

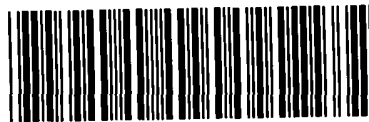
Registered number: 04306353  
Charity number: 1090724

**ALRA**  
(A company limited by guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

for the year ended 31 August 2016

TUESDAY



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**ALRA**  
**(A company limited by guarantee)**

**CONTENTS**

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	Page
<b>Reference and administrative details of the charity, its trustees and advisers</b>	1
<b>Trustees' report</b>	2 - 5
<b>Trustees' responsibilities statement</b>	6
<b>Independent auditors' report</b>	7 - 8
<b>Statement of financial activities</b>	9
<b>Balance sheet</b>	10
<b>Cash flow statement</b>	11
<b>Notes to the financial statements</b>	12 - 26

**ALRA**

**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
for the year ended 31 August 2016**

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**Trustees**

S Ponnappa (resigned 10 October 2016)  
H A Cowd, Chairman  
T Bradshaw  
R Gill  
C Lloyd-Davies  
P Elborn  
C Lynch  
L Adamson

**Company registered number**

04306353

**Charity registered number**

1090724

**Registered office**

Studio 24 Royal Victoria Patronic Building  
John Archer Way  
London  
SW18 3SX

**Principal**

A Hall

**Independent auditors**

Goodman Jones LLP  
Chartered Accountants  
29/30 Fitzroy Square  
London  
W1T 6LQ

**Bankers**

The Co-Operative  
80 Cornhill  
London  
EC3V 3NJ

CAF Bank  
25 Kings Hill Avenue  
Kings Hill  
West Malling  
Kent  
ME19 4JQ

## **ALRA**

**(A company limited by guarantee)**

### **TRUSTEES' REPORT**

**for the year ended 31 August 2016**

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The Trustees present their annual report together with the audited financial statements of ALRA for the financial year 1 September 2015 to 31 August 2016.

#### **Objectives and Activities**

##### **a. Policies and objectives**

The key objects of the Charity are to advance education of students by providing a school for the teaching of acting in the theatre, television, film and radio, stage management and technical theatre, and by teaching all skills and techniques connected with the live and recorded arts.

##### **b. Activities for achieving objectives**

The core activities have continued to be the provision of high quality vocational training for the live performance, screen and audio industries in Wigan and London. The provision is currently: BA Acting (3yr), MA Acting (1yr 3 months), Full time Foundation (1yr), Part time Foundation (1yr) and Stage Management & Technical Theatre. Short courses are offered both to students and the wider community.

##### **c. Grant making policies**

Grantmaking - this includes the value of scholarships, grants, prizes and other awards made to the college's students made from unrestricted funds. This totalled just over £550,000 this year, including awards made in respect of the Dance and Drama Awards. The college, in line with policy, makes these awards based on the individual's educational and career potential where the award is out of unrestricted fund, and subject to the particular conditions imposed by the original donor where the award is out of restricted funds.

Awards and Bursaries - awards available to students during the year were: the Talbot House Trust, the Lionel Bart Award, the Sir John Gielgud Award & The Laurence Olivier Award as well as other smaller awards. ALRA students received £12,500 from these awards. ALRA has provided bursaries totalling £11,535. These awards are provided to support the studies of particular students. The college received bursaries from Stanley Picker Trust and Talbot House Award, totalling £3,250. Awards were made to individual students based on their potential, subject to the particular conditions imposed by the original donors.

##### **d. Main activities undertaken to further the charity's purposes for the public benefit**

The Trustees hold in high regard the principle of public benefit and requires the Principal and staff of ALRA to pursue strategies that demonstrate this. The Board of Trustees, at its termly meetings, reviews ongoing charitable activities to ensure consistency with our charitable objects. The Board of Trustees is aware of the Charity Commission's guidance on public benefit and has regard to it in determining the Charity's aims and in the way it carries out its activities.

ALRA is committed to the development of excellent practice for the advancement of the student experience in Acting and Stage Management. By performing research on pedagogical advances in vocational training, our teaching staff are able to provide members with extensive knowledge of current and best practice that allows them to make informed choices on delivery modes, thereby providing public benefit through:

- Reducing the need for irrelevant training
- Improving the lengthy and costly process of actor training
- Safeguarding students from emotional and mental issues arising from intensive vocational training.

## **ALRA**

**(A company limited by guarantee)**

### **TRUSTEES' REPORT (continued) for the year ended 31 August 2016**

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#### **Achievements and performance**

##### **a. Review of activities**

All students were aged 18 plus on entry, except for the 'One Year' students who were aged 21 plus. In September 2015 243 students were enrolled in the college, of whom 63 were funded through the Learning and Skills Council's Dance and Drama Award scheme.

Other income, including fundraising through commercial activities, continues to increase. ALRA continues to work on local projects. We continue to show our commitment to the wider community through availability of low cost spaces, primarily in Wigan with increasing numbers of small touring companies using the Trencherfield Mill venue.

##### **b. Achievement and performance**

ALRA students graduating in 2016 have worked in theatre, radio, film and television and increasingly are able to self-generate work. 100% of the Stage Management and Technical Theatre students went directly into employment. Year on year more than 80% of our students from the three year and 15 month courses have representation following showcase and the majority were working in their first year. The full-time Foundation provision is now due to be delivered completely at ALRA and will include a south cohort. The Trustees continue to monitor the diversity of our community at Board Meetings and strive to improve our inclusivity through outreach and collaborative initiatives. ALRA is proud to support one of the most diverse drama school communities in the sector.

#### **Financial review**

##### **a. Reserves policy**

The Trustees continue to work towards consistent surplus generation to rebuild free reserves and maintain these at 3-6 months of expenditure going forward. Surpluses will be converted to reserves and will be designated for specific projects as considered appropriate by the Trustees.

The unrestricted funds at the balance sheet date were £91,310 (2015: £124,242), designated funds were £nil (2015: £26,708), and restricted funds were £nil (£39,118).

##### **b. Results for the year**

Total income decreased this year, down £140,853 (5.8%) against 2014/15. This was primarily due to low recruitment on the PG courses. PG loans will be available from 2017 for Alternative Providers, such as ALRA, who achieve designation and this will stabilise PG recruitment moving forward.

Total expenditure rose by £69,298 (3.0%) against 2014/15. Additional personnel are required to satisfy the self-administration of the Dance and Drama Awards and to meet the increasingly rigorous regulatory requirements of the Higher Education sector. ALRA continues to seek the best value in providing the highest quality training.

#### **Structure, governance and management**

##### **a. Constitution**

The Charity is registered as a charitable company limited by guarantee, and registered under company number 04306353, and was registered as a charity in February 2002 under charity number 1090724.

**ALRA**

**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)  
for the year ended 31 August 2016**

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The Charity is constituted under a Deed of Trust and is governed by its Memorandum and Articles of Association.

The principal activities of the Charity are to further its charitable objectives within the powers permitted by its Memorandum and Articles of Association.

**b. Recruitment and appointment of Trustees**

The Charity is governed by its Board of Trustees as detailed on page 1.

The Charity's elected Trustees are appointed at the Annual General Meeting. Trustees are appointed based on adherence to the guidelines of eligibility, personal competence, specialist skills and knowledge, and local availability. Newly appointed trustees are given a detailed briefing on the Charity, together with their legal responsibilities.

**c. Pay policy for senior staff**

The Principal's salary is determined by a remuneration sub-committee which draws upon results, appraisal, achievements, and market comparisons when setting the level.

**d. Organisational structure and decision making**

The Trustees are legally responsible for the overall management and control of the Charity, and meet on average three times a year.

The day-to-day management of the Charity is delegated to the Principal, who is supported by the Senior Management Team.

**e. Risk management**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

The Trustees consider that the Charity is exposed to two principal risks:

1. Changes in the Government's policy regarding the funding of undergraduate and postgraduate theatre education, which may have a detrimental effect on the funding available either to the Charity or to its students. The Charity actively monitors changes and developments in this area and participates in key discussions and policy forums to ensure it is aware of, and expresses opinions on, this issue.

2. Short-term investment risks since the Charity relies on its reserves and resources for the furtherance of its objectives. The Charity has adopted a policy of holding its reserves on deposit to minimise short-term investment risks and keep resources readily available.

Through the risk management processes established, 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 and so the Trustees undertake frequent reviews of risks and risk management procedures.

The Charity has adopted the following key controls and risk management procedures:

- Formal agenda for all Board Meetings, including risk and risk management reviews;

**ALRA**

**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)  
for the year ended 31 August 2016**

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- Comprehensive strategic planning, budgeting and management accounting;
- An established organisational structure and lines of reporting, subject to regular review;
- Formal written policies, handbooks, and staff training; and
- Clear authorisation and approval levels.

**Plans for future periods**

**a. Future developments**

The Trustees will continue to build on the core aspects of the provision whilst ensuring the facilities are both fit for purpose and compliant. Development and investment in the Wigan campus is now complete and reserves can be built to provide security and sustainability. Links and formal collaborations are being developed to provide a network of feeder schools and colleges which will further support the improvement of quality at entry.

SMTT students will provide a further increase in numbers over the next 2/3 years with a North cohort planned for 2017. Plans to encompass the Full time Foundation within our resources are underway with a proportional increase in revenue.

Trustees are aware of the Higher Education Act that is currently progressing through Parliament, which would impact alternative education providers such as ALRA. There is active monitoring of the legislation status and scope, and the Trustees have reviewed options for various outcomes.

**Disclosure of information to auditors**

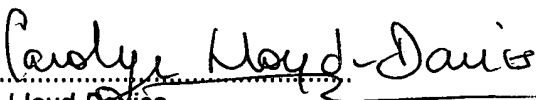
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

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

**Auditors**

The auditors, Goodman Jones LLP, have indicated their willingness to continue in office. The Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report was approved by the Trustees on 15. 3. 17 and signed on their behalf by:

  
.....  
C Lloyd-Davies  
Trustee

**ALRA**

**(A company limited by guarantee)**

**TRUSTEES' RESPONSIBILITIES STATEMENT  
for the year ended 31 August 2016**

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The Trustees (who are also directors of ALRA for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. 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 incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable 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.



## **ALRA**

**(A company limited by guarantee)**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALRA**

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We have audited the financial statements of ALRA for the year ended 31 August 2016 set out on pages 9 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

#### **Respective responsibilities of Trustees and auditors**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Charity 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.

The Trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

ALRA

(A company limited by guarantee)

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALRA

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the Charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Goodman Jones LLP

Chartered Accountants  
Statutory Auditors

29/30 Fitzroy Square  
London  
W1T 6LQ

Date: 12 . 04 . 17

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

ALRA

(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT**  
for the year ended 31 August 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>Income from:</b>					
Donations and legacies	2	3,250	-	3,250	10,331
Charitable activities	4	2,263,206	-	2,263,206	2,390,595
Investments	3	16,525	-	16,525	22,908
<b>Total income</b>		<u>2,282,981</u>	<u>-</u>	<u>2,282,981</u>	<u>2,423,834</u>
<b>Expenditure on:</b>					
Charitable activities	5	2,381,739	-	2,381,739	2,298,138
Other expenditure		-	-	-	9,000
<b>Total expenditure</b>		<u>2,381,739</u>	<u>-</u>	<u>2,381,739</u>	<u>2,307,138</u>
<b>Net income / (expenditure) before transfers</b>		<u>(98,758)</u>	<u>-</u>	<u>(98,758)</u>	<u>116,696</u>
Transfers between Funds	20	39,118	(39,118)	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<u>(59,640)</u>	<u>(39,118)</u>	<u>(98,758)</u>	<u>116,696</u>
<b>Net movement in funds</b>		<u>(59,640)</u>	<u>(39,118)</u>	<u>(98,758)</u>	<u>116,696</u>
<b>Reconciliation of funds:</b>					
Total funds brought forward		150,950	39,118	190,068	73,372
<b>Total funds carried forward</b>		<u>91,310</u>	<u>-</u>	<u>91,310</u>	<u>190,068</u>

All activities relate to continuing operations.

The notes on pages 12 to 26 form part of these financial statements.

The results from the year derive from continuing activities and there are no gains or losses other than shown above.

**ALRA****(A company limited by guarantee)****Registered number: 04306353****BALANCE SHEET****as at 31 August 2016**

	Note	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Intangible assets	11		71,850		23,975
Tangible assets	12		279,790		264,805
Investments	13		1		-
			<u>351,641</u>		<u>288,780</u>
<b>Current assets</b>					
Stocks	14	503		503	
Debtors	15	2,146,385		1,947,843	
Cash at bank and in hand		618,784		753,346	
		<u>2,765,672</u>		<u>2,701,692</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(2,931,993)</u>		<u>(2,746,983)</u>	
<b>Net current liabilities</b>			<u>(166,321)</u>		<u>(45,291)</u>
<b>Total assets less current liabilities</b>			<u>185,320</u>		<u>243,489</u>
<b>Creditors: amounts falling due after more than one year</b>	17		<u>(94,010)</u>		<u>(53,421)</u>
<b>Net assets</b>			<u>91,310</u>		<u>190,068</u>
<b>Charity Funds</b>					
Restricted funds	20		-		39,118
Unrestricted funds	20		91,310		150,950
<b>Total funds</b>			<u>91,310</u>		<u>190,068</u>

The Trustees consider that the Charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Charity to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

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

The financial statements were approved by the Trustees on 15.3.17 and signed on their behalf, by:

*Caryl Lloyd-Davies*  
 .....  
 C Lloyd-Davies  
 Trustee

The notes on pages 12 to 26 form part of these financial statements.

**ALRA****(A company limited by guarantee)****CASH FLOW STATEMENT  
for the year ended 31 August 2016**

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	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	<b>22</b>	(11,260)	222,710
		<hr/>	<hr/>
<b>Cash flows from investing activities:</b>			
Purchase of fixed assets		(123,301)	(136,468)
Purchase of investments		(1)	-
		<hr/>	<hr/>
<b>Net cash used in investing activities</b>		(123,302)	(136,468)
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		(134,562)	86,242
Cash and cash equivalents brought forward		753,346	667,104
		<hr/>	<hr/>
<b>Cash and cash equivalents carried forward</b>		618,784	753,346
		<hr/> <hr/>	<hr/> <hr/>

**ALRA**

**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2016**

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**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

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

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

**First year adoption of FRS 102 and reconciliation with previous Generally Accepted**

**1.2 Accounting Practice**

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

FRS 102 requires an entity to recognise long term liabilities at present value. The accrual due in more than 12 months, and included as a creditor due in more than one year, has been discounted to present value using an appropriate discount rate. For the restatement adjustment, see note 24.

**1.3 Company status**

The Charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity. The Charity is controlled by its members as a whole.

**1.4 Fund accounting**

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

ALRA

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2016

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**1. Accounting policies (continued)**

**1.5 Income**

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

Fees receivable, charges for services, and use of premises are recognised in the period in which the service is provided and the entitlement to the income arises. Fees receivable include contributions from external bodies.

Donations and other such voluntary income are recognised once receipt can be anticipated and the amount quantified with reasonable certainty.

**1.6 Expenditure**

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

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

**1.7 Intangible fixed assets and amortisation**

Intangible assets are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided at the following rates:

Software	-	20% reducing balance
Goodwill	-	20 years straight line

**1.8 Tangible fixed assets and depreciation**

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Improvements to property	-	remaining life of the lease
Fixtures, fittings and equipment	-	3 - 10 years straight line
Computer equipment	-	3 - 8 years straight line
Other fixed assets	-	5 years straight line

**ALRA**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2016

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**1. Accounting policies (continued)**

**1.9 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities incorporating income and expenditure account.

**1.10 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Charity. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities incorporating income and expenditure account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**1.11 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.12 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

**1.13 Foreign currencies**

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

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities incorporating income and expenditure account.

**1.14 Debtors**

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

**1.15 Cash at Bank and in hand**

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



ALRA

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2016

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**1. Accounting policies (continued)**

**1.16 Pensions**

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

**1.17 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.18 Financial instruments**

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

**1.19 Critical accounting estimates and areas of judgement**

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

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

There were no critical accounting adjustments made by the Trustees in the year that involve estimates that are considered to have a significant effect.

**ALRA****(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2016****2. Income from donations and legacies**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	3,250	-	3,250	10,331

In 2015, all of the total income from donations and legacies, £10,331, was to unrestricted funds.

**3. Investment income**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income	16,525	-	16,525	21,658
Rental income	-	-	-	1,250
	<u>16,525</u>	<u>-</u>	<u>16,525</u>	<u>22,908</u>

In 2015, all of the total investment income, £22,908, was to unrestricted funds.

**4. Income from charitable activities**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Advancement in Education in Live and Recorded Arts	2,263,206	-	2,263,206	2,390,595

In 2015, all of the total income from charitable activities, £2,390,595, was to unrestricted funds.

Dance and Drama Awards are grants made by the Department for Education and Skills and allocated to the Charity for attribution at its discretion to particular students enrolled upon its courses. The award covers the majority of the fees payable to the Charity by the student to whom it is allocated.

**Grants received**

	2016 £	2015 £
Dance and Drama Awards	<u>543,883</u>	<u>553,288</u>

## ALRA

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2016

## 5. Analysis of resources expended by activities

	Activities undertaken directly 2016 £	Grant funding of activities 2016 £	Support costs 2016 £	Total 2016 £	Total 2015 £
Advancement in Education in Live and Recorded Arts	1,160,685	16,235	1,204,819	2,381,739	2,298,138

In 2015, all expenditure related to unrestricted funds.

## 6. Analysis of grants

	Grants to Individuals 2016 £	Total 2016 £	Total 2015 £
Advancement in Education in Live and Recorded Arts	16,235	16,235	13,616

## 7. Direct costs

	Advancing Education £	Total 2016 £	Total 2015 £
Production costs	338,342	338,342	343,103
Premises costs	452,923	452,923	387,024
Insurance	21,625	21,625	30,459
Repairs and renewals	33,038	33,038	21,372
Bank charges and interest	2,085	2,085	2,276
Sundries	6,137	6,137	1,401
Membership and subscriptions	3,868	3,868	1,927
Short course fees	1,727	1,727	84
Outreach work	4,551	4,551	8,635
Freelance tutor fees	18,948	18,948	12,143
(Profit) / Loss on disposal of fixed assets	3,506	3,506	9,855
Wages and salaries	206,132	206,132	225,613
National insurance	8,910	8,910	8,097
Pension cost	1,959	1,959	1,943
Depreciation and amortisation	56,934	56,934	56,749
	<u>1,160,685</u>	<u>1,160,685</u>	<u>1,110,681</u>

The Charity has only one charitable activity, to advance the education of student by providing a school for the teaching of all skills and techniques connected with the live and recorded arts.

ALRA

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2016

**8. Support costs**

	Governance £	Advancing Education £	Total 2016 £	Total 2015 £
Production costs	-	271	271	138
Equipment hire	-	42,675	42,675	48,158
Telephone and internet	-	3,193	3,193	11,496
Postage and stationery	-	3,720	3,720	4,157
Sundries	-	41,964	41,964	69,854
Travel, subsistence and entertaining	-	56,798	56,798	30,654
Counselling services	-	7,668	7,668	13,181
Publicity costs	-	88,849	88,849	55,379
Library	-	2,502	2,502	4,085
Accreditation expenses	-	13,875	13,875	66,729
Promotional costs	-	32,750	32,750	61,009
Bad debts	-	5,380	5,380	3,954
Legal and professional fees	-	22,610	22,610	14,095
Audit fees	9,200	-	9,200	9,000
Wages and salaries	-	789,767	789,767	714,531
National insurance	-	69,701	69,701	65,441
Pension cost	-	13,896	13,896	10,980
	<u>9,200</u>	<u>1,195,619</u>	<u>1,204,819</u>	<u>1,182,841</u>

The Auditor's remuneration amounts to an audit fee of £9,200 (2015 - £9,000) and non-audit services of £3,404 (2015: £9,354) included within legal and professional costs in the table above.

**9. Net incoming resources/(resources expended)**

This is stated after charging:

	2016 £	2015 £
Amortisation	3,425	3,425
Depreciation of tangible fixed assets: - owned by the charity	56,934	56,749
Auditors' remuneration - audit	9,200	9,000
Auditors' remuneration - other services	3,604	9,354
(Profit) / Loss on disposal of fixed assets	3,506	9,855
Pension costs	15,855	12,923
	<u>106,529</u>	<u>149,306</u>

During the year, no Trustees received any remuneration (2015 - £NIL).

During the year, no Trustees received any benefits in kind (2015 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

**ALRA**

**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2016**

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**10. Staff costs**

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	995,899	940,144
Social security costs	78,611	73,538
Other pension costs	15,855	12,923
	<u>1,090,365</u>	<u>1,026,605</u>

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

	2016 No.	2015 No.
Office and administration	32	29
Tutors	24	30
Students	12	14
	<u>68</u>	<u>73</u>

The number of higher paid employees was:

	2016 No.	2015 No.
In the band £60,001 - £70,000	1	0

During the year, remuneration and benefits received by key management personnel was £64,000 (2015: £60,000).

**ALRA****(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2016****11. Intangible fixed assets**

	Software £	Goodwill £	Total £
<b>Cost</b>			
At 1 September 2015	-	68,500	68,500
Additions	51,300	-	51,300
At 31 August 2016	<u>51,300</u>	<u>68,500</u>	<u>119,800</u>
<b>Amortisation</b>			
At 1 September 2015	-	44,525	44,525
Charge for the year	-	3,425	3,425
At 31 August 2016	<u>-</u>	<u>47,950</u>	<u>47,950</u>
<b>Carrying amount</b>			
At 31 August 2016	<u>51,300</u>	<u>20,550</u>	<u>71,850</u>
At 31 August 2015	<u>-</u>	<u>23,975</u>	<u>23,975</u>

Goodwill constitutes the difference between the acquisition cost of ALRA (Holdings) Limited and the aggregate fair values of the identifiable assets and liabilities thereof. The trade, assets, liabilities and undertakings of ALRA (Holdings) Limited were transferred to the charitable company on 1 September 2002.

Acquired goodwill is included at its purchase cost and amortised through the profit and loss account over its economic life in order to reflect depletion. The Trustees have estimated the economic life at 20 years and are amortising on a straight line basis.

Software is still in development stage. The assets are not yet in use and so depreciation of the asset has not yet begun.

**ALRA****(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2016****12. Tangible fixed assets**

	<b>Property Improvements £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 September 2015	208,397	261,639	57,705	527,741
Additions	53,230	10,359	8,412	72,001
Disposals	-	(922)	(7,604)	(8,526)
At 31 August 2016	<u>261,627</u>	<u>271,076</u>	<u>58,513</u>	<u>591,216</u>
<b>Depreciation</b>				
At 1 September 2015	43,988	184,917	34,031	262,936
Charge for the year	21,941	22,944	8,625	53,510
On disposals	-	(688)	(4,332)	(5,020)
At 31 August 2016	<u>65,929</u>	<u>207,173</u>	<u>38,324</u>	<u>311,426</u>
<b>Net book value</b>				
At 31 August 2016	<u>195,698</u>	<u>63,903</u>	<u>20,189</u>	<u>279,790</u>
At 31 August 2015	<u>164,409</u>	<u>76,722</u>	<u>23,674</u>	<u>264,805</u>

**13. Fixed asset investments**

	<b>Shares in group undertakings £</b>
<b>Market value</b>	
At 1 September 2015	-
Additions	1
At 31 August 2016	<u>1</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Holding</b>
ALRA Enterprises Limited	100%

**ALRA****(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2016****13. Fixed asset investments (continued)**

The aggregate of the share capital and reserves as at 31 August 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
ALRA Enterprises Limited	1	-
	<u>1</u>	<u>-</u>

ALRA Enterprises Limited was incorporated in July 2016 and 1 ordinary £1 share was issued at par to ALRA.

**14. Stocks**

	2016 £	2015 £
Finished goods and goods for resale	503	503
	<u>503</u>	<u>503</u>

**15. Debtors**

	2016 £	2015 £
Trade debtors	1,941,990	1,766,536
Other debtors	127,092	138,418
Prepayments and accrued income	77,303	42,889
	<u>2,146,385</u>	<u>1,947,843</u>

During June 2016, ALRA invoiced its students in advance in respect of the academic year 2016/17. These are reflected in trade debtors.

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

	2016 £	2015 £
Trade creditors	106,893	61,964
Other taxation and social security	20,711	18,889
Other creditors	317,578	319,515
Accruals and deferred income	2,486,811	2,346,615
	<u>2,931,993</u>	<u>2,746,983</u>



**ALRA****(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2016****16. Creditors: Amounts falling due within one year (continued)**

	<b>£</b>
<b>Deferred income</b>	
Deferred income at 1 September 2015	2,246,491
Resources deferred during the year	2,476,611
Amounts released from previous years	(2,246,491)
	<u>2,476,611</u>
Deferred income at 31 August 2016	<u>2,476,611</u>

During June 2016, ALRA invoiced its students in advance in respect of the academic year 2016/17. These amounts are included within deferred income and released in the next financial period.

**17. Creditors:  
Amounts falling due after more than one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Accruals and deferred income	<u>94,010</u>	<u>53,421</u>

**18. Pension commitments**

The Charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £15,855 (2015 - £12,923). Contributions totalling £878 (2015 - £544) were payable to the fund at the balance sheet date and are included in creditors.

**19. Operating lease commitments**

At 31 August 2016 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	<b>Land and buildings</b>		<b>Other</b>	
	2016	2015	2016	2015
	£	£	£	£
<b>Amounts payable:</b>				
Within 1 year	219,270	181,592	12,010	12,010
Between 1 and 5 years	1,112,663	117,633	-	11,741
After more than 5 years	2,275,907	858,967	-	-
<b>Total</b>	<u>3,607,840</u>	<u>1,158,192</u>	<u>12,010</u>	<u>23,751</u>

## ALRA

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2016

## 20. Statement of funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Carried Forward £
<b>Designated funds</b>					
Designated Funds	26,708	-	-	(26,708)	-
<b>General funds</b>					
General Funds	124,242	2,282,981	(2,381,739)	65,826	91,310
Total Unrestricted funds	150,950	2,282,981	(2,381,739)	39,118	91,310
<b>Restricted funds</b>					
The Foyle Foundation	15,647	-	-	(15,647)	-
The Garfield Weston Foundation	23,471	-	-	(23,471)	-
	39,118	-	-	(39,118)	-
Total of funds	190,068	2,282,981	(2,381,739)	-	91,310

The designated funds brought forward of £26,708 related to funds set aside by the Trustees to complete the work on the Wigan campus refurbishment in the current year.

## Restricted Funds:

The Foyle Foundation - towards refurbishment costs at Trencherfield Mill, Wigan

The Garfield Weston Foundation - towards refurbishment costs at Trencherfield Mill, Wigan

The designated and restricted funds relate to the Wigan refurbishment, which was completed in the year. The assets that were purchased with the restricted funds are not in themselves restricted and so Trustees have deemed it appropriate to make a transfer of the remaining designated and restricted funds to unrestricted funds.

## 21. Analysis of net assets between funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Intangible fixed assets	71,850	-	71,850	264,805
Tangible fixed assets	279,790	-	279,790	23,975
Fixed asset investments	1	-	1	-
Current assets	2,765,672	-	2,765,672	2,701,692
Creditors due within one year	(2,931,993)	-	(2,931,993)	(2,842,173)
Creditors due in more than one year	(94,010)	-	(94,010)	-
	91,310	-	91,310	190,068

ALRA

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2016

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

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(98,758)	116,696
<b>Adjustment for:</b>		
Depreciation and amortisation charges	56,935	56,749
Loss on the sale of fixed assets	3,506	9,855
Increase in debtors	(198,543)	(2,273)
Increase in creditors	225,600	41,683
<b>Net cash (used in)/provided by operating activities</b>	<u>(11,260)</u>	<u>222,710</u>

**23. Analysis of cash and cash equivalents**

	2016 £	2015 £
Cash in hand	<u>618,784</u>	<u>753,346</u>
<b>Total</b>	<u>618,784</u>	<u>753,346</u>

ALRA

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2016

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**24. First time adoption of FRS 102**

It is the first year that the Charity has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

<b>Reconciliation of total funds</b>	<b>Notes</b>	<b>1 September 2014</b>	<b>31 August 2015</b>
		£	£
Total funds under previous UK GAAP		53,261	148,299
Discount on long term creditor	1	20,111	41,769
Total funds reported under FRS 102		<u>73,372</u>	<u>190,068</u>

<b>Reconciliation of net income</b>	<b>Notes</b>	<b>31 August 2015</b>
		£
Net income previously reported under UK GAAP		95,038
Discount on long term creditor	1	21,658
Net movement in funds reported under FRS 102		<u>116,696</u>

Explanation of changes to previously reported funds and net income/expenditure:

1	Discounted long term creditor - FRS 102 requires an entity to recognise long term liabilities at present value. The accrual due in more than 12 months has been restated as a creditor due in more than one year and the balance discounted to present value using an appropriate discount rate.
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