other sub-committees.

The approach to internal controls is risk-based including an evaluation of the risks becoming a reality. The risk weighting is considered by assessing the likelihood of the risk and the potential damage it could do. This approach helps management and Trustees prioritise actions and enhance controls if the potential impact of a risk is considered to be increasing.

Whilst many risks do have a financial implication many others do not and could have compliance, operational, health and safety or reputational implications. The Risk Register covers all such issues and not the purely financial ones.

Members of the Board of Trustees understands that it is their responsibility to ensure that a sound system of internal controls is maintained and confirms that it has reviewed the effectiveness of these arrangements.

The Trustees, SLB and external auditors have not identified any significant internal control weaknesses or failures in the financial year under review or in the period since the year end up to the date that the financial statements were signed that need to be disclosed.



Brian Brodie, Chair

24 November 2022

THE ARTS EDUCATIONAL SCHOOLS
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARTS EDUCATIONAL SCHOOLS
FOR THE YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the financial statements of The Arts Educational Schools for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and charitable company's affairs as at 31 August 2022 and of the group's and charitable company's net movement in funds, including the income and expenditure, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Office for Students Accounts Direction.

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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

**THE ARTS EDUCATIONAL SCHOOLS
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARTS EDUCATIONAL SCHOOLS
FOR THE YEAR ENDED 31 AUGUST 2022**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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.

Matters on which we are required to report in respect of the Office for Students

In our opinion, in all material respects:

- funds administered by the charitable company for specific purposes during the year ended 31 August 2021 as disclosed in note 18, have been applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the OfS and Department for Education have been applied in accordance with the terms and conditions attached to them during the year ended 31 August 2021; and

We have nothing to report in respect of the following matters in relation to which the Office for Students requires us to report where:

- grant and fee income, as disclosed in the note 3 to the accounts, has been materially misstated
- expenditure on access and participation activities for the financial year has been materially misstated

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities statement set out on pages 18 and 19, 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 group's and 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 group or 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to independent schools, higher education and further education provision regulation including Independent Schools Inspectorate, Ofsted and the Office for Students, charity and company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation

**THE ARTS EDUCATIONAL SCHOOLS
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARTS EDUCATIONAL SCHOOLS
FOR THE YEAR ENDED 31 AUGUST 2022**

of the financial statements such as the Companies Act 2006, Charities Act 2011 and the Office for Students Accounts Direction.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to revenue recognition, in particular in relation to voluntary and other income and management override of controls. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;
- Reviewing the income recognition around the year end to assess whether income had been recognised in the correct accounting period; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tracey Young

Senior Statutory Auditor
For and on behalf of Haysmacintyre LLP, Statutory Auditors

16.12
..... 2022

10 Queen Street Place
London
EC4R 1AG

THE ARTS EDUCATIONAL SCHOOLS
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Endowment Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
INCOME FROM:						
Donations and legacies	2	90,000	223,473	-	313,473	482,284
Charitable activities						
Fee income	3	10,066,444	-	-	10,066,444	9,463,700
Other income	4	633,419	-	-	633,419	201,376
Other grants	4	-	-	-	-	66,557
Other trading activities	5	-	-	-	-	120,375
Investment income		1,917	38,000	-	39,917	29,374
TOTAL INCOME		10,791,780	261,473	-	11,053,253	10,363,666
EXPENDITURE ON:						
Raising funds		(85,942)	-	-	(85,942)	(294,243)
Charitable activities		(10,357,831)	(366,794)	-	(10,724,625)	(9,834,589)
TOTAL EXPENDITURE	6	(10,443,773)	(366,794)	-	(10,810,567)	(10,128,832)
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT (LOSSES) / GAINS		348,007	(105,321)	-	242,686	234,834
Net (losses)/gains on investments		-	-	(133,895)	(133,895)	145,121
NET INCOME/ (EXPENDITURE) BEFORE TRANSFERS		348,007	(105,321)	(133,895)	108,791	379,955
Transfers		108,788	(108,788)	-	-	-
NET MOVEMENT IN FUNDS		456,795	(214,109)	(133,895)	108,791	379,955
Funds brought forward at 1 September		11,010,379	3,245,304	1,347,155	15,602,838	15,222,883
TOTAL FUNDS AT 31 AUGUST		11,467,174	3,031,195	1,213,260	15,711,629	15,602,838

All amounts are derived from continuing activities.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

The notes on pages 29 to 49 form part of these financial statements.

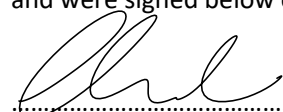
Full comparatives for 2021 are provided in note 26.

**THE ARTS EDUCATIONAL SCHOOLS
CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2022**

		2022		2021	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	13		19,513,605		19,414,681
INVESTMENTS					
Investments	14		1,275,546		1,409,441
CURRENT ASSETS					
Stock			-		2,231
Debtors	15	2,624,306		2,554,440	
Cash at bank and in hand		4,044,269		4,731,428	
			<u>6,668,575</u>		<u>7,288,099</u>
CREDITORS: amounts falling due within one year	16	<u>(5,767,022)</u>		<u>(6,129,377)</u>	
NET CURRENT ASSETS			<u>901,553</u>		<u>1,158,722</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>21,690,704</u>		<u>21,982,844</u>
CREDITORS: Amounts falling due after one year	17		<u>(5,979,075)</u>		<u>(6,380,006)</u>
NET ASSETS	19		<u><u>15,711,629</u></u>		<u><u>15,602,838</u></u>
RESERVES					
Unrestricted funds					
- general funds			7,259,064		6,802,269
- designated funds			188,110		188,110
- revaluation reserve			4,020,000		4,020,000
Restricted funds	20		3,031,195		3,245,304
Endowment funds	21		1,213,260		1,347,155
TOTAL FUNDS	18		<u><u>15,711,629</u></u>		<u><u>15,602,838</u></u>

The notes on pages 29 to 49 form part of these financial statements.

The financial statements were approved and authorised for issue by the Trustees on 24 November 2022 and were signed below on its behalf by:



Brian Brodie
Chair



Ann Cottis
Chair of the Finance Committee

	Note	2022		2021	
		£	£	£	£
FIXED ASSETS					
Tangible assets	13		19,513,605		19,414,681
INVESTMENTS					
Investments	14		1,275,546		1,409,441
CURRENT ASSETS					
Stock			-	2,231	
Debtors	15	2,624,306		2,591,758	
Cash at bank and in hand		4,044,269		4,686,747	
			6,668,575	7,280,736	
CREDITORS: amounts falling due within one year	16	(5,767,022)		(6,122,014)	
NET CURRENT ASSETS			901,553	1,158,722	
TOTAL ASSETS LESS CURRENT LIABILITIES			21,690,704	21,982,844	
CREDITORS: Amounts falling due after one year	17		(5,979,075)	(6,380,006)	
NET ASSETS	19		15,711,629	15,602,838	
RESERVES					
Unrestricted funds					
- general funds			7,259,064	6,802,269	
- designated funds			188,110	188,110	
- revaluation reserve			4,020,000	4,020,000	
Restricted funds	20		3,031,195	3,245,304	
Endowment funds	21		1,213,260	1,347,155	
TOTAL FUNDS	18		15,711,629	15,602,838	

The charity's income for the year was £11,053k (2021: £10,243k) with a surplus of £109k (2021: £402k). The notes on pages 29 to 49 form part of these financial statements.

The financial statements were approved and authorised for issue by the Trustees on 24 November 2022 and were signed below on its behalf by:

.....
Brian Brodie
 Chair

.....

Ann Cottis
 Chair of the Finance Committee

	Note	2022		2021	
		£	£	£	£
Net cash provided by operating activities	23		931,448		1,150,231
Cash flows from investing activities					
Dividends		38,000		28,150	
Interest income		1,917		1,224	
Interest payable		(187,433)		(177,712)	
Purchase of fixed assets		(1,081,403)		(2,212,414)	
Proceeds of sale of fixed assets		-		809	
Net cash used in investing activities			(1,228,919)		(2,359,943)
Financing activities					
Cash inflows from new borrowings		-		2,185,670	
Cash outflows from repayments		(389,688)		(233,016)	
Net cash (outflow)/inflow from financing activities			(389,688)		1,952,654
Change in cash and cash equivalents in the year			(687,159)		742,942
Cash and cash equivalents at the beginning of the year			4,731,428		3,988,486
Cash and cash equivalents at the end of the year	24		4,044,269		4,731,428

The notes on pages 29 to 49 form part of these financial statements.

1. ACCOUNTING POLICIES

Basis of Preparation of the Financial Statements

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2019. The Financial Statements are drawn up under the historical cost convention, with the exception of investments which are included at valuation.

The Trust is a Public Benefit Entity registered as a charity in England and Wales, it was registered in 1962 (charity number: 311087).

Going concern

Having reviewed the funding facilities available to the Trust together with the expected ongoing demand for places and the Trust's future projected cash flows and in addition having reviewed the potential impact of the global energy crisis and uncertainty on the Trust's finances, the Trustees have a reasonable expectation that the Trust has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the Trust's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements.

Basis of consolidation

A subsidiary called ArtsEd International Ltd (company number 11960873) was established on 24 April 2019. The Trust also controls ArtsEd International Performing Arts Education LLC (ArtsEd Dubai), which was established in Dubai in June 2019.

The financial statements consolidate on a line-by-line basis the results of the Charity, ArtsEd International and ArtsEd Dubai. A separate Statement of Financial Activities and income and expenditure for the Charity is not presented because the Charity has taken advantage of the exemptions afforded by the Companies Act 2006 and the SORP. During the year the activities of both entities ceased, and it is expected that both entities will be dormant in the year ending 31 August 2023, when consolidated accounts will no longer be required.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, the Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Trust's financial statements.

Fees and Similar Income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the Trust against those fees, but including contribution received from restricted funds, are accounted for in the period in which the service is provided.

Government grants are reported as fees or other grants as appropriate.

Donations, grants and legacies

Donations, grants and legacies are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Investment income

Investment income from the investments and bank balances are accounted for on an accruals basis.

The income from the invested endowment fund is wholly restricted.

Expenditure

Charitable expenditure and administration costs comprise direct expenditure including staff costs attributable to the activity and are accounted for on the accruals basis. Where costs cannot be directly attributed they have been allocated to the activities on a basis consistent with the use of resources. The Trust is unable to recover VAT incurred on expenditure accordingly expenditure is shown inclusive of any associated VAT payable.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Trust and include the audit fees and costs linked to the strategic management of the Trust.

Fund accounting

Unrestricted funds comprise resources available to the Trustees to be applied for any purpose within the objects of the Trust.

Restricted funds comprise donations for purposes restricted by the wishes of the donor.

Endowment funds arise when the donor has expressly provided that the gift is to be invested and only the income of the fund may be spent. These funds are sub-analysed between those where the Trustees have the discretion to spend the capital (expenditure endowment) and those where there is no discretion to expend the capital (permanent endowment). The Charity has one permanent endowment fund, and no expendable endowment. The fund is managed by the investment managers on a total return basis. This means that the funds are invested to maximise the return on investment without regard as to whether that return is in the form of income from dividends or interest or capital appreciation (where the market value of the investment increases). The investment managers each year release a set amount of that return for spending on bursaries for Musical Theatre students.

Revaluation reserve comprises total revaluations in the deemed cost of the properties.

Designated funds are funds that the Trustees have earmarked for a particular purpose or use without restricting or committing the funds legally.

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

Pension

The Trust makes pension contributions to defined contribution pension schemes on behalf of certain employees. These contributions are held in a separately administered fund.

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Fixed asset investments

Investments are a form of basic financial instrument. Fixed asset investments are initially recognized at their transaction value and are subsequently measured at their fair value (market value) as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Financial instruments

Basic financial instruments are initially recognized at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid deposit accounts.

Debtors

Fee and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. A specific provision is made for debts for which recoverability is in doubt.

Stock

Stocks are valued at the lower of cost and net realizable value.

Creditors and provisions

Creditors and provisions are recognized where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognized at their settlement amount after allowing for any trade discounts due.

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

Depreciation

Tangible fixed assets are stated at cost or deemed cost, net of depreciation and any provision for impairment. Tangible fixed assets costing greater than or equal to £500 are capitalised and stated at cost, net of depreciation. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	2% per annum
Computer equipment	33.33% per annum
Furniture and fittings	10% - 50% per annum
Motor vehicles	25% per annum
Building & theatre refurbishment	2% - 10% per annum

The valuation of freehold land and buildings on transition to FRS 102 at 1 September 2014 has been taken as the deemed cost.

2 INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Endowment Funds 2022 £	Total 2022 £
Donations	90,000	223,473	-	313,473
	<u>90,000</u>	<u>223,473</u>	<u>-</u>	<u>313,473</u>
<i>Comparative analysis</i>				
	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Endowment Funds 2021 £	Total 2021 £
Donations	35,833	446,451	-	482,284
	<u>35,833</u>	<u>446,451</u>	<u>-</u>	<u>482,284</u>

3 GRANT AND FEE INCOME

	2022 £	2021 £
Fee income from other bodies	934,795	937,056
Fee income for taught awards	3,298,057	3,360,914
Fee income from non-qualifying courses	5,833,592	5,165,730
	<u>10,066,444</u>	<u>9,463,700</u>

THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2022 £	Unrestricted Funds 2021 £
Fees income		
Fees receivable	10,491,781	9,850,677
Bursaries and discounts	(425,337)	(386,977)
	<u>10,066,444</u>	<u>9,463,700</u>
Other income		
Studio hire and classes	164,179	63,981
Audition and registration fees	58,875	49,825
School productions	83,301	14,893
Catering	76,474	(8,687)
Bar income	-	-
Theatre tax relief	170,000	-
Other income	80,590	81,364
	<u>633,419</u>	<u>201,376</u>
Other grants		
CJRS	-	19,759
Covid Testing grant	-	46,798
	<u>-</u>	<u>66,557</u>
	<u>10,699,863</u>	<u>9,731,633</u>

5. INCOME FROM TRADING ACTIVITIES

	Unrestricted Funds 2022 £	Unrestricted Funds 2021 £
Educational services	-	120,375
	<u>-</u>	<u>120,375</u>

THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

6. ANALYSIS OF TOTAL EXPENDITURE

	Staff Costs 2022 £	Other Costs 2022 £	Depreciation/ Impairment 2022 £	Total 2022 £
Raising funds:				
Fundraising	73,113	12,829	-	85,942
Charitable activities				
Teaching costs	4,529,459	509,066	67,794	5,106,319
Welfare costs	-	342,733	-	342,733
Premises costs	442,608	778,054	911,163	2,131,825
Productions costs	509,647	119,813	-	629,460
Grants, awards and prizes	-	249,781	-	249,781
Support costs	1,066,287	1,058,910	3,522	2,128,719
Finance costs	-	135,788	-	135,788
	<u>6,548,001</u>	<u>3,194,145</u>	<u>982,479</u>	<u>10,724,625</u>
	<u>6,621,114</u>	<u>3,206,974</u>	<u>982,479</u>	<u>10,810,567</u>
Comparative analysis				
	Staff Costs 2021 £	Other Costs 2021 £	Depreciation 2021 £	Total 2021 £
Raising funds:				
Fundraising	77,326	8,286	-	85,612
Trading activities	-	208,631	-	208,631
Charitable activities				
Teaching costs	4,347,478	327,403	74,636	4,749,517
Welfare costs	201	245,777	-	245,978
Premises costs	407,938	873,951	557,585	1,839,474
Productions costs	535,834	105,451	-	641,285
Grants, awards and prizes	-	249,725	-	249,725
Support costs	799,824	1,030,030	-	1,829,854
Finance costs	-	278,756	-	278,756
	<u>6,091,275</u>	<u>3,111,093</u>	<u>632,221</u>	<u>9,834,589</u>
	<u>6,168,601</u>	<u>3,328,010</u>	<u>632,221</u>	<u>10,128,832</u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

7. ANALYSIS OF SUPPORT COSTS

All costs included in charitable activities are direct costs with the exception of support costs of schooling which comprise:

	General support 2022 £	Governance costs 2022 £	Total 2022 £	General support 2021 £	Governance costs 2021 £	Total 2021 £
Staff costs	1,032,241	34,046	1,066,287	773,436	26,387	799,823
Administrative costs	598,536	1,313	599,849	627,986	156	628,142
Professional costs	375,428	45,643	421,071	356,428	-	356,428
Audit remuneration	-	23,240	23,240	-	24,000	24,000
Bank charges	14,750	-	14,750	21,461	-	21,461
Depreciation	3,522	-	3,522	-	-	-
	<u>2,024,477</u>	<u>104,242</u>	<u>2,128,719</u>	<u>1,779,311</u>	<u>50,543</u>	<u>1,829,854</u>

8. NET MOVEMENT IN FUNDS

	2022 £	2021 £
Net movement in funds is stated after charging:		
Operating leases – equipment	66,279	60,092
Depreciation of tangible fixed assets – owned by the charity	982,479	632,221
Interest costs	187,433	177,712
Auditors’ remuneration – audit	23,050	24,000
Auditors’ remuneration – other	-	4,080
	<u>1,259,241</u>	<u>1,508,105</u>

9. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

Staff Costs

	2022 £	2021 £
Wages and salaries	5,799,255	5,505,767
Redundancies	107,591	8,614
Social security costs	533,512	462,661
Pension costs	168,854	181,313
Apprenticeship levy	11,902	10,246
	<u>6,621,114</u>	<u>6,168,601</u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

Trustees' remuneration and expenses

The charity trustees were not paid and did not receive any benefits from employment with the Trust in the year (2021: £nil). Trustees were reimbursed expenses of £1,313 for travel to/from meetings and subsistence during the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Key Management Personnel

The key management personnel of the charity comprise the trustees and the Senior Leadership Board listed on page 5. The total employee benefits of the key management personnel were £814,983 (2021: £839,278).

STAFF NUMBERS

The average headcount employed by the group during the year was as follows:

	2022 Number	2021 Number
Principal and management	11	10
Domestic	15	20
Facilities/IT/Library	11	11
Finance	4	4
Production	11	10
Administration	11	12
Teaching staff	147	143
	<u>210</u>	<u>210</u>

HIGHER PAID STAFF

The number of staff who's basic salary exceeded £60k per annum during the year was as follows:

	No. of Staff 2022	No. of Staff 2021
£60,000-£64,999	2	2
£65,000 - £69,999	1	1
£75,000 - £79,999	-	1
£80,000 - £84,999	-	1
£110,000 - £114,999	1	1
	<u>4</u>	<u>6</u>

Pension contributions totaling £8,720 (2021: £18,470) were made on behalf of 4 (2021: 5) of the above employees.

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

PRINCIPAL'S REMUNERATION

The total remuneration package for the Principal during the year was as follows:

	2022	2021
	£	£
Julie Spencer (Interim Principal 7 June 2021-24 April 2022; Principal from 25 April 2022)		
Basic Salary	110,000	25,949
Pension contributions	2,201	550
Other taxable benefits	151	25
	<u>112,352</u>	<u>26,524</u>
Chris Hocking (Principal until 7 June 2021)		
Basic Salary	29,632	110,000
Pension contributions	1,482	5,500
Other taxable benefits	17	452
Redundancy payment	30,000	-
	<u>61,131</u>	<u>115,952</u>

The Principal's remuneration package is set by reference to similar organisations and is approved by the Board following a recommendation from the Chair. There is an annual appraisal with the Chair and Deputy Chair when targets are set for the ensuing short, medium and long term together with a discussion and assessment of the achievements in the period under review.

The head of the provider's total remuneration is 3.22 times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

SEVERANCE PAYMENTS

The total amount of severance payments for the year was £107,591 (2021: £8,614) to 5 individuals (2021: 2).

10. RELATED PARTY TRANSACTIONS

Trustees made donations of £3,974 to the School (2021: £205,684). There were no other related party transactions.

11. PENSIONS

The charity makes contributions to defined contribution pension schemes on behalf of certain employees. The charge for the year was £165,493 (2021: £181,313). At the year end, there was an amount payable of £26,126 (2021: £28,269).

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

12. SUBSIDIARIES

Included within the consolidated financial statements is the ArtsEd International Limited (registered in the England and Wales), Company number 11960873 and ArtsEd International Performing Arts Education LLC (known as ArtsEd Dubai) (registered in Dubai) which is based in Dubai. Both entities are now considered dormant.

ArtsEd International Limited

ArtsEd International Limited is limited by shares, of which The Arts Educational Schools is the sole Shareholder. It was incorporated on 24 April 2019. The company provides educational services internationally. During the year the Company did not trade. It is anticipated that it will be dormant in the year ending 31 August 2023.

The income and expenditure of Arts Ed International Limited for the year ended 31 August 2022 was:

	2022	2021
	£	£
Turnover	-	-
Cost of sales	-	-
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

The assets and liabilities of Arts Ed international Limited at 31 August 2022 were:

	2022	2021
	£	
Fixed Assets	-	-
Debtors	109,974	109,974
Creditors	(109,974)	(109,974)
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

ArtsEd International Performing Arts Education LLC

ArtsEd International Performing Arts Education LLC is limited by shares, of which The Arts Educational Schools owned 49%, until 1 September 2021, when the company was sold to the Dubai local management team for £1. Following the sale, the school no longer had control of the company and it has subsequently been excluded from the consolidation. Following the sale on 1 September the company has been dormant.

The income and expenditure of ArtsEd Dubai for the year ended 31 August 2022 were:

	2022	2021
	£	£
Turnover	-	120,375
Cost of sales	-	(84,588)
Admin costs	-	(124,043)
	<u> </u>	<u> </u>
	-	(88,256)
	<u> </u>	<u> </u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

The assets and liabilities of ArtsEd International Performing Arts Education LLC at 31 August 2022 were:

	2022	2021
	£	£
Cash	-	44,681
Debtors	-	6,630
Creditors	-	(117,337)
	<u> </u>	<u> </u>
	-	(66,026)
	<u> </u>	<u> </u>

13. TANGIBLE FIXED ASSETS	Freehold land and buildings	Furniture	Computer	Motor vehicles	Building, studios & theatre	Assets under construction	Total
Group/Charity	£	£	£	£	£	£	£
Cost or deemed cost							
At 1 September 2021	6,600,000	1,977,498	618,356	14,860	14,593,243	414,822	24,218,779
Additions	-	60,180	45,942	15,368	-	959,913	1,081,403
Transfer	-	-	-	-	1,132,895	(1,132,895)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2022	6,600,000	2,037,678	664,298	30,228	15,726,138	241,840	25,300,182
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation							
At 1 September 2021	1,466,512	1,518,967	523,471	14,860	1,280,288	-	4,804,098
Depreciation charge for the year	97,000	126,425	67,794	3,522	445,898	-	740,639
Impairment	-	-	-	-	-	241,840	241,840
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2022	1,563,512	1,645,392	591,265	18,382	1,726,186	241,840	5,786,577
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Book Value							
At 31 August 2022	5,036,488	392,286	73,033	11,846	13,999,952	-	19,513,605
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2021	5,133,488	458,531	94,885	-	13,312,955	414,822	19,414,681
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

14. INVESTMENTS

Group and Charity

	2022	2021
	£	£
Fair value brought forward at 1 September 2021	1,409,441	1,264,320
(Loss)/gain on revaluation of investments	(133,895)	145,121
	<u> </u>	<u> </u>
Fair value as at 31 August 2022	<u>1,275,546</u>	<u>1,409,441</u>

15. DEBTORS

Group

	2022	2021
	£	£
Trade debtors	2,201,437	2,260,387
Prepayments	232,956	235,027
Other debtors	189,913	59,026
	<u> </u>	<u> </u>
	<u>2,624,306</u>	<u>2,554,440</u>

Charity

	2022	2021
	£	£
Trade debtors	2,201,437	2,278,244
Prepayments	232,956	235,027
Amount due from subsidiary	-	19,461
Other debtors	189,913	59,026
	<u> </u>	<u> </u>
	<u>2,624,306</u>	<u>2,591,758</u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

16. CREDITORS: amounts falling due within one year

Group	2022	2021
	£	£
Bank loan	398,131	386,888
Trade creditors	316,781	490,720
Other creditors	1,547,424	1,523,689
Accruals	233,883	398,780
Deferred income	3,270,803	3,329,300
	<u>5,767,022</u>	<u>6,129,377</u>

Charity	2022	2021
	£	£
Bank loan	398,131	386,888
Trade creditors	316,781	490,720
Other creditors	1,547,424	1,516,326
Accruals	233,883	398,780
Deferred income	3,270,803	3,329,300
	<u>5,767,022</u>	<u>6,122,014</u>

Included within other creditors for the Group and Charity is an amount of £133,474 (2021: £131,832) relating to taxes and social security.

ANALYSIS OF DEFERRED INCOME – Group and Charity

	2022	2020
	£	£
At 1 September 2021	3,329,300	3,159,012
Released to income in the year	(3,329,300)	(3,159,012)
Deferred in the year	3,270,803	3,329,300
At 31 August 2022	<u>3,270,803</u>	<u>3,329,300</u>

Deferred income consists of fees income received in advance.

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

17. CREDITORS: amounts falling due in more than one year Group and Charity	2022	2021
	£	£
Bank loan	5,979,075	6,380,006
Wholly repayable within five years	2,109,508	2,050,849
Wholly repayable within more than five years	4,267,698	4,716,046
	6,377,206	6,766,895
Less: Included in current liabilities	(398,131)	(386,889)
Amounts included above	5,979,075	6,380,006

There are two 15 year loans with Lloyds Bank plc secured by a charge over the assets of the Charity. One loan for £6,000,000 is at a fixed rate of 2.97% the second for £1,000,000 is at a rate of the Bank of England base rate plus 2.2%. These loans were made available to provide funding for the new studio block that was completed in November 2020.

18. ACCUMULATED FUNDS

	Opening Fund 2021 £	Income 2022 £	Expenditure 2022 £	Transfers 2022 £	Gains & losses 2022 £	Closing Funds 2022 £
Unrestricted general funds	6,802,269	10,791,780	(10,443,773)	108,788	-	7,259,064
- revaluation reserve	4,020,000	-	-	-	-	4,020,000
Designated reserves						
- bursaries	188,110	-	-	-	-	188,110
Total unrestricted funds	11,010,379	10,791,780	(10,443,773)	108,788	-	11,467,174
Restricted funds	3,245,304	261,473	(366,794)	(108,788)	-	3,031,195
Endowment funds	1,347,155	-	-	-	(133,895)	1,213,260
Total funds	15,602,838	11,053,253	(10,810,567)	-	(133,895)	15,711,629

The general fund is the unrestricted reserves after allowing for all designated funds. The designated fund has been set up for the provision of bursaries.

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

Comparative analysis

	Opening Fund 2020 £	Income 2021 £	Expenditure 2021 £	Transfers 2021 £	Gains & losses 2021 £	Closing Funds 2021 £
Unrestricted funds						
- general funds	6,576,731	9,768,690	(9,615,193)	72,041	-	6,802,269
- revaluation reserve	4,097,000	-	-	(77,000)	-	4,020,000
Designated reserves						
- bursaries	188,110	-	-	-	-	188,110
Total unrestricted funds	<u>10,861,841</u>	<u>9,768,690</u>	<u>(9,615,193)</u>	<u>(4,959)</u>	<u>-</u>	<u>11,010,379</u>
Restricted funds	3,136,778	474,601	(371,034)	4,959	-	3,245,304
Endowment funds	1,202,034	-	-	-	145,121	1,347,155
Charity funds	15,200,653	10,243,291	(9,986,227)	-	145,121	15,602,838
ArtsEd Dubai funds	22,230	120,375	(142,605)	-	-	-
	<u>15,222,883</u>	<u>10,363,666</u>	<u>(10,128,832)</u>	<u>-</u>	<u>145,121</u>	<u>15,602,838</u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group & Charity

	General Funds 2022 £	Revaluation Reserve 2022 £	Designated Reserves 2022 £	Restricted Funds 2022 £	Endowment Funds 2022 £	2022 Total £
Tangible fixed assets	13,040,592	4,020,000	-	2,453,013	-	19,513,605
Investments	-	-	-	62,286	1,213,260	1,275,546
Net current assets	197,547	-	188,110	515,896	-	901,553
Long Term Liability	(5,979,075)	-	-	-	-	(5,979,075)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2022	<u>7,259,064</u>	<u>4,020,000</u>	<u>188,110</u>	<u>3,031,195</u>	<u>1,213,260</u>	<u>15,711,629</u>

Comparative

Analysis

Group & Charity

	General Funds 2021 £	Revaluation Reserve 2021 £	Designated Reserves 2021 £	Restricted Funds 2021 £	Endowment Funds 2021 £	2021 Total £
Tangible fixed assets	12,803,902	4,020,000	-	2,590,779	-	19,414,681
Investments	-	-	-	62,286	1,347,155	1,409,441
Net current assets	378,373	-	188,110	592,239	-	1,158,722
Long Term Liability	(6,380,006)	-	-	-	-	(6,380,006)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2021	<u>6,802,269</u>	<u>4,020,000</u>	<u>188,110</u>	<u>3,245,304</u>	<u>1,347,155</u>	<u>15,602,838</u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

**20. ANALYSIS OF MOVEMENTS IN RESTRICTED FUNDS:
Group and Charity**

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfer £	Balance at 31 August 2022 £
ALW Foundation	2,590,779	-	(137,766)	-	2,453,013
The ArtsEd Student Fund	61,324	674	(5,823)	(20,000)	36,175
The ArtsEd Scholarship Fund	780	83,462	(100,435)	20,000	3,807
Bursary fund	20,546	20	-	-	20,566
Capital campaign	397,872	-	-	-	397,872
Chris Hornby Fund	4,771	2,911	(2,500)	-	5,182
The CMF Scholarship Fund	1,085	-	-	-	1,085
Guildford Academic Associates	1,327	-	-	-	1,327
Leverhulme Trust	1,088	80,916	(80,916)	-	1,088
Restoration levy	35,036	5,742	-	-	40,778
Spencer Will Trust	3,585	-	(1,247)	-	2,338
TAP	3,260	4,144	-	-	7,404
Graham Martin Memorial	5,808	4,003	(3,000)	-	6,811
Excellence Award	20,570	38,000	(35,107)	-	23,463
Friends Giving	-	22,569	-	-	22,569
The Green Roof Fund	97,473	19,032	-	(108,788)	7,717
	<u>3,245,304</u>	<u>261,473</u>	<u>(366,794)</u>	<u>(108,788)</u>	<u>3,031,195</u>

-The Andrew Lloyd Webber Foundation donated £3.5million to the Schools to fund a major refurbishment project. The funds were received in the three years ended 31 August 2012, 2013 and 2014. The money was spent to improve four key areas: the main theatre, costume storage, the film and television studios and disabled facilities. At the end of October 2013 when the work was virtually complete, the expenditure was transferred to fixed assets and from that date is being depreciated and included under expenditure.

- The ArtsEd Student Fund- This was set up to accommodate student hardship.

- The ArtsEd Scholarship Fund is used to provide scholarships

- The Bursary Fund is used to provide bursaries.

- The Capital Campaign is used to help fund the project build.

- The Chris Hornby Fund was created to award an annual scholarship to a Musical Theatre student.

- The CMF Charitable Trust donated towards a scholarship for a Musical Theatre student.

- Leverhulme Trust made a donation for the provision of higher education bursaries.

- The donation from Guildford Academic Associates is for a bursary fund for the Musical Theatre students.

- The restoration levy is £1 charge on every box office ticket which goes towards maintenance of the building.

- The Spencer Will Trust donated £5,000 towards equipment for the Film and TV department.

- Excellence Award: a donation of £1,000,000 was made in 2015-16 which is to be used to provide awards for exceptionally talented Musical Theatre students.

- The Graham Martin Memorial Fund is a bursary fund for HE students

- The Friends Giving fund is a bursary fund for HE students

- The Green Roof Fund has been set up to help finance the new green roof

The transfer from the Student Fund to the ArtsEd Scholarship Fund is to provide funds for bursaries offered from that Fund due in part to the on-going impact of Covid-19 on the relevant students.

THE ARTS EDUCATIONAL SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 AUGUST 2022

21. ANALYSIS OF MOVEMENTS IN ENDOWMENT FUNDS:

Group and Charity

	Balance at 1 September 2021	Income	Expenditure	Gains and losses	Balance at 31 August 2022
	£	£	£	£	£
Musical Theatre bursary fund	1,347,155	-	-	(133,895)	1,213,260
	<u>1,347,155</u>	<u>-</u>	<u>-</u>	<u>(133,895)</u>	<u>1,213,260</u>

*Comparative
Analysis*

	Balance at 1 September 2020	Income	Expenditure	Gains and losses	Balance at 31 August 2021
	£	£	£	£	£
Musical Theatre bursary fund	1,202,034	-	-	145,121	1,347,155
	<u>1,202,034</u>	<u>-</u>	<u>-</u>	<u>145,121</u>	<u>1,347,155</u>

22. CAPITAL COMMITMENTS

At 31 August 2022, capital expenditure contracted for but not provided in these accounts amounted to nil (2021: £33,080).

THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

26. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE 2021 FINANCIAL YEAR

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Endowment Funds 2021 £	Total Funds 2021 £
	Note	£	£	£	£
INCOME FROM:					
Donations and legacies	2	35,833	446,451	-	482,284
Charitable activities					
Fee income	3	9,463,700	-	-	9,463,700
Other income	4	201,376	-	-	201,376
Other grants	4	66,557	-	-	66,557
Other trading activities	5	120,375	-	-	120,375
Investment income		1,224	28,150	-	29,374
TOTAL INCOME		<u>9,889,065</u>	<u>474,601</u>	<u>-</u>	<u>10,363,666</u>
EXPENDITURE ON:					
Raising funds		(294,243)	-	-	(294,243)
Charitable activities		(9,463,555)	(371,034)	-	(9,834,589)
TOTAL EXPENDITURE	6	<u>(9,757,798)</u>	<u>(371,034)</u>	<u>-</u>	<u>(10,128,832)</u>
NET INCOME BEFORE INVESTMENT GAINS		<u>131,267</u>	<u>103,567</u>	<u>-</u>	<u>234,834</u>
Net gains on investments		-	-	145,121	145,121
NET INCOME BEFORE TRANSFERS		<u>131,267</u>	<u>103,567</u>	<u>145,121</u>	<u>379,955</u>
Transfers		(4,959)	4,959	-	-
NET MOVEMENT IN FUNDS		<u>126,308</u>	<u>108,526</u>	<u>145,121</u>	<u>379,955</u>
Funds brought forward at 1 September		<u>10,884,071</u>	<u>3,136,778</u>	<u>1,202,034</u>	<u>15,222,883</u>
TOTAL FUNDS AT 31 AUGUST		<u><u>11,010,379</u></u>	<u><u>3,245,304</u></u>	<u><u>1,347,155</u></u>	<u><u>15,602,838</u></u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

**27. COMPARATIVE ANALYSIS OF MOVEMENTS IN RESTRICTED FUNDS FOR
THE 2021 FINANCIAL YEAR:**

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2021 £
ALW Foundation	2,728,545	-	(137,766)	-	2,590,779
The ArtsEd Student Fund	87,757	2,831	(4,264)	(25,000)	61,324
The ArtsEd Scholarship Fund	3,333	65,531	(93,084)	25,000	780
Bursary fund	12,999	7,547	-	-	20,546
Capital campaign	149,425	250,072	(1,625)	-	397,872
Chris Hornby Fund	6,275	2,933	(4,437)	-	4,771
The CMF Scholarship Fund	1,085	4,500	(4,500)	-	1,085
Guildford Academic Associates	1,327	-	-	-	1,327
Leverhulme Trust	1,088	86,793	(86,793)	-	1,088
Restoration levy	34,254	782	-	-	35,036
Spencer Will Trust	5,000	-	(1,415)	-	3,585
TAP	3,160	100	-	-	3,260
Graham Martin Memorial	-	2,349	(1,500)	4,959	5,808
Excellence Award	28,070	28,150	(35,650)	-	20,570
The Green Roof Fund	74,460	23,013	-	-	97,473
	<u>3,136,778</u>	<u>474,601</u>	<u>(371,034)</u>	<u>4,959</u>	<u>3,245,304</u>

Please refer to note 20 for details of each of the restricted funds.

THE ARTS EDUCATIONAL SCHOOLS

England & Wales - Charity number 311087

Accounts

THE ARTS EDUCATIONAL SCHOOLS
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

Company Number: 0712444
Registered Charity Number: 311087

**THE ARTS EDUCATIONAL SCHOOLS
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

CONTENTS	Page
Patrons, Governors, Officers and Advisors	1
Trustees' report	3
Statement of corporate governance & internal control	20
Independent auditor's report	22
Consolidated statement of financial activities	25
Consolidated balance sheet	26
Charity balance sheet	27
Consolidated cash flow statement	28
Notes to the consolidated financial statements	29

**THE ARTS EDUCATIONAL SCHOOLS
PATRONS, GOVERNORS, OFFICERS AND ADVISORS
FOR THE YEAR ENDED 31 AUGUST 2021**

President Lord Lloyd-Webber

Vice Presidents Robert Powell
David Grindrod
Sharon D Clarke

Patrons and Artistic Creatives	Don Black, OBE	Mary King
	Sir Matthew Bourne, OBE	Nigel Lilley
	John Brant	Lynette Linton
	Chrissie Cartwright	Robert Lindsay
	Anthony Cherry	Lesley Manville
	Bill Deamer	Stephen Mear
	Janie Dee	Sir Trevor Nunn
	Mike Dixon	Arlene Phillips
	Anthony Drew	Mark Shenton
	Nigel Havers	George Stiles
	David Howe	Ian Talbot
	Rachel Kavanaugh	Roy Williams

The Governors and Trustees

Mark Burch (appointed 23 March 2021)
Jaqueline Brunjes
Sandra Cahill
Ann Cottis
Stephen Denyer
Clare Ferguson
David Ian (appointed 23 March 2021)
Brenlen Jinkens

Nicholas La Barrie
Diana Maine
Robert Mathieson
Kevin McGrath (resigned 23 March 2021)
Guy Mullin-Henderson
Ruth Mundy (appointed 21 January 2021)
Kathryn Norton-Smith (resigned 23 March 2021)

Members of the Trust

Ian Biller	Prue Gee	Babs Powell
Martin Bishop	David Grindrod	Robert Powell
Rosemarie Breitenstein	Dorothy Ind	Robert Pritchett
Judy Bristow	Geoffrey King	Joyce Rae
Doreen Brown	Peter Kyle OBE	Sue Rose
The Duchess of Buccleuch	Maggie Lee	Jane Seymour
Vanessa Cameron, MBE	Ruth Leon	John Shuffrey
Coralyn Canfor-Dumas	Cherie Lunghi	Diane Yeo
Emma Cherniavsky	Kenneth May	
Martin Clunes	Terry Molloy	
Penny Deben	Mike Morris	
Graham Elton	Eve Pettinger	
Maria Friedman	Muriel Pilkington	

Note: All those listed above under Governors and Trustees are also Members of the Trust.

**THE ARTS EDUCATIONAL SCHOOLS
PATRONS, GOVERNORS, OFFICERS AND ADVISORS
FOR THE YEAR ENDED 31 AUGUST 2021**

Officers

Principal	Chris Hocking (Leave of absence (from 2 June 2021. Resigned 22 October 2021)
Interim Principal	Dr. Julie Spencer (from 2 June 2021)
Company Secretary	Michael Stewart

Registered office Cone Ripman House
14 Bath Road
London
W4 1LY
Website: www.artsed.co.uk

Auditors Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Bankers Lloyds Bank Plc
St Mary's Court
100 Lower Thames Street
London
EC3R 6HX

Insurance brokers Marsh Limited
Education Practice
Capital House
1-5 Perrymount Road
Haywards Heath
West Sussex
RH16 3SY

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

REFERENCE AND ADMINISTRATIVE INFORMATION

The Arts Educational Schools ('the Trust' or 'ArtsEd') is a company limited by guarantee not having a share capital (company number 0712444) and is registered as a charity (registered charity number 311087). The Trustees, Members of the Trust and executive officers of the Charity are as listed on pages 1 and 2. Particulars of the Trust's registered office which is also the main place of business and details of the professional advisers are given on page 2.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Trust is governed by its Memorandum of Association dating from 1962 and last amended in 2013.

Method of Recruitment and Appointment of Trustees

The Trustees of the Charity are the Trust's directors for the purposes of the Companies Act.

In accordance with the Articles, the Trustees of ArtsEd may recommend individuals to be appointed as new Trustees and the Members (i.e. those who are "Members" for the purposes of company law as set out in the Articles) can also nominate individuals. Candidates are interviewed, and if appropriate put forward for election by the Trustees. The new Trustees are then appointed by the Members at the Annual General Meeting. In practice the Board will encourage the Principal, and other connected parties to suggest the names of potential candidates.

The Board carries out regular reviews and skills audits to identify the appropriate mixture of skills and experience required to manage the multi-faceted affairs of ArtsEd which is also a registered charity, a company limited by guarantee, a medium sized business, and a local employer with over 100 employees.

We devote a good deal of thought to successor planning and keep a register of the mixture of skills and professional backgrounds represented on the Board. Our aim is to achieve a balanced Board with a core of individuals with educational, legal, accountancy, finance, property management, business, marketing and performing arts industry backgrounds. We review this balance regularly.

Our Articles specify that there should be a minimum of 5 and a maximum of 15 Trustees on our Board.

Trustees may serve up to three terms of three years and shall serve for no more than nine years.

The current Trustees are:

Mark Burch	(appointed 2021)	
Stephen Denyer	(appointed 2018)	Elected June 2019
Jacqueline Brunjes	(appointed 2017)	Elected June 2018
Guy Mullin-Henderson	(appointed 2014)	Re-elected June 2018
Ann Cottis	(appointed 2017)	Re-elected April 2020
Brenlen Jinkens	(appointed 2017)	Re-elected April 2020
Robert Mathieson	(appointed 2017)	Re-elected April 2020
Diana Maine	(appointed 2013)	Re-elected June 2019
Sandy Cahill	(appointed 2013)	Re-elected June 2019
Clare Ferguson	(appointed 2013)	Re-elected June 2019
Nicholai La Barrie	(appointed 2020)	Elected June 2020
David Ian	(appointed 2021)	Elected March 2021
Ruth Mundy	(appointed 2021)	Elected March 2021

Policies and Procedures adopted for the induction and training of Trustees

All new Trustees are given a tour of the school and the chance to meet staff and students. All Trustees are provided with copies of the policies, procedures, minutes, accounts, budgets, plans, an induction pack and any other documents they need to undertake their role as Trustees. Trustees are encouraged to attend training courses and seminars arranged by the Association of Governing Bodies of Independent Schools (AGBIS) and other professional providers, such as law and accountancy firms in order to reinforce their awareness of their varied duties and responsibilities. Trustees also receive training on KCSIE and Prevent.

Organisational Management

The Trustees are legally responsible for the overall management and control of the Schools and meet at least three times a year. The day-to-day responsibilities are delegated to the Principal. The Board has six sub-committees which meet as follows:

- The Finance Committee meets four times a year to review financial operations.
- The Facilities Committee meets three times a year to review IT and building facilities.
- The Development Committee meets three times a year to review development and funding opportunities.
- The Day School Sixth Form Committee meets at least once per term to review governance of the School.
- The Higher Education Committee meets at least once per term to review all HE Programme
- The EDI Committee meets at least once per term to review our EDI initiatives.

In addition, a Project Board was set up to oversee and report on delivery of the Capital project. The Project Board advises on proposals for improvements, alterations, and refurbishment in the redevelopment of the ArtsEd campus. All meetings of the Trustees are attended by the Principal together with other senior staff as may be required for that meeting. Specially convened meetings of staff and Trustees are arranged from time to time on topics of strategic interest. Trustees often attend performances and meetings with external partners.

Membership of the Trust

At the close of the year the Trust had 47 members. We should like to thank those members of the Trust who have actively supported the Schools during the year.

Schools Structure

ArtsEd comprises the Day School (Day School for 11-16 and Sixth Form for 16-18), the School of Musical Theatre and the School of Acting. In addition, ArtsEd Extra offers provision to the local community. These departments are supported by the Finance, Facilities, HR, Production, Academic Management, Communication and Development teams and other administrative and support services.

Senior Strategy Team

The Senior Strategy Team for the year ended 31 August 2021 comprised:

Chris Hocking, Principal and Director - School of Musical Theatre (leave of absence from June 2021, resigned October 2021)
Jane Morton, Deputy Principal (retired July 2021)
Julie Spencer, Interim Principal (June 2021) and Director - the School of Acting
Claire Parker-Wood (Acting Headteacher September 2021)
Adrian Blake, Headteacher (retired August 2021)
Frank Daniel, Facilities Manager
Nick Granville, IT Manager
Cheryl Jarman, HR Manager
Sue Sandle, Director of Development
Di Stedman, Production Manager
Michael Stewart, Finance Director

Following the retirement of Jane Morton, Yewande Akindele was appointed Deputy Principal with effect from 1 November 2021. Also on 1 November 2021 Jonathon O'Boyle joined ArtsEd as Director – School of Musical Theatre and joined the Senior Strategy Team.

Pay Policy for Senior Staff

The Trustees consider that they, together with the Senior Strategy Team, comprise the Key Management Personnel. The Trustees give of their time freely and the pay and remuneration of the Principal and senior staff is set by the Finance Committee and is kept under annual review. A number of criteria are used in setting pay:

- nature of the role and responsibilities
- competitor salaries in the region
- the sector average salary for comparable positions
- trends in pay.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The objects for which the Trust is established are to promote the advancement of education and in connection therewith in particular to acquire, establish, provide, conduct, and carry on residential and non-residential schools in which children and students may receive a general education in conjunction with a specialised education for students desiring to follow a career in or connected with the performing arts.

Aims and intended impact

ArtsEd's aim is to provide a first-class education through strong vocational and general education and through developing wider artistic and social skills in all its pupils and students. Each pupil or student is encouraged to develop and fulfill his or her potential, promoting self-confidence and desire to contribute to the wider community.

Objectives and Activities

ArtsEd's mission is to deliver successful and fulfilling careers for all our students and staff. This mission is at the core of all decision making and ensures that students and staff are central to strategic planning.

Strategic Aims

- Provide outstanding education and training
- Widen participation and encourage a diverse student intake
- Exploit our growing reputation
- Increase our emphasis on staff development and engagement
- Foster a culture of philanthropy
- Develop the building and its facilities to enhance the student experience
- Sustain the financial health of the Schools while allowing for investment in new initiatives

Key Strategic Objectives

- To provide exceptional learning opportunities that enable all pupils and students to realise their individual potential
- To recruit, develop and retain outstanding academic and professional staff
- To review the delivery and relevance of all our education and training
- To evaluate how student development and achievement is enabled through robust quality assurance and enhancement
- To provide excellent pastoral care
- To market ArtsEd as the destination of choice for a successful and fulfilling education and career
- To develop our distinctive brand identity as the leading force in Musical Theatre training
- To continue to maintain strong relationships with the industry
- To retain and progress talented staff through development, staff wellbeing and performance management, to enable them to realise their full potential
- To build philanthropic and public support for student scholarships, the Student Support Fund and the capital campaign
- To provide facilities that are fit for purpose, through effective maintenance and refurbishment programmes, space planning and facilities management
- To achieve the required level of operational surplus to meet ongoing investment requirements and provide contingency against unanticipated adverse developments
- To achieve maximum cost efficiency and value for money in all operations
- To sustain our cash flow and liquidity
- To monitor fee levels across the sector to ensure that we remain competitive

PUBLIC BENEFIT

The Trust provides a public benefit by providing first class independent education and vocational training, both through strong teaching and through developing wider artistic and social skills in all its pupils and students. This is intended to provide an environment where each student can develop and fulfil his or her potential, thus to help build self-confidence and inculcate a desire to contribute to the wider community.

Grants and bursaries, provided by the Trust, enable those who cannot afford to pay the full fees, to benefit from an ArtsEd education. Students are also able to apply for the Dance and Drama Award (DaDA) scheme which is provided by the Education and Skills Funding Agency. This allows the most talented students from a broad range of backgrounds to benefit from the training which ArtsEd offers.

The school encourages the local community to hire the Andrew Lloyd Webber Foundation theatre and other spaces for their own activities.

In addition to the above, ArtsEd have hosted or attended the below events:

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

September-December 2020

Sponsored Black British Theatre Awards

January – March 2021

Audition fee waivers are available to applicants from disadvantaged backgrounds.

The HR Manager has given free HR advice to local schools during the pandemic.

The Musical Theatre students held a fundraising event for Cancer Research.

Free InstaLive sessions were offered during lockdown.

School signed as affiliate drama school to Rising Waves, a free mentoring scheme for artists and creative practitioners of British East and South East Asian heritage.

April – July 2021

Sponsored New Earth Academy South 2021 providing free, specialist training and opportunities for British East and South East Asians (BESEA) aged 18+ who are interested in developing their skills and engagement in the performing arts.

Donated rehearsal space to ProSundays, an initiative to get performers back into work.

Throughout the year and ongoing

ArtsEd hosts Dynamic Piano Lessons, which offers lessons to local children with dyslexia and/or autism.

The Trustees have given consideration to the Charity Commission's general guidance on public benefit, and in particular to its supplementary public benefit guidance on advancing education, and have concluded:

- that there are clearly identifiable benefits from the Schools' work which relate directly to their aims as set out above;
- there is no significant detriment flowing directly from the Schools' work which we consider needs to be balanced against those benefits;
- that the benefits which the Schools provide are widely available to the public.

EXTERNAL INVESTIGATION

In June 2021 the Board of Trustees appointed Rebecca Tuck QC to carry out an investigation into allegations of historic misconduct. The summary of her report and an announcement by the Board of Trustees were published on 22 October 2021 and are available on the ArtsEd website. The report contained a range of recommendations in response to the conclusions of the report which related over a number of years to the HE Musical Theatre activity.

The Trustees at a meeting on 20 October 2021 agreed an action plan which was summarised in the Trustees' announcement made on 22 October 2021. This plan includes reviews of policy and procedures, employment of an external governance adviser to review Board governance, a review of HE well-being and enhanced HE staff training with an external review to be commissioned in the summer 2022 of the implementation of the action plan.

In the announcement of 22 October the Chair stated "The Board of Trustees is ultimately responsible for the conduct of the staff, freelancers and visiting creatives, and on behalf of ArtsEd, I am deeply sorry. However I am confident that these robust measures are necessary and will deliver the change that is required"

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR
 Student and Pupil numbers

	2020/2021	2019/2020
Applications received		
Musical theatre (3 year BA)	1,403	1,376
Acting (3 year BA)	883	506
Acting (1 year MA)	287	182
Applicants auditioned		
Musical theatre (3 year BA)	1,152	1,004
Acting (3 year BA)	771	415
Acting (1 year MA)	253	148
New student intake		
Musical theatre (3 year BA)	54	61
Acting (3 year BA)	32	33
Acting (1 year MA)	28	34
Total students (at year end)		
Musical theatre	188	164
Acting	156	129
Total	344	293
Pupils (including "A" Level)		
Applications	252	324
Offers	180	205
Acceptances	116	140
Total number of pupils at year end	294	285

The financial results for the year ended 31 August 2021 were adversely affected by the Covid pandemic, the costs of the investigation and difficulties in Dubai that led to the disposal of the business in September 2021 but nevertheless there was a surplus of £379,955 compared to the surplus of £839,515 in the previous year. The budget for the year ending 31 August 2022 anticipates improved results as the impacts of the current year diminish.

ArtsEd continues to maintain high standards across its range of activities and to sustain stable pupil and student numbers and these are more fully described for each of the schools below.

The Trustees would like to thank all staff members for the continuing success of ArtsEd, for achieving such excellent academic results and for the continued stability in the financial results.

DAY SCHOOL AND SIXTH FORM

We are extremely proud of our GCSE, A-Level and BTEC examination results, and credit goes to the hardworking and dedicated staff who, despite lockdowns and disruption to learning, supported and enabled our students to achieve these results. We received five stage one appeals which were not escalated to stage two which emphasises our rigorous assessment, feedback, and data collection.

When comparing our examination results to our competitors (SYTS, Brit School and Tring Park), we rank as the first Performing Arts School in the UK. It is important to emphasise that as a school we do not select on academic ability, but we have always been confident that our small class sizes, our positive and supportive pupil/teacher relationships and our robust curriculum enable pupils of all abilities to achieve to a very high level. This year's results underline that these features of ArtsEd are continuing to empower and equip our pupils to surpass expectations.

In terms of educational progress and attainment the actual results achieved by the Year 11 cohort in their GCSEs were compared to their predicted results according to the CAT (cognitive ability test) data supplied by GL Learning, which is a nationally recognised provider of educational statistics. This year we were pleased that in our GCSEs 75% of the examination results exceeded the CAT predictions. This figure is significantly higher than the national and regional expectation.

Overall the pupils did exceptionally well, with every pupil achieving 4-9 in six or more subjects, and 53% (+4%) of our Year 11s achieving a 9 in one or more subjects (equivalent to A** and which only 5% of GCSE pupils achieved nationally).

The new 'Headline' Measures are:

Attainment 8 = 64.9 (+1.5), and Progress 8 = +1.33 (-0.24).

We are pleased to report that all our pupils have gone on to study A Level or BTEC courses at their first-choice colleges or schools - including ArtsEd Sixth Form of course. 60% of our year 11 cohort stayed on to study in the Sixth Form.

A statistic that demonstrates that we are also extending our most able pupils is that 55% (+5%) of all the grades were Grade 7, 8, or 9 (A and above in the previous measure), and every pupil secured a 7 or higher in their overall marks (A or A*).

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

Subject	Percentage of grades at 9-4
Dance, Drama, Music, Art, Film Studies, Photography	100%
English Language, English Literature, French, Geography, History, Maths	100%
Science (Double Award)	99%
Biology, Chemistry, Physics (Triple)	100%

In the core subject areas of Maths, English and Science, it is important to note that the results exceeded the CAT predictions by over 70%, (static) and overall the pupils achieved 68 more 8s and 9s than predicted by the national baseline tests.

A LEVEL RESULTS

The excellent results from last year continued to be built upon with a 100% pass rate (static), and with 49% of all grades achieving an A* or A (-1%), and 86% achieving A*, A, or B (-3%) which is significantly above the national average. When combined with our BTEC results, 96% (+1%), all results were A*-B or equivalent, which cements our position as the most academically successful performing arts school in the U.K.

Subject	Percentage achieving an A* - B grade or equivalent
BTEC Acting / Dance / Musical Theatre	100%
Dance, History, History of Arts, Music, Photo	100%
Drama	89%
Art/Film Studies/ Eng. Lit	80%
Maths	75%

BTEC RESULTS

Our BTEC cohort succeeded in achieving an outstanding set of results with **100%** (static) securing a Triple Distinction*/ Distinction combination (equivalent to 3 A* /A grades at A level) with **78%** (-4%) **securing Triple Distinction*** (equivalent to 3 A*s).

HIGHER EDUCATION DESTINATIONS

This year the majority (55%) of our Year 13 students wanted to carry on with vocational training at specialist conservatoires, and they secured places to study courses in Acting, Dance, Musical Theatre and Visual Arts in some of the most prestigious institutions in the UK and overseas.

ArtsEd; GSA; LAMDA; Mountview; RADA; Laban; Northern School Of Contemporary Dance; The Royal College of Music; The Met Film School; London Film Academy; Urdang; London Studio Centre; ACM; The National Film and Television School; LSCD; The LIR; AAD.

19% of our students have chosen to attend university (including film schools). We are also pleased to report that we have former students studying more traditional subjects such as Psychology, English, and History of Art at universities such as Exeter, Manchester, Bournemouth, Courtauld Institute of Art, York and Kings College, which demonstrates our commitment to supporting and encouraging all our students as individuals to continue learning and to pursue their personal ambitions.

15% of our students have gone straight into work.

Despite the challenges faced this year, the dedicated teaching staff, small class sizes and positive learning relationships has enabled us to nurture a creative environment that enables young people to achieve excellent examination results and produce outstanding performance work.

In August 2021 Adrian Blake, who has been a very successful headteacher for nine years retired. We are delighted that his successor Matt Bulmer will join us in January 2022 and has been visiting ArtsEd regularly in preparation.

POST-18 PROVISION

As one of the UK's leading centres of conservatoire education, ArtsEd is proud of its reputation as a provider of world-class, contemporary training. Our Musical Theatre course is consistently recognised as the best in the UK, and one of only a handful which can genuinely claim to produce 'triple threat' performers. Our 3-year Acting course is leading the way in delivering a robust, inclusive, skills-based actor training, focusing on new thinking in response to the rapidly evolving world of the arts and culture. This year applications for the acting course have increased from 506 to nearly 900.

Based on a range of evidence, including graduate destinations, external reports, feedback from students and industry professionals, annual evaluation, and internal self-assessment, we believe our overall effectiveness to be outstanding. We report a variety of statistical data to the Higher Education Statistics Agency (HESA) including for the Destination of Leavers from Higher Education survey, which calculated that 100% of our graduates go on to work or further study.

Our graduate destinations are outstanding. Each year ArtsEd graduates can be seen performing in commercial theatres in the West End and on tour, as well as appearing in television dramas and feature films.

A number of regulatory, accrediting and validating bodies have oversight of our provision (both HE and FE), and reports from these provide assurance of the quality and relevance of our provision:

- An extremely positive report from Trinity confirmed revalidation of both Acting and Musical Theatre courses which provides the PPAD Diplomas linked to DaDA funding.
- The National Student Survey (NSS) 2021 ArtsEd ranked no 1 within our sector. Students rated us 91.3% for overall satisfaction in comparison to 82.65% sector wide.
- The flagship 3 Year Acting and Musical Theatre courses were graded Outstanding by Ofsted in their last inspection in November 2015.
- We are accredited by the Council for Dance, Drama and Musical Theatre.
- We are a founder member of the Federation of Drama Schools.
- Our provision meets the guidelines set by Equity and Spotlight for conservatoire training.

We can therefore be confident that our content and our curricula remain relevant, the standards of teaching and learning remain very high, with high expectations for what all learners can achieve, and that our education

and training provides each student with the best possible preparation for a successful and fulfilling career. The school continues to attract highly skilled and expert practitioners with a wealth of relevant subject knowledge to teach at ArtsEd, both as regular tutors and visiting creatives. In Year 1 the majority of teaching is undertaken by core in-house staff to encourage confidence, generosity to the ensemble, and to allow students the time and support to develop a broad range of technical skills before testing them against industry standards. As the courses progress, through projects, public productions and professional practice modules, students are introduced to a wide range of practitioners, directors and creatives, including leaders in their field as well as emerging artists. The experience of working with these people develops students' skills and confidence and allows them to build up a broad portfolio of professional contacts in preparation for entry to the industry. This combination of rigorous technical training from in-house staff, and the experience of working with a huge variety of industry professionals, is a key strength of teaching and learning at ArtsEd.

ArtsEd is noted in the industry for our success in attracting and retaining a particularly diverse student body, over one third of our students come from Black, East Asian, South Asian, and other under-represented Ethnic groups. We are a founder school of Diversity Initiative, set up to address under-representation and lack of diversity in UK drama schools. As a partner school, we are committed to maintaining our strength in this area, improving diversity of all kinds over the coming years.

Our commitment to inclusivity is apparent in a warm and welcoming environment, with a strong attention on the development of the individual. The pastoral care that is a core aspect of our provision is rooted in the expertise of our staff and is driven by the belief that a person's wellbeing is core to their success. Training is undertaken each year to update and allow us to critically reflect on our provision and practices. Extensive performance experience gives staff an understanding of the rigours and demands of the industry and the ability to inspire resilience alongside expertise. This is an essential element in creating graduates who are confident, resourceful and committed performers, well prepared to enrich and influence the creative industries in the UK and beyond.

Diversity statistics

September 2021 the School of Acting recorded an intake of **56%** Black, East Asian, South Asian, and other under-represented Ethnic groups. The School of Musical Theatre recorded an intake of **24%**. Overall, **41%** of the new intake of students are Black, East Asian, South Asian, and other under-represented Ethnic groups. It is an ongoing target to maintain and improve equality, inclusivity and diversity, and efforts are made at audition to recruit students from a diverse range of backgrounds and support them to succeed at the highest levels. We continue to explore how we can influence the intake in Musical Theatre, through targeted outreach and marketing strategies. Our commitment to diversity is demonstrated by the table below, which shows that over succeeding years, our efforts to attract talented students from a range of backgrounds to our post-18 courses have been increasingly successful

New intake

% Black, East Asian, South Asian, and other under-represented Ethnic groups.

2021-22	41%
2020-21	30%
2019-20	37%
2018-19	29%
2017-18	23%
2016-17	21%
2015-16	20%
2014-15	18%

Wellbeing and Pastoral Care

The challenge of supporting the growing number of pupils and students with mental health difficulties is one faced by all education and training providers. Trustees are committed to supporting initiatives for continual improvement in pastoral care and have approved increased investment in support services and the promotion of wellbeing for all our students and staff. Our work in this area was acknowledged at the inaugural Industry Minds awards in September 2020, when ArtsEd was voted Institute of the Year for the work we do in pioneering and furthering mental and physical health in the creative arts. During Covid we offered online support with Togetherall.com, alongside offering access to a specialised counsellor and a nutrition and well-being officer. We are currently reviewing provision with the support of an external expert as part of our action plan following the external investigation to ensure that we continue to respond to the needs of the students and staff.

School of Musical Theatre

ArtsEd's Musical Theatre department is regarded as the premier Musical Theatre school in the country, and one of only a handful which can genuinely claim a 'triple threat' training. Despite the pandemic, training remained rigorous and robust. Graduate shows, held with distanced audiences, were well received by industry professionals. For the first time the MT showcase was filmed as showreels directed by Jonathan O'Boyle, who will be taking up post as our Director of Musical Theatre in November 2021. The rehearsals, filming and editing were supported by the School of Acting film department. Classes, tutorials, masterclasses, performance projects, assessments and rehearsals for final year Spring productions were taken online using a blend of Zoom, Teams and Google classroom.

Employability

Students continue to be well prepared for employment, both in the development of the key skills necessary for work in the profession, and in the development of understanding about the industry. They take part in regular mock and preview interviews and auditions, and the requirement to audition for roles in their final year productions and films gives students a real sense of what to expect when seeking professional work. Students benefit from an extensive programme of professional practice talks from agents, casting directors and actors on a range of subjects including how to start their own theatre company, how to manage their finances and taxes, how to develop their own work for television, how to market themselves and understanding their individual casting potential. These industry guests frequently cast the students in professional productions.

Similarly, the policy of bringing West End casting directors to audition BA Musical Theatre whilst still in training continues to be highly successful.

2021 Graduates

The impact of Covid-19 on theatre throughout the UK cannot be underestimated. Commercial producers were unable to mount fully-stage musicals in the West-End, on tour or in regional theatres.

2021 graduates have already secured work in *Pretty Woman: The Musical* (West End), *South Pacific* (Chichester Festival Theatre), *Hairspray* (London Coliseum), *Les Misérables* (West End), *The Magician's Elephant* (RSC), *The Addams Family* (UK Tour), *The Book of Mormon* (West End and UK Tour), *The Phantom of The Opera* (West End), *Back to the Future* (West End) and feature film *The Bog*.

2020 Graduates

According to Unistats, our students earn an average of £34,000 six months after graduation, compared to the national average of £20,000. This average earning has been raised largely due to the very high numbers of graduates working in the West End and Off West End.

Over this reporting period, 2020 graduates appeared or were cast in:

West End: Back to the Future, Adelphi; Hair, London Palladium; Songs For a New World, London Palladium; Cinderella, Gillian Lynne Theatre; Frozen, Theatre Royal Drury Lane

Regional theatre: Top Hat, The Mill at Sonning; South Pacific, Chichester Festival Theatre; Rent, Hope Mill Theatre; What's New Pussycat, Birmingham Rep; Carousel, Kilworth House; The Music of Andrew Lloyd Webber, Leicester Curve

Off West End: The Last Five Years, Southwark Playhouse; Pippin, The Garden Theatre; Ordinary Days, The Theatre Café

Tours and international: Grease, UK Tour; Chicago, UK Tour; Chicago, Ljubljana Festival;; The Adams Family, UK Tour; School of Rock, UK Tour

TV and film: The Power, Amazon Studios

Pantomimes: Dick Whittington, National Theatre; Cinderella, Online; Jack and the Beanstalk, Online

Shows cancelled or postponed: Hello Dolly, Adelphi, The Commitments, UK Tour; My Best Friend's Wedding, UK Tour

School of Acting

The course is gaining reputation as leading the way in decolonisation and diversification in actor training. This is highlighted in application arising from 506 to nearly 900. We offer an inclusive, diverse contemporary industry-facing programme, an exciting alternative to the traditional model of classical theatre training. The BA Acting course is the first to introduce intimacy training and British Sign Language embedded within the 1st year curriculum. During the Government lockdown, classes, tutorials, masterclasses, performance projects, assessments and rehearsals for final year Spring productions were taken online using a blend of Zoom, Teams and Google classroom. 2020 Graduate original film The Phoenix directed by our Head of TV/ Film and Audio Kim Vithana won best international short film at The Paris Short Film Festival and has been shortlisted for the LA Short Film Festival, Berlin Short Film and Kalakari Indian Film Festival.

Employability

ArtsEd facilitate a robust practical creative environment to facilitate students to progress into professional work in all genres. We bring stage and screen casting directors to audition Acting students whilst still in training which has started to bear fruit in students being cast for stage and screen. This addition, like our Musical Theatre course provides another indicator of the quality of standards on the programme. Despite Covid decimating the Arts we are proud our students' who continue to gain professional recognition and obtain high quality professional work.

2021 Graduates

2021 graduates have worked in the following productions:

Films & TV: Havoc with Tom Hardy; Pulcinella, the lead in Lorraine; The Tuckers, BBC Cymru Wales; Lud in the Mist, BBC; Amser Maith Maith Yn Ol, BBC Cymru Wales; Butterfly Lost.

Radio: BBC Carleton Hobbs 2021 finalist receiving a best duologue commendation; , BBC Audio Drama; Keeping the Wolf out, BBC Audio Drama; Charles Paris: A Deadly Habit.

Theatre: A Midsummer Night's Dream, Petersfield Shakespeare Festival; Rocket Launch Blaenavon.

2020 Graduates

Over this reporting period, 2020 graduates appeared or were cast in:

TV and Film: Holby; Doctors, BBC; Finalist for Warner Bros Actors In Training Programme 2020; The Flash, DC/Warner Brothers; The Larkins, ITV; Becoming Elizabeth, The Forge/Starz; Amazon UK Commercial; The Ancestors, National Youth Theatre/English Heritage; The York Witches Society, MSR Media; Television, Zeke, Big Age, Channel 4/Tiger Aspect, Nosa Eke; Television, Ben, This Is Going To Hurt, BBC, Lucy Forbes; The leading role in the feature film RUSH; A Miseducation of Love, short film; Fruity, BBC New creatives

Theatre: Lead in The Belle Sauvage, The Bridge Theatre, Bard from the Barn, Barn Theatre Cirencester; Heart of Hammersmith, Lyric Hammersmith; What's Past Is Prologue, Mawa Theatre; Living Newspaper: Edition 1, Royal Court; Pericles, Prince of Tyre, Barn Theatre Cirencester; Under Milk Wood (Workshop), National Theatre.

FINANCIAL RESULTS

The Trust produced a surplus for the year of £379,955 (2020: £839,515). The total accumulated unrestricted general fund surplus at the end of the year was £6,802,269 (2020: £6,598,961). There were designated funds at year end of £118,110 (2020: £188,110).

Capital expenditure in the year totalled £2,212,414 (2020: £6,460,021) of this £2,021,854 related to the building works. Yearend cash balances were £4,731,428 (2020: £3,988,486) and there were long term loans with Lloyds Bank plc of £6,766,895 (2020: £4,814,330).

Impact of Covid-19

A large number of our ArtsEd families experienced financial difficulties caused by the Covid pandemic during the financial year to 31 August 2021 and as a result an additional £31,642 Hardship bursaries were granted and families were allowed extended payment terms for fees debtors of a further £49,622, all of which have been fully provided for in these accounts.

As a result of this support not a single pupil or student was asked to leave for non-payment of fees during the financial year.

The pandemic also negatively affected other areas of the Trust with Studio Hire reducing by 40% to £63,981 and income from school productions reducing to £14,983 from £61,160 in 2020, despite the fact that almost all the planned shows were staged to the normal standard. As there were reduced audiences no recovery from the Theatre Tax Relief scheme was included this year (2020: £59,413)

It is anticipated that these non-fee sources of income will recover in the financial year to 31 August 2022.

The Dubai business was more severely hit by the pandemic and reported a loss of £88,256 (2020: £22,230 profit).

The Trustees continue to keep abreast of the financial impact of Covid-19 and will take whatever steps they consider necessary to protect the financial wellbeing of the Charity.

Charitable Support

The Trust is very grateful for the support from the following individuals, companies, trusts and foundations in 2020-21. Their generosity ensures that we can continue in our mission to enrol students with the greatest potential, regardless of their financial circumstances. We are particularly grateful for the new and continued support received during the Covid-19 pandemic.

ArtsEd Champions

Anon, Kate & Pat Butler, Ann Cottis, Tim English and all supporters of the Chris Hornby Bursary Fund, Clare M Ferguson, Michael Harrison, Alastair Kerr, all supporters of the Graham Martin Bursary Fund, Dennis & Valerie Lavin, Jamie Lonsdale, William Newsom, Richard Parkinson & Hamilton McBrien, Dr Donald & Mrs Jan Yeates

ArtsEd Enthusiasts

Anon, Sue Adie, Jacquie Brunjes, Johanna Harrison

ArtsEd Admirers

Anon, Sandy Cahill, Ollie Corbett, Felicity French, Tony & Christine Gamble, Andrew D Hine Esq, Diana Maine, Dennis & Erika O'Connor, Linda & Steve Simpson, Helen Vickers, John & Wendy Williams, Paul Wooller

ArtsEd TAP and ArtsEd Parents & Families

We would like to thank the TAP committee for their continued hard work, commitment and enthusiasm. We would also like to thank the parent and carer community for their ongoing support of TAP events and ArtsEd's wider fundraising initiatives.

Corporate

Acre Properties in memory of Ben Turner, Smith & Brant Theatricals, White Light

Trusts and Foundations

Andrew Lloyd Webber Foundation, CMF Charitable Trust, Darrall Macqueen Ltd, The D'Oyly Carte Charitable Trust, Help Musicians UK, The Honourable Society of Knights of the Round Table, Laurence Olivier Bursary (Society of London Theatres), The Leverhulme Trust, The Lionel Bart Foundation, Lynne & Land Foundation, Pamela Brady Todd Fund, The Royal Victoria Hall Foundation, The Sir John Gielgud Charitable Trust, Sophie's Silver Lining Fund, The Stanley Picker Charitable Trust

Agents

We have been delighted to receive generous support over the years from many agents and agencies through our 10% programme. This programme has been on hold during the pandemic, but we look forward to rebuilding these valuable partnerships over the coming year.

Shaping the Future

David Ian, Mark Burch, CMF Charitable Trust, Garfield Weston Foundation, The Arts and Sports Trust, Cherie Lunghi, Tatiana & Sergey Ogorodnov, Rob & Cherry Wood

Legacy Pledges

Anon, Vanessa Cameron, David J Yeoward

Legators

Malcolm Goddard, Guildford Academic Associates

The Interim Principal has requested that a special mention should be made of the outstanding contribution of the Trustees who not only give generously of their time but also make significant financial donations that are very much appreciated.

Future Plans

On 20 October 2021 the Board approved an action plan to address the recommendations of the external Investigation setting a timetable for implementation and committing to an external review of the implementation in summer 2022. The Board and senior management are committed to keeping informed the regulatory and validating institutions and other stakeholders on the progress in implementation of its action plan.

The ambitions and priorities set out in the Five Year strategic plan continue to guide our plans.

Work continues on the scheme to redevelop the old library site into a performance and training venue that will provide further world class facilities.

Reserves Policy

Total funds at the balance sheet date were £15,602,838 (2020: £15,222,883) of which £3,245,304 were restricted (2020: £3,136,778) and £11,010,379 were unrestricted (2020: £10,884,071). Details of restricted funds are provided in note 20. Of the unrestricted reserves, there is a designated fund of £188,110 (2020: £188,110) which has been set up for student bursaries. Also included in the unrestricted fund is the revaluation reserve of £4,020,000 (2020: £4,097,000) which arose on the last revaluation of the School's land and buildings.

As the school has historically invested in its building and is in the development stages of a major building project, there were no free reserves at the balance sheet date, (2020: £nil). It is likely that free reserves will remain minimal. The Trustees believe that it is important to continue to maintain healthy surpluses in order to build up total reserves and in order to be able to invest in the facilities and staff of ArtsEd.

Investment Policy

An investment policy has been written and adopted that seeks to optimize cash flow whilst maximizing return on investment in a safe and secure manner.

Fundraising practices and performance

Raising voluntary funds from trusts, foundations and individuals is a vital source of income for ArtsEd, enabling us to fulfil our charitable objectives as effectively as possible. We are very grateful for the support from all of our donors.

At ArtsEd, we believe that fundraising should be an open, honest and respectful process. We aim to build partnerships with our supporters and donors that are based on mutual understanding and shared values. In developing our approach to fundraising, we have taken account of the Code of Fundraising Practice issued by the Fundraising Regulator. We have a small internal fundraising team which carries out our principal fundraising activity and make occasional use of external professional fundraisers for standalone fundraising projects. We do not engage commercial participators to carry out fundraising activity. The fundraising team works closely with ArtsEd's executive and trustees to develop its fundraising strategy and identify potential prospects, the vast majority of whom have an existing connection to ArtsEd or to a member of one of these internal bodies. ArtsEd does not engage in unsolicited face-to-face or telephone fundraising.

As part of General Data Protection Regulation, ArtsEd reviewed and updated its Privacy Policy with regards to fundraising. This policy, published on our website, clearly states what personal data ArtsEd will hold in relation to supporters and how this data will be used. It sets out how individuals can raise concerns or complaints. ArtsEd has received no complaints about its fundraising activities either during the financial year or subsequently.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk Management

The main risks that the Trustees have identified and the plans to manage those risks are:

Investigation – Following the year end on 22 October 2021 the summary report and Trustees' announcement were published as described on page 7. The Trustees recognize the risks arising from the report to the reputation of ArtsEd, and therefore to its financial and competitive position. Working with key management the Trustees have commenced the implementation of the action plan to address the recommendations of the report and have kept informed the relevant regulatory and validating bodies and are ready to respond to their enquiries. Trustees and management are also keeping informed the broader stakeholder group and managing external communications, including with potential applicants to ArtsEd.

Covid-19 Pandemic – the pandemic has impacted in the school in the year under review and may continue to do so in the current year. In particular the Trustees and key management have understood the potential impact of Covid-19 on the delivery of the School's objects and their governance and have taken steps as set out below.

We manage this risk by:

- Providing a balanced blended remote learning curriculum
- Taking exceptional steps to reduce class size and keep classes physically separate
- Establishing our own Track and Trace procedures which together with the responsiveness of staff and students effectively minimizes cross contamination
- Seeking and following independent professional advice
- Investing in additional equipment and facilities to help monitor staff, student and pupil health

In addition, the Trustees and key management have taken exceptional measures, as explained on page 15, to monitor the financial impact of Covid-19 on the Charity.

Reputation – The School's success is built on its reputation of the quality of its education/training and wellbeing of our students.

We manage this risk by:

- constantly reviewing the delivery and relevance of all our education and training
- recruiting, developing, and retaining outstanding academic and professional staff through our staff recruitment policies
- reviewing and applying our safeguarding policies
- providing pastoral support for both students and staff
- actively identifying and resolving health and safety related issues

Finance – Our ability to continue is reliant on student fees and effectively managing costs.

We manage this risk by:

- marketing activity to maintain student numbers
- having a reputation for academic and vocational excellence and excellent student destinations
- having effective credit control procedures
- comprehensive budgeting and regular financial reporting against the approved budget

Competition - Innovative or unexpected developments are made by competitor organisations

We manage this risk by:

- benchmarking the Schools' performance against industry standards
- regular review of the curriculum and training to ensure that they achieve academic and vocational excellence and meet industry expectations
- monitoring our student destinations
- recruiting and retaining the best staff through our HR policies

Through the risk management processes established for the Charity, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

Trustees' responsibilities for the financial statements

The Trustees, who are also directors of ArtsEd for the purposes of company law, are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare Financial Statements for each financial year. Under that law the Trustees have prepared the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the profit or loss 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 accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards 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.

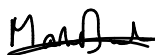
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with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

Provision of information to auditors

The Trustees at the time when this Trustees' Report is approved have confirmed that:

- so far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Trustees have taken all the steps that ought to have been taken as Trustees in order to be aware of any information needed by the charitable company's auditors in connection with preparing this report and to establish that the charitable company's auditors are aware of this information.

Trustees' Report, incorporating the Strategic Report, approved on behalf of the Trustees:



Mark Burch, Chair

23 November 2021

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

Corporate Governance

The Statement which follows is provided to enable readers of the Annual Review and Financial Statements of the School to obtain a better understanding of its governance and legal structure and applies to the 2020/21 financial year and to the date of the approval of the audited financial statements.

The structure of Corporate Governance is set out on pages 3 and 4, being the first section of the Trustees' Report. The Governing Document which dates from 1962 and was last amended in 2013 underpins the Governing practices adopted by the Board.

The Trustees are legally responsible for the overall management and control of the Schools. The Board of Trustees meets at least three times a year. Day to day responsibilities are delegated to the Principal and the Board has six sub-committees that meet at least three times a year that cover specific areas of the business. For the year under review these were:

- The Finance Committee
- The Facilities Committee
- The Development Committee
- The Day School and Sixth Form Committee
- The Higher Education Committee
- The EDI Committee

The minutes of the Management Health and Safety Committee together with all reports from the external advisers are shared with members of the Facilities Committee.

On 5 June 2021 the Board agreed that the Chair, supported by the Deputy Chair and one other Trustee, would manage the Board's response to the external investigation. The Board met additionally in July and September as well as receiving updates. On 20 October 2021 the Board approved the establishment of the Policies and Practices Working Group of three Trustees working with the Head of HR to take forward the review established in response to the recommendations of the external investigation together with the employment of an external governance adviser to review Board governance, as explained on page 7.

For the year under review the Project Board, a temporary committee to oversee the building development, has met at least once a month and a report from the Chair of the Project Board is included in all Board papers. This report includes an operational and financial update informing the Board of the most current situation.

All the sub-committees are attended by the Principal and other senior staff as may be required. Minutes are taken from all such meetings which are included in the Board papers so that all Trustees have an appreciation of the issues dealt with by the sub-committees.

Every year the Board holds at least one Strategic Review day when issues of a longer term and more strategically orientated are considered.

The Principal and the Senior Strategy Team (SST) meet monthly to discuss current issues and to agree actions for the short, medium and longer term as required. For the current year this has included significant discussions and actions due to the Covid-19 pandemic.

The Finance Committee ensure the adequacy and effectiveness of arrangements for corporate governance, risk management and oversight of any statutory and other regulatory responsibilities including compliance

**THE ARTS EDUCATIONAL SCHOOLS
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

with the OfS's ongoing conditions of registration, any terms and conditions of funding as well as any other relevant regulatory responsibilities.

As part of the action plan in response to the external investigation the Trustees have commissioned an external specialist adviser to complete a governance effectiveness review which is due to report in March 2022.

Internal Controls

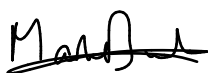
Identifying and managing risk is a key part of the work of the Board and the SST. This is addressed by the maintenance of a detailed Risk Register that is discussed and updated as necessary at all the meetings of the Board and the SST and is covered where appropriate by the other sub-committees.

The approach to internal controls is risk-based including an evaluation of the risks becoming a reality. The risk weighting is considered by assessing the likelihood of the risk and the potential damage it could do. This approach helps management and Trustees prioritise actions and enhance controls if the potential impact of a risk is considered to be increasing.

Whilst many risks do have a financial implication many others do not and could have compliance, operational, health and safety or reputational implications. The Risk Register covers all such issues and not the purely financial ones.

Members of the Board of Trustees understands that it is their responsibility to ensure that a sound system of internal controls is maintained and confirms that it has reviewed the effectiveness of these arrangements.

The Trustees, SST and external auditors have not identified any significant internal control weaknesses or failures in the financial year under review or in the period since the year end up to the date that the financial statements were signed that need to be disclosed.



Mark Burch, Chair

23 November 2021

THE ARTS EDUCATIONAL SCHOOLS
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARTS EDUCATIONAL SCHOOLS
FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the group and charitable company's affairs as at 31 August 2021 and of the group's and charitable company's net movement in funds, including the income and expenditure, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Office for Students Accounts Direction.

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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

**THE ARTS EDUCATIONAL SCHOOLS
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARTS EDUCATIONAL SCHOOLS
FOR THE YEAR ENDED 31 AUGUST 2021**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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.

Matters on which we are required to report in respect of the Office for Students

In our opinion, in all material respects:

- funds administered by the charitable company for specific purposes during the year ended 31 August 2021 as disclosed in note 18, have been applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the OfS and Department for Education have been applied in accordance with the terms and conditions attached to them during the year ended 31 August 2021; and

We have nothing to report in respect of the following matter[s] in relation to which the Office for Students requires us to report where:

- grant and fee income, as disclosed in the note 3 to the accounts, has been materially misstated
- expenditure on access and participation activities for the financial year has been materially misstated

Responsibilities of trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities statement set out on page 19, 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 group's and 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 group or 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to independent schools, higher education and further education provision regulation including Independent Schools Inspectorate, Ofsted and the Office for Students, charity and company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities Act 2011 and the Office for Students Accounts Direction.

**THE ARTS EDUCATIONAL SCHOOLS
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ARTS EDUCATIONAL SCHOOLS
FOR THE YEAR ENDED 31 AUGUST 2021**

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to revenue recognition, in particular in relation to voluntary and other income and management override of controls. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;
- Reviewing the income recognition around the year end to assess whether income had been recognised in the correct accounting period; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tracey Young

Senior Statutory Auditor

For and on behalf of Haysmacintyre LLP, Statutory Auditors

7 December

..... 2021

10 Queen Street Place
London
EC4R 1AG

THE ARTS EDUCATIONAL SCHOOLS
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Endowment Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
INCOME FROM:						
Donations and legacies	2	35,833	446,451	-	482,284	252,995
Charitable activities						
Fee income	3	9,463,700	-	-	9,463,700	8,463,470
Other income	4	201,376	-	-	201,376	512,187
Other grants	4	66,557	-	-	66,557	200,213
Other trading activities	5	120,375	-	-	120,375	261,500
Investment income		1,224	28,150	-	29,374	42,447
TOTAL INCOME		9,889,065	474,601	-	10,363,666	9,732,812
EXPENDITURE ON:						
Raising funds		(294,243)	-	-	(294,243)	(352,618)
Charitable activities		(9,463,555)	(371,034)	-	(9,834,589)	(8,598,994)
TOTAL EXPENDITURE	6	(9,757,798)	(371,034)	-	(10,128,832)	(8,951,612)
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS		131,267	103,567	-	234,834	781,200
Net gains on investments		-	-	145,121	145,121	58,315
NET INCOME BEFORE TRANSFERS		131,267	103,567	145,121	379,955	839,515
Transfers		(4,959)	4,959	-	-	-
NET MOVEMENT IN FUNDS		126,308	108,526	145,121	379,955	839,515
Funds brought forward at 1 September		10,884,071	3,136,778	1,202,034	15,222,883	14,383,368
TOTAL FUNDS AT 31 AUGUST		11,010,379	3,245,304	1,347,155	15,602,838	15,222,883

All amounts are derived from continuing activities.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

The notes on pages 29 to 49 form part of these financial statements.

Full comparatives for 2020 are provided in note 26.

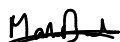
**THE ARTS EDUCATIONAL SCHOOLS
CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2021**

Registered Number: 0712444

		2021		2020	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	13		19,414,681		17,835,297
INVESTMENTS					
Investments	14		1,409,441		1,264,320
CURRENT ASSETS					
Stock		2,231		10,620	
Debtors	15	2,554,440		2,705,911	
Cash at bank and in hand		4,731,428		3,988,486	
			7,288,099		6,705,017
CREDITORS: amounts falling due within one year	16	(6,129,377)		(6,049,197)	
NET CURRENT ASSETS			1,158,722		655,820
TOTAL ASSETS LESS CURRENT LIABILITIES			21,982,844		19,755,437
CREDITORS: Amounts falling due after one year	17		(6,380,006)		(4,532,554)
NET ASSETS	19		15,602,838		15,222,883
RESERVES					
Unrestricted funds					
- general funds			6,802,269		6,598,961
- designated funds			188,110		188,110
- revaluation reserve			4,020,000		4,097,000
Restricted funds	20		3,245,304		3,136,778
Endowment funds	21		1,347,155		1,202,034
TOTAL FUNDS	18		15,602,838		15,222,883

The notes on pages 29 to 49 form part of these financial statements.

The financial statements were approved and authorised for issue by the Trustees on 23 November 2021 and were signed below on its behalf by:



.....
Mark Burch
Chair




.....
Ann Cottis
Chair of the Finance Committee

	Note	2021		2020	
		£	£	£	£
FIXED ASSETS					
Tangible assets	13		19,414,681		17,834,488
INVESTMENTS					
Investments	14		1,409,441		1,264,320
CURRENT ASSETS					
Stock		2,231		10,620	
Debtors	15	2,591,758		2,748,567	
Cash at bank and in hand		4,686,747		3,915,612	
			7,280,736		6,674,799
CREDITORS: amounts falling due within one year	16	(6,122,014)		(6,040,400)	
NET CURRENT ASSETS			1,158,722		634,399
TOTAL ASSETS LESS CURRENT LIABILITIES			21,982,844		19,733,207
CREDITORS: Amounts falling due after one year	17		(6,380,006)		(4,532,554)
NET ASSETS	19		15,602,838		15,200,653
RESERVES					
Unrestricted funds					
- general funds			6,802,269		6,576,731
- designated funds			188,110		188,110
- revaluation reserve			4,020,000		4,097,000
Restricted funds	20		3,245,304		3,136,778
Endowment funds	21		1,347,155		1,202,034
TOTAL FUNDS	18		15,602,838		15,200,653

The charity's income for the year was £10,243k (2020: £9,472k) with a surplus of £402k (2020: £817k). The notes on pages 29 to 49 form part of these financial statements.

The financial statements were approved and authorised for issue by the Trustees on 23 November 2021 and were signed below on its behalf by:



Mark Burch
 Chair of the Finance Committee



Ann Cottis

THE ARTS EDUCATIONAL SCHOOLS
CONSOLIDATED CASH FLOW STATEMENT
AS AT 31 AUGUST 2021

Registered Number: 0712444

	Note	2021		2020	
		£	£	£	£
Net cash provided by operating activities	23		1,150,231		1,533,090
Cash flows from investing activities					
Dividends		28,150		20,205	
Interest income		1,224		42,447	
Interest payable		(177,712)		-	
Purchase of investment				(38,276)	
Purchase of fixed assets		(2,212,414)		(6,460,021)	
Proceeds of sale of fixed assets		809		-	
Net cash used in investing activities			(2,359,943)		(6,435,645)
Financing activities					
Cash Inflows from new borrowings		2,185,670		4,814,320	
Cash outflows from repayments		(233,016)		-	
Net cash inflow/(outflow) from financing activities			1,952,654		4,814,320
Change in cash and cash equivalents in the year			742,942		(88,235)
Cash and cash equivalents at the beginning of the year			3,988,486		4,076,721
	24				
Cash and cash equivalents at the end of the year			4,731,428		3,988,486

The notes on pages 29 to 49 form part of these financial statements.

1. ACCOUNTING POLICIES

Basis of Preparation of the Financial Statements

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2019. The Financial Statements are drawn up under the historical cost convention, with the exception of investments which are included at valuation.

The Trust is a Public Benefit Entity registered as a charity in England and Wales, it was registered in 1962 (charity number: 311087).

Going concern

Having reviewed the funding facilities available to the Trust together with the expected ongoing demand for places and the Trust's future projected cash flows and in addition having reviewed the potential impact of Covid-19 on the Trust's finances, the Trustees have a reasonable expectation that the Trust has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the Trust's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements.

Basis of consolidation

A subsidiary called ArtsEd International Ltd (company number 11960873) was established on 24 April 2019. The Trust also controls ArtsEd International Performing Arts Education LLC (ArtsEd Dubai), which was established in Dubai in June 2019.

The financial statements consolidate on a line-by-line basis the results of the Charity, ArtsEd International and ArtsEd Dubai. A separate Statement of Financial Activities and income and expenditure for the Charity is not presented because the Charity has taken advantage of the exemptions afforded by the Companies Act 2006 and the SORP.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, the Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Trust's financial statements.

Fees and Similar Income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the Trust against those fees, but including contribution received from restricted funds, are accounted for in the period in which the service is provided.

Government grants are reported as fees or other grants as appropriate.

Donations, grants and legacies

Donations, grants and legacies are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Investment income

Investment income from the investments and bank balances are accounted for on an accruals basis.

The income from the invested endowment fund are wholly restricted.

Expenditure

Charitable expenditure and administration costs comprise direct expenditure including staff costs attributable to the activity and are accounted for on the accruals basis. Where costs cannot be directly attributed they have been allocated to the activities on a basis consistent with the use of resources. The Trust is unable to recover VAT incurred on expenditure accordingly expenditure is shown inclusive of any associated VAT payable.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Trust and include the audit fees and costs linked to the strategic management of the Trust.

Fund accounting

Unrestricted funds comprise resources available to the Trustees to be applied for any purpose within the objects of the Trust.

Restricted funds comprise donations for purposes restricted by the wishes of the donor.

Endowment funds arise when the donor has expressly provided that the gift is to be invested and only the income of the fund may be spent. These funds are sub-analysed between those where the Trustees have the discretion to spend the capital (expenditure endowment) and those where there is no discretion to expend the capital (permanent endowment). The Charity has one permanent endowment fund, and no expendable endowment. The fund is managed by the investment managers on a total return basis. This means that the funds are invested to maximise the return on investment without regard as to whether that return is in the form of income from dividends or interest or capital appreciation (where the market value of the investment increases). The investment managers each year release a set amount of that return for spending on bursaries for Musical Theatre students.

Revaluation reserve comprises total revaluations in the deemed cost of the properties.

Designated funds are funds that the Trustees have earmarked for a particular purpose or use without restricting or committing the funds legally.

Pension

The Trust makes pension contributions to defined contribution pension schemes on behalf of certain employees. These contributions are held in a separately administered fund.

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Fixed asset investments

Investments are a form of basic financial instrument. Fixed asset investments are initially recognized at their transaction value and are subsequently measured at their fair value (market value) as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Financial instruments

Basic financial instruments are initially recognized at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid deposit accounts.

Debtors

Trade and other debtors are recognized at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. A specific provision is made for debts for which recoverability is in doubt.

Stock

Stocks are valued at the lower of cost and net realizable value.

Creditors and provisions

Creditors and provisions are recognized where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognized at their settlement amount after allowing for any trade discounts due.

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

Depreciation

Tangible fixed assets are stated at cost or deemed cost, net of depreciation and any provision for impairment. Tangible fixed assets costing greater than or equal to £500 are capitalised and stated at cost, net of depreciation. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value of each asset on a straight line basis over its expected useful life, as follows:

Freehold buildings	2% per annum
Computer equipment	33.33% per annum
Furniture and fittings	10% - 50% per annum
Motor vehicles	25% per annum
Building & theatre refurbishment	2% - 10% per annum

The valuation of freehold land and buildings on transition to FRS 102 at 1 September 2014 has been taken as the deemed cost.

2 INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Endowment Funds 2021 £	Total 2021 £
Donations	35,833	446,451	-	482,284
	<u>35,833</u>	<u>446,451</u>	<u>-</u>	<u>482,284</u>
Comparative analysis				
	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Endowment Funds 2020 £	Total 2020 £
Donations	13,299	239,696	-	252,995
	<u>13,299</u>	<u>239,696</u>	<u>-</u>	<u>252,995</u>

3 GRANT AND FEE INCOME

	2021 £	2020 £
Fee income from other bodies	937,056	1,156,245
Fee income for taught awards	3,360,914	2,724,264
Fee income from non-qualifying courses	5,165,730	4,582,961
	<u>9,463,700</u>	<u>8,463,470</u>

THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2021 £	Unrestricted Funds 2020 £
Fees income		
Fees receivable	9,850,677	8,800,014
Bursaries and discounts	(386,977)	(336,544)
	<u>9,463,700</u>	<u>8,463,470</u>
Other income		
Studio hire and classes	63,981	106,602
Audition and registration fees	49,825	112,126
School productions	14,893	61,160
Catering	(8,687)	68,594
Bar income	-	12,704
Theatre tax relief	-	59,413
Other income	81,364	91,588
	<u>201,376</u>	<u>512,187</u>
Other grants		
CJRS	19,759	200,213
Covid Testing grant	46,798	-
	<u>66,557</u>	<u>200,313</u>
	<u><u>9,731,633</u></u>	<u><u>9,175,870</u></u>

5. INCOME FROM TRADING ACTIVITIES

	Unrestricted Funds 2021 £	Unrestricted Funds 2020 £
Educational services	120,375	261,500
	<u>120,375</u>	<u>261,500</u>

THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

6. ANALYSIS OF TOTAL EXPENDITURE

	Staff Costs 2021 £	Other Costs 2021 £	Depreciation 2021 £	Total 2021 £
Raising funds:				
Fundraising	77,326	8,286	-	85,612
Trading activities	-	208,631	-	208,631
Charitable activities				
Teaching costs	4,347,478	327,403	74,636	4,749,517
Welfare costs	201	245,777	-	245,978
Premises costs	407,938	873,951	557,585	1,839,474
Productions costs	535,834	105,451	-	641,285
Grants, awards and prizes	-	249,725	-	249,725
Support costs	799,824	1,030,030	-	1,829,854
Finance costs	-	278,756	-	278,756
	<u>6,091,275</u>	<u>3,111,093</u>	<u>632,221</u>	<u>9,834,589</u>
	<u>6,168,601</u>	<u>3,328,010</u>	<u>632,221</u>	<u>10,128,832</u>
Comparative analysis				
	Staff Costs 2020 £	Other Costs 2020 £	Depreciation 2020 £	Total 2020 £
Raising funds:				
Fundraising	84,712	28,636	-	113,348
Trading activities	-	239,270	-	239,270
Charitable activities				
Teaching costs	4,018,106	378,693	63,674	4,460,473
Welfare costs	999	211,688	-	212,687
Premises costs	362,270	786,164	360,325	1,508,759
Productions costs	473,333	93,219	-	566,552
Grants, awards and prizes	-	218,055	-	218,055
Support costs	818,054	674,922	451	1,493,427
Finance costs	-	139,041	-	139,041
	<u>5,672,762</u>	<u>2,501,782</u>	<u>424,450</u>	<u>8,598,994</u>
	<u>5,757,474</u>	<u>2,769,688</u>	<u>424,450</u>	<u>8,951,612</u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

7. ANALYSIS OF SUPPORT COSTS

All costs included in charitable activities are direct costs with the exception of support costs of schooling which comprise:

	General support	Governance costs	Total	General support	Governance costs	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Staff costs	773,436	26,387	799,823	792,170	25,883	813,053
Administrative costs	627,986	156	628,142	528,226	482	528,708
Professional costs	356,428	-	356,428	35,394	-	35,394
Audit remuneration	-	24,000	24,000	-	23,440	23,440
Bank charges	21,461	-	21,461	87,380	-	87,380
Depreciation	-	-	-	451	-	451
	<u>1,779,311</u>	<u>50,543</u>	<u>1,829,854</u>	<u>1,443,621</u>	<u>49,805</u>	<u>1,493,426</u>

8. NET MOVEMENT IN FUNDS

Net movement in funds is stated after charging:

	2021	2020
	£	£
Operating leases – equipment	60,092	39,390
Depreciation of tangible fixed assets – owned by the charity	632,221	424,450
Interest costs	177,712	139,041
Auditors’ remuneration – audit	24,000	19,400
Auditors’ remuneration – other	4,080	4,040
	<u>698,105</u>	<u>626,321</u>

9. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

Staff Costs

	2021	2020
	£	£
Wages and salaries	5,505,767	5,103,337
Redundancies	8,614	43,030
Social security costs	462,661	431,438
Pension costs	181,313	171,212
Apprenticeship levy	10,246	8,457
	<u>6,168,601</u>	<u>5,757,474</u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

Trustees' remuneration and expenses

The charity trustees were not paid and did not receive any benefits from employment with the Trust in the year (2020: £nil). Trustees were reimbursed expenses of £nil during the year (2020: £482). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Key Management Personnel

The key management personnel of the charity comprise the trustees and the Senior Strategy Team listed on page 5. The total employee benefits of the key management personnel were £839,278 (2020: £761,707).

STAFF NUMBERS

The average headcount employed by the group during the year was as follows:

	2021 Number	2020 Number
Principal and management	10	10
Domestic	20	15
Facilities/IT/Library	11	10
Finance	4	4
Production	10	11
Administration	12	14
Teaching staff	143	131
	<u>210</u>	<u>195</u>

HIGHER PAID STAFF

The number of staff who's FTE basic salary exceeded £60k per annum during the year was as follows:

	No. of Staff 2021	No. of Staff 2020
£60,000-£64,999	2	1
£65,000 - £69,999	1	1
£75,000 - £79,999	1	-
£80,000 - £84,999	1	1
£110,000 - £114,999	1	-
£115,000 - £119,999	-	1
	<u>6</u>	<u>4</u>

Pension contributions totaling £18,470 (2020: £16,387) were made on behalf of 5 (2020: 4) of the above employees.

PRINCIPAL'S REMUNERATION

The total remuneration package for the Principal during the year was as follows:

	2021	2020
	£	£
Basic Salary	110,000	105,060
Performance-related pay and other bonuses	-	10,000
Pension contributions	5,500	5,753
Other taxable benefits	452	498
	<u>115,952</u>	<u>122,311</u>
	<u><u>115,952</u></u>	<u><u>122,311</u></u>

The Principal's remuneration package is set by reference to similar organisations and is approved by the Board following a recommendation from the Chair. There is an annual appraisal with the Chair and Deputy Chair when targets are set for the ensuing short, medium and long term together with a discussion and assessment of the achievements in the period under review.

The head of the provider's total remuneration is 3.3 times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

In the current year ArtsEd has continued to be affected by the Covid-19 pandemic during which, prior to his leave of absence and subsequent resignation, the Principal gave exceptional leadership which enabled the schools to provide an exceptional on-line education in very challenging circumstances.

SEVERANCE PAYMENTS

The total amount of severance payments for the year was £8,614 (2020: £43,030) to 2 individuals (2020: 2).

10. RELATED PARTY TRANSACTIONS

Trustees made donations of £205,684 to the School (2020: £56,890). There were no other related party transactions.

11. PENSIONS

The charity makes contributions to defined contribution pension schemes on behalf of certain employees. The charge for the year was £181,313 (2020: £171,212). At the year end, there was an amount payable of £28,269 (2020: £24,590).

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

12. SUBSIDIARIES

Included within the consolidated financial statements is the ArtsEd International Limited (registered in the England and Wales), Company number 11960873 and ArtsEd International Performing Arts Education LLC (known as ArtsEd Dubai) (registered in Dubai) which is based in Dubai.

ArtsEd International Limited

ArtsEd International Limited is limited by shares, of which The Arts Educational Schools is the sole Shareholder. It was incorporated on 24 April 2019. The company provides educational services internationally.

The income and expenditure of Arts Ed international Limited for the period ended 31 August 2021 was:

	2021	2020
	£	£
Turnover	-	202,722
Cost of sales	-	(202,722)
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

The assets and liabilities of Arts Ed international Limited at 31 August 2021 were:

	2021	2020
	£	
Fixed Assets	-	810
Debtors	109,974	202,722
Creditors	(109,974)	(203,531)
	<u> </u>	<u> </u>
	-	1
	<u> </u>	<u> </u>

ArtsEd International Performing Arts Education LLC

ArtsEd International Performing Arts Education LLC is limited by shares, of which The Arts Educational Schools owns 49%, however the school is considered to have control of ArtsEd International Performing Arts Education LLC and has included it in the consolidation on this basis. The company was sold to the Dubai local management team on 1 September 2021 for £1. At the date these accounts were signed confirmation of the formal share transfer had not been received from the Dubai authorities but was anticipated shortly thereafter.

The income and expenditure of ArtsEd Dubai for the period ended 31 August 2021 were:

	2021	2020
	£	£
Turnover	120,375	261,500
Cost of sales	(84,588)	(121,592)
Admin costs	(124,043)	(117,678)
	<u> </u>	<u> </u>
	(88,256)	22,230
	<u> </u>	<u> </u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

The assets and liabilities of ArtsEd International Performing Arts Education LLC at 31 August 2021 were:

	2021	2020
	£	£
Cash	44,681	72,874
Debtors	6,630	160,875
Creditors	(117,337)	(211,519)
	<u>(66,026)</u>	<u>22,230</u>

13. TANGIBLE FIXED ASSETS Group	Freehold land and buildings	Furniture	Computer	Motor vehicles	Building, studios & theatre	Assets under construction	Total
	£	£	£	£	£	£	£
Cost or deemed cost							
At 1 September 2020	6,600,000	1,860,334	545,769	21,660	4,044,945	8,941,266	22,013,974
Additions	-	117,164	73,396	-	-	2,021,854	2,212,414
Transfer					10,548,298	(10,548,298)	-
Disposals	-	-	(809)	(6,800)	-	-	(7,609)
	<u>6,600,000</u>	<u>1,977,498</u>	<u>618,356</u>	<u>14,860</u>	<u>14,593,243</u>	<u>414,822</u>	<u>24,218,779</u>
At 31 August 2021	6,600,000	1,977,498	618,356	14,860	14,593,243	414,822	24,218,779
Depreciation							
At 1 September 2020	1,369,512	1,397,267	448,837	21,660	941,401	-	4,178,677
Depreciation charge for the year	97,000	121,700	74,634	-	338,887	-	632,221
Disposals	-	-	-	(6,800)	-	-	(6,800)
	<u>1,466,512</u>	<u>1,518,967</u>	<u>523,471</u>	<u>14,860</u>	<u>1,280,288</u>	<u>-</u>	<u>4,804,098</u>
At 31 August 2021	1,466,512	1,518,967	523,471	14,860	1,280,288	-	4,804,098
Net Book Value							
At 31 August 2021	5,133,488	458,531	94,885	-	13,312,955	414,822	19,414,681
	<u>5,230,488</u>	<u>463,067</u>	<u>96,932</u>	<u>-</u>	<u>3,103,544</u>	<u>8,941,266</u>	<u>17,835,297</u>
At 31 August 2020	5,230,488	463,067	96,932	-	3,103,544	8,941,266	17,835,297

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

14. INVESTMENTS

Group and Charity

	2021	2020
	£	£
Market value brought forward at 1 September 2020	1,264,320	1,167,807
Add: Additions to investments at cost	-	-
Add: Interest and dividends retained	-	38,276
Less: Investment management fee	-	(78)
Add: Gain on revaluation of investments	145,121	58,315
	<u>1,409,441</u>	<u>1,264,320</u>
Market value as at 31 August 2021	<u>1,409,441</u>	<u>1,264,320</u>

15. DEBTORS

Group

	2021	2020
	£	£
Trade debtors	2,260,387	2,374,087
Prepayments	235,027	233,920
Other debtors	59,026	97,904
	<u>2,554,440</u>	<u>2,705,911</u>

Charity

	2021	2020
	£	£
Trade debtors	2,278,244	2,213,212
Prepayments	235,027	233,920
Amount due from subsidiary	19,461	203,531
Other debtors	59,026	97,904
	<u>2,591,758</u>	<u>2,748,567</u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

16. CREDITORS: amounts falling due within one year	2021	2020
Group		
	£	£
Bank loan	386,888	281,776
Trade creditors	490,720	208,425
Other creditors	1,523,689	1,304,881
Accruals	398,780	1,095,103
Deferred income	3,329,300	3,159,012
	<u>6,129,377</u>	<u>6,049,197</u>

Charity	2021	2020
	£	£
Bank loan	386,888	281,776
Trade creditors	490,720	208,008
Other creditors	1,516,326	1,297,006
Accruals	398,780	1,094,598
Deferred income	3,329,300	3,159,012
	<u>6,122,014</u>	<u>6,040,400</u>

Included within other creditors for the Group and Charity is an amount of £131,832 (2020: £120,102) relating to taxes and social security.

ANALYSIS OF DEFERRED INCOME – Group and Charity	2021	2020
	£	£
At 1 September 2020	3,159,012	2,928,267
Released to income in the year	(3,159,012)	(2,928,267)
Deferred in the year	3,329,300	3,159,012
At 31 August 2021	<u>3,329,300</u>	<u>3,159,012</u>

Deferred income consists of fees income received in advance.

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

17. CREDITORS: amounts falling due in more than one year Group and Charity	2021	2020
	£	£
Bank loan	6,380,006	4,532,554
Wholly repayable within five years	2,050,849	1,304,881
Wholly repayable within more than five years	4,716,046	3,509,449
	6,766,895	4,814,330
Less: Included in current liabilities	(386,889)	(281,776)
Amounts included above	6,380,006	4,532,554

There are two 15 year loans with Lloyds Bank plc secured by a charge over the assets of the Charity. One loan for £6,000,000 is at a fixed rate of 2.97% the second for £1,000,000 is at a rate of the Bank of England base rate plus 2.2%. These loans were made available to provide funding for the new studio block that was completed in November 2020.

18. ACCUMULATED FUNDS

	Opening Fund 2020 £	Income 2021 £	Expenditure 2021 £	Transfers 2021 £	Gains & losses 2021 £	Closing Funds 2021 £
Unrestricted general funds	6,576,731	9,768,690	(9,615,193)	72,041	-	6,802,269
- revaluation reserve	4,097,000	-	-	(77,000)	-	4,020,000
Designated reserves						
- bursaries	188,110	-	-	-	-	188,110
Restricted funds	3,136,778	474,601	(371,034)	4,959	-	3,245,304
Endowment funds	1,202,034	-	-	-	145,121	1,347,155
Charity funds	15,200,653	10,243,291	(9,986,227)	-	145,121	15,602,838
ArtsEd International Limited funds						
ArtsEd Dubai funds	22,230	120,375	(142,605)	-	-	-
Total funds	15,222,883	10,363,666	(10,128,832)	-	145,121	15,602,838

The general fund is the unrestricted reserves after allowing for all designated funds. The designated fund has been set up for the provision of bursaries.

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

Comparative analysis

	Opening Fund 2020 £	Income 2020 £	Expenditure 2020 £	Transfers 2020 £	Gains & losses 2020 £	Closing Funds 2020 £
Unrestricted funds						
- general funds	4,437,998	8,993,070	(8,167,346)	1,313,009	-	6,576,731
- revaluation reserve	4,174,000	-	-	(77,000)	-	4,097,000
Designated reserves						
- building project	1,209,656	-	-	(1,209,656)	-	-
- bursaries	188,110	-	-	-	-	188,110
Restricted funds	3,229,885	278,024	(344,778)	(26,353)	-	3,136,778
Endowment funds	1,143,719	-	-	-	58,315	1,202,034
Charity funds	14,383,368	9,271,094	(8,512,124)	-	58,315	15,200,653
ArtsEd International Limited funds		-	-	-	-	-
ArtsEd Dubai funds	-	261,500	(239,270)	-	-	22,230
	<u>14,383,368</u>	<u>9,532,594</u>	<u>(8,751,394)</u>	<u>-</u>	<u>58,315</u>	<u>15,222,883</u>

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group & Charity

	General Funds 2021 £	Revaluation Reserve 2021 £	Designated Reserves 2021 £	Restricted Funds 2021 £	Endowment Funds 2021 £	2021 Total £
Tangible fixed assets	12,803,902	4,020,000	-	2,590,779	-	19,414,681
Investments	-	-	-	62,286	1,347,155	1,409,441
Net current assets	378,373	-	188,110	592,239	-	1,158,722
Long Term Liability	(6,380,006)	-	-	-	-	(6,380,006)
At 31 August 2021	6,802,269	4,020,000	188,110	3,245,304	1,347,155	15,602,838

**Comparative
Analysis
Group**

	General Funds 2020 £	Revaluation Reserve 2020 £	Designated Reserves 2020 £	Restricted Funds 2020 £	Endowment Funds 2020 £	2020 Total £
Tangible fixed assets	11,009,752	4,097,000	-	2,728,545	-	17,835,297
Investments	-	-	-	62,286	1,202,034	1,264,320
Net current assets	121,763	-	188,110	345,947	-	655,820
Long Term Liability	(4,532,554)	-	-	-	-	(4,532,554)
At 31 August 2020	6,598,961	4,097,000	188,110	3,136,778	1,202,034	15,222,883

Charity

	General Funds 2020 £	Revaluation Reserve 2020 £	Designated Reserves 2020 £	Restricted Funds 2020 £	Endowment Funds 2020 £	2020 Total £
Tangible fixed assets	11,008,943	4,097,000	-	2,728,545	-	17,834,488
Investments	-	-	-	62,286	1,202,034	1,264,320
Net current assets	100,342	-	188,110	345,947	-	634,399
Long Term Liability	(4,532,554)	-	-	-	-	(4,532,554)
At 31 August 2020	6,576,731	4,097,000	188,110	3,136,778	1,202,034	15,200,653

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

**20. ANALYSIS OF MOVEMENTS IN RESTRICTED FUNDS:
Group and Charity**

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfer £	Balance at 31 August 2021 £
ALW Foundation	2,728,545	-	(137,766)	-	2,590,779
The ArtsEd Student Fund	87,757	2,831	(4,264)	(25,000)	61,324
The ArtsEd Scholarship Fund	3,333	65,531	(93,084)	25,000	780
Bursary fund	12,999	7,547	-	-	20,546
Capital campaign	149,425	250,072	(1,625)	-	397,872
Chris Hornby Fund	6,275	2,933	(4,437)	-	4,771
The CMF Scholarship Fund	1,085	4,500	(4,500)	-	1,085
Guildford Academic Associates	1,327	-	-	-	1,327
Leverhulme Trust	1,088	86,793	(86,793)	-	1,088
Restoration levy	34,254	782	-	-	35,036
Spencer Will Trust	5,000	-	(1,415)	-	3,585
TAP	3,160	100	-	-	3,260
Graham Martin Memorial Excellence Award	-	2,349	(1,500)	4,959	5,808
The Green Roof Fund	74,460	23,013	-	-	97,473
	<u>3,136,778</u>	<u>474,601</u>	<u>(371,034)</u>	<u>4,959</u>	<u>3,245,304</u>

-The Andrew Lloyd Webber Foundation donated £3.5million to the Schools to fund a major refurbishment project. The funds were received in the three years ended 31 August 2012, 2013 and 2014. The money was spent to improve four key areas: the main theatre, costume storage, the film and television studios and disabled facilities. At the end of October 2013 when the work was virtually complete, the expenditure was transferred to fixed assets and from that date is being depreciated and included under expenditure.

- The ArtsEd Student Fund- This was set up to accommodate student hardship.

- The ArtsEd Scholarship Fund is used to provide scholarships

- The Bursary Fund is used to provide bursaries.

- The Capital Campaign is used to help fund the project build.

- The Chris Hornby Fund was created to award an annual scholarship to a Musical Theatre student.

- The CMF Charitable Trust donated towards a scholarship for a Musical Theatre student.

- Leverhulme Trust made a donation for the provision of higher education bursaries.

- The donation from Guildford Academic Associates is for a bursary fund for the Musical Theatre students.

- The restoration levy is £1 charge on every box office ticket which goes towards maintenance of the building.

- The Spencer Will Trust donated £5,000 towards equipment for the Film and TV department.

- Excellence Award: a donation of £1,000,000 was made in 2015-16 which is to be used to provide awards for exceptionally talented Musical Theatre students.

- The Graham Martin Memorial Fund is a bursary fund for HE students

- The Green Roof Fund has been set up to help finance the new green roof

The transfer from the Student Fund to the ArtsEd Scholarship Fund is to provide funds for bursaries offered from that Fund due in part to the impact of Covid-19 on the relevant students.

THE ARTS EDUCATIONAL SCHOOLS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 AUGUST 2021

21. ANALYSIS OF MOVEMENTS IN ENDOWMENT FUNDS:

Group and Charity

	Balance at 1 September 2020	Income	Expenditure	Gains and losses	Balance at 31 August 2021
	£	£	£	£	£
Musical Theatre bursary fund	1,202,034	-	-	145,121	1,347,155
	<u>1,202,034</u>	<u>-</u>	<u>-</u>	<u>145,121</u>	<u>1,347,155</u>
	<u><u>1,202,034</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>145,121</u></u>	<u><u>1,347,155</u></u>

Comparative Analysis

	Balance at 1 September 2019	Income	Expenditure	Gains and losses	Balance at 31 August 2020
	£	£	£	£	£
Musical Theatre bursary fund	1,143,719	-	-	58,315	1,202,034
	<u>1,143,719</u>	<u>-</u>	<u>-</u>	<u>58,315</u>	<u>1,202,034</u>
	<u><u>1,143,719</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>58,315</u></u>	<u><u>1,202,034</u></u>

22. CAPITAL COMMITMENTS

At 31 August 2021, capital expenditure contracted for but not provided in these accounts amounted to £33,080 (2019: £1,585,193).

THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

26. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE 2020 FINANCIAL YEAR

	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Endowment Funds 2020 £	Total Funds 2020 £
INCOME FROM:					
Donations and legacies	2	13,299	239,696	.	252,995
Charitable activities					
Fee income	3	8,463,470	-	-	8,463,470
Other income	4	512,187	-	-	512,187
Other grants	4	200,213	-	-	200,213
Other trading income	5	261,500	-	-	261,500
Investment income		4,119	38,328	-	42,447
TOTAL INCOME		9,454,788	278,024	-	9,732,812
EXPENDITURE ON:					
Raising funds		(352,618)	-	-	(352,618)
Charitable activities		(8,254,216)	(344,778)	-	(8,598,994)
TOTAL EXPENDITURE	6	(8,606,834)	(344,778)	-	(8,951,612)
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS		847,954	(66,754)	-	781,200
Net gains on investments		-	-	58,315	58,315
NET INCOME BEFORE TRANSFERS		847,954	(66,754)	58,315	839,515
Transfers		26,353	(26,353)	-	-
NET MOVEMENT IN FUNDS		874,307	(93,107)	58,315	839,515
Funds brought forward at 1 September		10,009,764	3,229,885	1,143,719	14,383,368
TOTAL FUNDS AT 31 AUGUST		10,884,071	3,136,778	1,202,034	15,222,883

**THE ARTS EDUCATIONAL SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

**27. COMPARATIVE ANALYSIS OF MOVEMENTS IN RESTRICTED FUNDS FOR
THE 2020 FINANCIAL YEAR:**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2020 £
ALW Foundation	2,849,665	-	(121,120)	-	2,728,545
The ArtsEd Student Fund	101,942	40,409	(28,241)	(26,353)	87,757
The ArtsEd Scholarship Fund	29,775	30,000	(56,442)	-	3,333
Bursary fund	12,468	531	-	-	12,999
Capital campaign	158,850	-	(9,425)	-	149,425
Chris Hornby Fund	14,560	610	(8,895)	-	6,275
The CMF Scholarship Fund	-	3,000	(1,915)	-	1,085
Guildford Academic Associates	1,197	130	-	-	1,327
Leverhulme Trust	-	85,510	(84,422)	-	1,088
Restoration levy	29,238	5,016	-	-	34,254
Spencer Will Trust	5,104	-	(104)	-	5,000
TAP	3,000	160	-	-	3,160
Excellence Award	24,086	38,198	(34,214)	-	28,070
The Green Roof Fund	-	74,460	-	-	74,460
	<u>3,229,885</u>	<u>278,024</u>	<u>(344,778)</u>	<u>(26,353)</u>	<u>3,136,778</u>
	<u><u>3,229,885</u></u>	<u><u>278,024</u></u>	<u><u>(344,778)</u></u>	<u><u>(26,353)</u></u>	<u><u>3,136,778</u></u>

Please refer to note 20 for details of each of the restricted funds.