

Registered number: 04306353  
Charity number: 1090724

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

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 August 2018**



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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS**  
**For the year ended 31 August 2018**

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**Trustees**

H. A. Cowd, Chairman  
L. Adamson  
T. Bradshaw  
B. Cole (appointed 16 July 2018)  
P. Hirst (appointed 16 July 2018)  
C. Lloyd-Davies  
J. Luck (resigned 26 April 2018)  
M. Lyle (appointed 6 November 2017)  
C. Lynch  
S. Parriss

**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

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**ALRA**

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**TRUSTEES' REPORT**

For the year ended 31 August 2018

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The Trustees present their annual report together with the audited financial statements of ALRA for the financial year 1 September 2017 to 31 August 2018. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

**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 £568,000 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 - ALRA has provided bursaries totalling £4,674. These awards are provided to support the studies of particular students.

**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 practices.

In respect of the latter, ALRA is establishing a 'Mindfulness & Wellbeing' department to support both staff and students.

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**TRUSTEES' REPORT (continued)**  
**For the year ended 31 August 2018**

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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 2017, 288 students were enrolled in the college, an increase of 15.51%, and of those students 68 were funded through the Learning and Skills Council Dance and Drama Award scheme.

Other income, including fundraising through commercial activities, continues to increase. ALRA continues to work on and support local projects. We continue to show our commitment to the wider community through availability of low cost spaces, engaging with small touring companies, Theatre in Education and community groups using both the Trencherfield Mill venue, rehearsal rooms both north and south, and providing access to specialist teaching and resources.

**b. Achievement and performance**

ALRA students graduating in 2018 have worked in theatre, radio, film and television and increasingly are able to self-generate work. Year on year more than 85% (increase of 5%) 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 delivered completely at ALRA. 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.

Further initiatives to increase representation from minority communities continue, including free auditions for looked after and previously looked after young people and a growing number of collaborations with inner city schools and voluntary groups.

**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 £33,140 (2017: £31,017).

**b. Results for the year**

Total income increased this year, up £237,502 (9.68%) against 2016/17. Total expenditure rose by £175,086 (6.97%) against 2016/17.

**c. Fundraising**

ALRA does not currently generate funds from the public at large and does not use professional fundraisers.

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**TRUSTEES' REPORT (continued)**  
**For the year ended 31 August 2018**

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**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.

The Charity is constituted and 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 the Remunerations' Sub Committee and recommended to the Board for their acceptance. The decision follows an annual appraisal by the Chair of the Board of the achievements made by Principal during the previous year. Where appropriate, market comparisons are used to inform the recommendation together with the financial stability of the organisation and the attainments of the graduates. The decision on the level of remuneration for the Principal then informs the salaries paid to other senior staff in order to maintain differentials.

**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 Board of Trustees has several sub-committees, including the Finance Committee and the Remunerations' Committee.

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

**e. Risk management**

The Trustees have assessed the major risks to which the Charity is exposed, 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

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**TRUSTEES' REPORT (continued)**  
**For the year ended 31 August 2018**

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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;
- 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**

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.

MA students will provide a further increase in numbers over the next 2/3 years with a North MA Directing cohort planned for 2019. Following this 3 further MA's will complete the Postgraduate provision.

**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 have 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 7/3/19 and signed on their behalf by:



.....  
**Harry Cowd**  
Trustee

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**(A company limited by guarantee)**

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**TRUSTEES' RESPONSIBILITIES STATEMENT**

**For the year ended 31 August 2018**

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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;
- state whether applicable UK 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 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.



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

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**Opinion**

We have audited the financial statements of ALRA (the 'Charity') for the year ended 31 August 2018 set out on pages 10 to 29. 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 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

We have nothing to report in this regard.

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

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

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

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

**Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

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

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**Use of our report**

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an 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 trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

*Goodman Jones LLP*

**Goodman Jones LLP**

Chartered Accountants  
Statutory Auditors

29/30 Fitzroy Square  
London  
W1T 6LQ

Date: *14.03.19*

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

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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT**  
For the year ended 31 August 2018

	Note	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>Income from:</b>				
Donations and legacies	2	504	504	8,750
Charitable activities	3	2,681,400	2,681,400	2,430,374
Investments	4	8,180	8,180	13,458
<b>Total income</b>		<b>2,690,084</b>	<b>2,690,084</b>	<b>2,452,582</b>
<b>Expenditure on:</b>				
Charitable activities	5	2,687,961	2,687,961	2,512,875
<b>Total expenditure</b>		<b>2,687,961</b>	<b>2,687,961</b>	<b>2,512,875</b>
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>2,123</b>	<b>2,123</b>	<b>(60,293)</b>
<b>Net movement in funds</b>		<b>2,123</b>	<b>2,123</b>	<b>(60,293)</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward		31,017	31,017	91,310
<b>Total funds carried forward</b>		<b>33,140</b>	<b>33,140</b>	<b>31,017</b>

The notes on pages 14 to 29 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.

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ALRA  
(A company limited by guarantee)  
Registered number: 04306353

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**BALANCE SHEET**  
As at 31 August 2018

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	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Intangible assets	11		74,520		89,255
Tangible assets	12		260,748		277,996
Investments	13		1		1
			<u>335,269</u>		<u>367,252</u>
<b>Current assets</b>					
Stocks	14	22,823		22,823	
Debtors	15	2,320,498		2,289,979	
Cash at bank and in hand		779,585		678,445	
		<u>3,122,906</u>		<u>2,991,247</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(3,238,435)</u>		<u>(3,189,816)</u>	
<b>Net current liabilities</b>			<u>(115,529)</u>		<u>(198,569)</u>
<b>Total assets less current liabilities</b>			<u>219,740</u>		<u>168,683</u>
<b>Creditors: amounts falling due after more than one year</b>	17		<u>(186,600)</u>		<u>(137,666)</u>
<b>Net assets</b>			<u>33,140</u>		<u>31,017</u>
<b>Charity Funds</b>					
Unrestricted funds	20		<u>33,140</u>		<u>31,017</u>
<b>Total funds</b>			<u>33,140</u>		<u>31,017</u>

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

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.

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**BALANCE SHEET (continued)**  
**As at 31 August 2018**

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The financial statements were approved and authorised for issue by the Trustees on 7/3/19 and signed on their behalf, by:



H. A. Cowd  
Chairman

The notes on pages 14 to 29 form part of these financial statements.

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**ALRA**  
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**STATEMENT OF CASH FLOWS**  
**For the year ended 31 August 2018**

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	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	22	<u>146,387</u>	<u>134,468</u>
<b>Cash flows from investing activities:</b>			
Purchase of fixed assets		<u>(45,247)</u>	<u>(74,807)</u>
<b>Net cash used in investing activities</b>		<u>(45,247)</u>	<u>(74,807)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>101,140</b>	<b>59,661</b>
Cash and cash equivalents brought forward.		<u>678,445</u>	<u>618,784</u>
<b>Cash and cash equivalents carried forward</b>	23	<u><u>779,585</u></u>	<u><u>678,445</u></u>

The notes on pages 14 to 29 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 August 2018

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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.

The financial statements are prepared in Sterling, the functional currency of the Charity, and rounded to the nearest £.

**1.2 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.

The Charity's wholly-owned subsidiary was dormant for the entire accounting period. As a result, the Charity has taken advantage of the exemption from preparing consolidated financial statements.

**1.3 Going concern**

Fee income levels can fluctuate depending on student numbers but also depending on how the course fees are being funded. Budgets and forecasts are prepared annually based on anticipated student numbers and the nature of the funding of the course fees.

Having considered the above and the future plans of the Charity, the Trustees are confident that the Charity will be able to operate and consider it appropriate to adopt the going concern basis on preparing the financial statements.

**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.



**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 August 2018**

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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 is anticipated and the amount can be quantified with reasonable certainty.

**1.6 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.

**1.7 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.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the Charity's educational operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

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 expenditure is inclusive of irrecoverable VAT.

**1.8 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 August 2018

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**1. Accounting policies (continued)**

**1.9 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 on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

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

**1.10 Tangible fixed assets and depreciation**

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

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
Motor vehicles	-	3 years straight line
Fixtures, fittings and equipment	-	3 - 10 years straight line
Library Books	-	10 years straight line
Computer equipment	-	3 - 8 years straight line
Other fixed assets	-	5 years straight line

**1.11 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.

**1.12 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 August 2018

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**1. Accounting policies (continued)**

**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.

**1.16 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.

**1.17 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.

**1.18 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 August 2018**

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**1. Accounting policies (continued)**

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

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

**2. Income from donations and legacies**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<i>Total funds 2017 £</i>
Donations	<b>504</b>	<b>-</b>	<b>504</b>	<i>8,750</i>
<i>Total 2017</i>	<b>1,250</b>	<b>7,500</b>	<b>8,750</b>	

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**3. Income from charitable activities**

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Advancement in Education in Live and Recorded Arts	2,681,400	2,681,400	2,430,374
<i>Total 2017</i>	<u>2,430,374</u>	<u>2,430,374</u>	

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**

	2018 £	2017 £
Dance and Drama Awards	568,455	526,392

**4. Investment income**

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	8,180	8,180	13,458
<i>Total 2017</i>	<u>13,458</u>	<u>13,458</u>	

**5. Analysis of expenditure by activities**

	Activities undertaken directly 2018 £	Grant funding of activities 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Advancement in Education in Live and Recorded Arts	1,195,944	4,674	1,487,343	2,687,961	2,512,875
<i>Total 2017</i>	<u>1,216,591</u>	<u>9,870</u>	<u>1,286,414</u>	<u>2,512,875</u>	

In 2017, all expenditure related to unrestricted funds.

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**6. Analysis of grants**

	<b>Grants to Individuals 2018 £</b>	<b>Total 2018 £</b>	<i>Total 2017 £</i>
Advancement in Education in Live and Recorded Arts	<u>4,674</u>	<u>4,674</u>	<u>9,870</u>
<i>Total 2017</i>	<u><u>9,870</u></u>	<u><u>9,870</u></u>	

**7. Direct costs**

	<b>Advancing Education £</b>	<b>Total 2018 £</b>	<i>Total 2017 £</i>
Production costs	320,494	320,494	335,357
Premises costs	526,039	526,039	525,742
Insurance	23,465	23,465	23,768
Repairs and renewals	36,375	36,375	32,691
Bank charges and interest	6,264	6,264	5,521
Sundries	874	874	2,648
Membership and subscriptions	6,541	6,541	6,513
Short course fees	-	-	256
Outreach work	6,873	6,873	7,430
Freelance tutor fees	5,473	5,473	18,586
Wages and salaries	177,758	177,758	190,056
National insurance	7,159	7,159	7,791
Pension cost	1,401	1,401	1,601
Depreciation and amortisation	77,228	77,228	58,631
	<u><u>1,195,944</u></u>	<u><u>1,195,944</u></u>	<u><u>1,216,591</u></u>
<i>Total 2017</i>	<u><u>1,216,591</u></u>	<u><u>1,216,591</u></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.

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**8. Support costs**

	Governance £	Advancing Education £	Total 2018 £	Total 2017 £
Equipment hire	-	43,278	43,278	43,323
Telephone and internet	-	2,428	2,428	10,383
Postage and stationery	-	3,259	3,259	4,199
Sundries	-	23,473	23,473	22,166
Travel, subsistence and entertaining	1,684	44,256	45,940	53,764
Counselling services	-	7,147	7,147	7,939
Publicity costs	-	126,290	126,290	95,343
Library	-	3,452	3,452	5,121
Accreditation expenses	-	53,479	53,479	21,563
Promotional costs	-	36,956	36,956	27,982
Bad debts	-	-	-	15,044
Legal and professional fees	-	20,555	20,555	21,578
Audit fees	9,500	-	9,500	9,500
Wages and salaries	-	1,001,467	1,001,467	856,168
National insurance	-	90,931	90,931	75,520
Pension cost	-	19,188	19,188	16,821
	<u>11,184</u>	<u>1,476,159</u>	<u>1,487,343</u>	<u>1,286,414</u>
<i>Total 2017</i>	<u>9,500</u>	<u>1,276,914</u>	<u>1,286,414</u>	

**9. Net income/(expenditure)**

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charity	59,003	55,206
Amortisation of intangible fixed assets	18,227	-
Amortisation of goodwill	3,425	3,425
Auditors' remuneration - audit	9,500	9,500
Pension	20,589	18,422
	<u>109,744</u>	<u>136,553</u>

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2017 - £NIL).

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**For the year ended 31 August 2018**

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**10. Staff costs**

Staff costs were as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>1,179,225</b>	<b>1,046,224</b>
Social security costs	<b>98,090</b>	<b>83,311</b>
Other pension costs	<b>20,589</b>	<b>18,422</b>
	<b>1,297,904</b>	<b>1,147,957</b>

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

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
Office and administration	<b>37</b>	<b>34</b>
Tutors	<b>20</b>	<b>21</b>
Students	<b>23</b>	<b>14</b>
	<b>80</b>	<b>69</b>

The number of higher paid employees was:

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
In the band £70,001 - £80,000	<b>1</b>	<b>1</b>

During the year, total employee benefits including pension and national insurance contributions of key management personnel totalled £80,503 (2017: £79,743).



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**11. Intangible fixed assets**

	<b>Software</b> £	<b>Goodwill</b> £	<b>Total</b> £
<b>Cost</b>			
At 1 September 2017	72,130	68,500	140,630
Additions	3,492	-	3,492
At 31 August 2018	<u>75,622</u>	<u>68,500</u>	<u>144,122</u>
<b>Amortisation</b>			
At 1 September 2017	-	51,375	51,375
Charge for the year	14,802	3,425	18,227
At 31 August 2018	<u>14,802</u>	<u>54,800</u>	<u>69,602</u>
<b>Carrying amount</b>			
At 31 August 2018	<u>60,820</u>	<u>13,700</u>	<u>74,520</u>
<i>At 31 August 2017</i>	<u>72,130</u>	<u>17,125</u>	<u>89,255</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.

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**12. Tangible fixed assets**

	Property Improvements £	Fixtures, fittings and equipment £	Computer equipment £	Motor vehicles £	Library £	Total £
<b>Cost</b>						
At 1 September 2017	295,087	266,598	70,031	1,100	4,890	637,706
Additions	21,578	15,044	5,133	-	-	41,755
Disposals	-	(9,687)	(1,167)	-	-	(10,854)
At 31 August 2018	<u>316,665</u>	<u>271,955</u>	<u>73,997</u>	<u>1,100</u>	<u>4,890</u>	<u>668,607</u>
<b>Depreciation</b>						
At 1 September 2017	86,953	221,798	50,796	77	86	359,710
Charge for the year	24,137	21,105	12,905	367	489	59,003
On disposals	-	(9,687)	(1,167)	-	-	(10,854)
At 31 August 2018	<u>111,090</u>	<u>233,216</u>	<u>62,534</u>	<u>444</u>	<u>575</u>	<u>407,859</u>
<b>Net book value</b>						
At 31 August 2018	<u>205,575</u>	<u>38,739</u>	<u>11,463</u>	<u>656</u>	<u>4,315</u>	<u>260,748</u>
At 31 August 2017	<u>208,134</u>	<u>44,800</u>	<u>19,235</u>	<u>1,023</u>	<u>4,804</u>	<u>277,996</u>

**13. Fixed asset investments**

	Shares in group undertakings £
<b>Market value</b>	
At 1 September 2017 and 31 August 2018	<u>1</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

Name	Holding
ALRA Enterprises Limited	100%

The aggregate of the share capital and reserves as at 31 August 2018 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	<u>1</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**13. Fixed asset investments (continued)**

ALRA Enterprises Limited was dormant for the entire accounting period and as a result consolidated financial statements have not been prepared.

**14. Stocks**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Finished goods and goods for resale	<b>22,823</b>	<b>22,823</b>

**15. Debtors**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Due after more than one year</b>		
Trade debtors	<b>58,025</b>	<b>66,155</b>
<b>Due within one year</b>		
Trade debtors	<b>2,075,652</b>	<b>2,011,597</b>
Other debtors	<b>109,075</b>	<b>110,795</b>
Prepayments and accrued income	<b>77,746</b>	<b>101,432</b>
	<b>2,320,498</b>	<b>2,289,979</b>

During June 2018, ALRA invoiced its students in advance in respect of the academic year 2018/19. These are reflected in trade debtors.

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>77,150</b>	<b>140,279</b>
Other taxation and social security	<b>24,930</b>	<b>23,264</b>
Other creditors	<b>283,519</b>	<b>319,436</b>
Accruals and deferred income	<b>2,852,836</b>	<b>2,706,837</b>
	<b>3,238,435</b>	<b>3,189,816</b>

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**16. Creditors: Amounts falling due within one year (continued)**

	£
<b>Deferred income</b>	
Deferred income at 1 September 2017	2,695,137
Resources deferred during the year	2,795,978
Amounts released from previous years	(2,695,137)
	<u>2,795,978</u>
Deferred income at 31 August 2018	<u>2,795,978</u>

During June 2018, ALRA invoiced its students in advance in respect of the academic year 2018/19. These amounts are included within deferred income and released in the next financial period.

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

	2018 £	2017 £
Accruals and deferred income	<u>186,600</u>	<u>137,666</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 £20,589 (2017 - £18,422). Contributions totalling £3,943 (2017 - £3,087) were payable to the fund at the balance sheet date and are included in creditors.

**19. Operating lease commitments**

At 31 August 2018 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	Land and buildings		Other	
	2018 £	2017 £	2018 £	2017 £
<b>Amounts payable:</b>				
Within 1 year	235,770	235,770	12,512	12,512
Between 1 and 5 years	1,309,563	1,209,613	37,610	44,953
After more than 5 years	1,617,467	1,953,187	4,738	9,906
Total	<u>3,162,800</u>	<u>3,398,570</u>	<u>54,860</u>	<u>67,371</u>

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20. Statement of funds

Statement of funds - current year

	Balance at 1 September 2017 £	Income £	Expenditure £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>				
General Funds	31,017	2,690,084	(2,687,961)	33,140

Statement of funds - prior year

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2017 £
Restricted Fund					
The Garfield Weston Foundation	-	7,500	-	(7,500)	-
<b>Unrestricted funds</b>					
General Funds	91,310	2,445,082	(2,512,875)	7,500	31,017
The Garfield Weston Foundation	-	7,500	-	(7,500)	-

Restricted Funds:

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

The designated and restricted funds in the prior year related to the Wigan refurbishment, which was completed in 15/16. 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**21. Analysis of net assets between funds**

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

	Unrestricted funds 2018 £	Total funds 2018 £
Intangible fixed assets	74,520	74,520
Tangible fixed assets	260,748	260,748
Fixed asset investments	1	1
Debtors due after more than 1 year	58,025	58,025
Current assets	3,064,881	3,064,881
Creditors due within one year	(3,238,435)	(3,238,435)
Creditors due in more than one year	(186,600)	(186,600)
	<u>33,140</u>	<u>33,140</u>

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

	Unrestricted funds 2017 £	Total funds 2017 £
Intangible fixed assets	89,255	89,255
Tangible fixed assets	277,996	277,996
Fixed asset investments	1	1
Debtors due after more than 1 year	66,155	66,155
Current assets	2,925,092	2,925,092
Creditors due within one year	(3,189,816)	(3,189,816)
Creditors due in more than one year	(137,666)	(137,666)
	<u>31,017</u>	<u>31,017</u>

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

	2018 £	2017 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	2,123	(60,293)
<b>Depreciation and amortisation charges</b>		
Depreciation and amortisation charges	77,230	58,631
Loss on the sale of fixed assets	-	565
Increase in stocks	-	(22,320)
Increase in debtors	(30,519)	(143,594)
Increase in creditors	97,553	301,479
<b>Net cash provided by operating activities</b>	<u>146,387</u>	<u>134,468</u>

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

	2018 £	2017 £
Cash in hand	779,585	678,445
Total	<u>779,585</u>	<u>678,445</u>

**24. Related party transactions**

Except as disclosed elsewhere in these financial statements, there were no transactions with related parties in either the current or prior years that require disclosure in the financial statements.