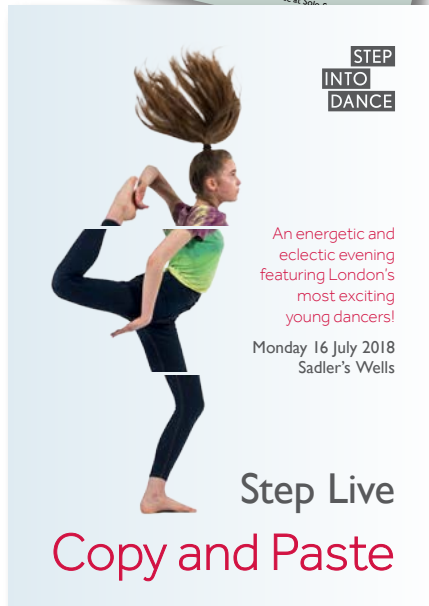


An aerial photograph of a group of dancers in various costumes performing on a large, circular mosaic floor. The mosaic features a world map in the center, surrounded by decorative borders including laurel wreaths and stars. The dancers are arranged in a line across the map, with their shadows cast long and dark on the floor. The overall scene is brightly lit, suggesting an outdoor or well-lit indoor space.

ROYAL ACADEMY OF
DANCE

Annual Report and Financial Statements

FOR THE YEAR ENDED 31 JULY 2018



FOREWORD

During the period under review, the Royal Academy of Dance (RAD) has launched a number of new initiatives as well as building on the success of existing programmes to further its mission to promote the benefits of, and access to, dance globally. A more detailed outline of our work can be seen on page 10, but here we have highlighted just a few of our recent achievements.

One of our biggest successes has been the growth of the Silver Swans pilot programme. This trains teachers in a growing number of markets around the world to deliver classes for the growing over-55s market. We will continue to roll out the programme to new territories to meet the demand from teachers and from older dancers.

Tackling the perennial issue of getting more boys to dance, and more males to teach dance, Project B has continued to provide inspiration and resources. Our international campaign which crowd-sourced hundreds of video clips from its target audience and has reinvigorated efforts to recognise the importance of making sure that boys are made to feel comfortable in the dance studio.

The Genée International Ballet Competition goes from strength to strength and its debut in Lisbon exceeded our expectations in terms of ticket sales as well as delighting the audience who saw finalists awarded gold, silver and bronze medals.

Our new customer relationship management (CRM) and membership system is now up and running, and very popular with teachers. The system provides a new secure membership area and also allows for online renewals – freeing up time for them to do what they do best – teaching!

As we approach our centenary in 2020, we continue to build upon our position as a world leader in dance education and examinations. As the preferred membership organisation for professional dance teachers, we continue to produce resources and harness technology to meet their needs. And as a leading source of expertise and advocacy, we continue to promote the benefits of dance to the wider community.

Luke Rittner CBE
Chief Executive



Photo: Spiros Politis

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Patron, president and officers

Patron

HM Queen Elizabeth II

President

Dame Darcey Bussell DBE

Chair of the Trustees

Guy Perricone

Key Management (Executive Board)

Chief Executive

Luke Rittner CBE

Artistic Director

Gerard Charles (appt September 2018)

Director of Strategic Development and Fundraising

Matthew Cunningham MA

Director of Education

Michelle Groves MA BSc (Hons) BPhil
(Hons)

Director of Examinations

Dr Andrew McBirnie BA MMus PhD
LTCL

Director of Marketing and Communications

Melanie Murphy Dip IPR MICPR

Director of Finance and Operations

Ian Pogue BA (Hons) ACA

Vice Presidents

David Bintley CBE

Li Cunxin

Dame Beryl Grey CH DBE DL Darts
(Hon) DMus DLitt DEd FRSA

Dr Ivor Guest MA DUNIV FRAD
(deceased March 2018)

David McAllister OAM

Wayne Sleep OBE

Sir Peter Wright CBE DMus DLitt FBSM

Advisory Council

Joy W Brown

Barbara Fewster OBE FISTD

Dr Stanley Ho OBE GrOIH Chev Leg
d'Hon DSoc Sc CStJ

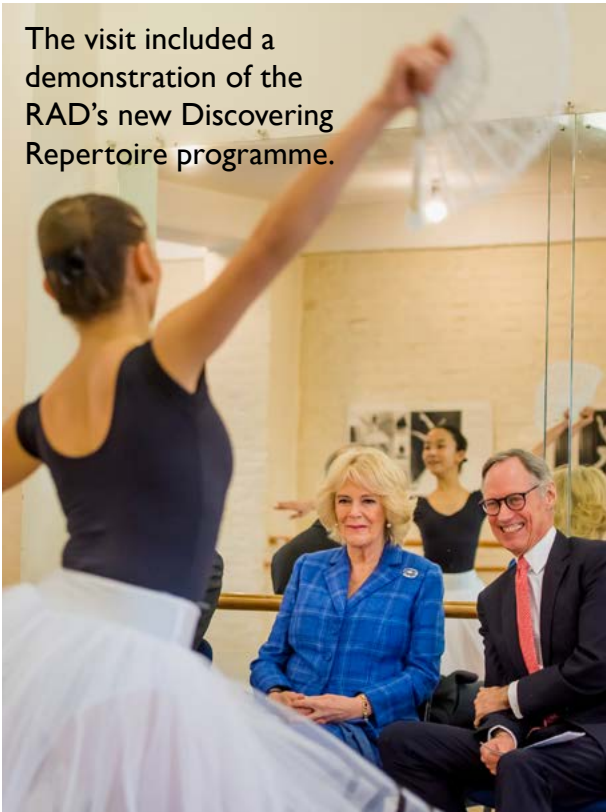
Lady Porter

Sir Roy Strong DLitt PhD FRSA FRSL

Photo: Charlotte MacMillan

HRH The Duchess of Cornwall visited RAD headquarters in Battersea, London in February 2018 for the first time to watch a range of dance classes and to meet with students of all ages, as well as staff.

The visit included a demonstration of the RAD's new Discovering Repertoire programme.



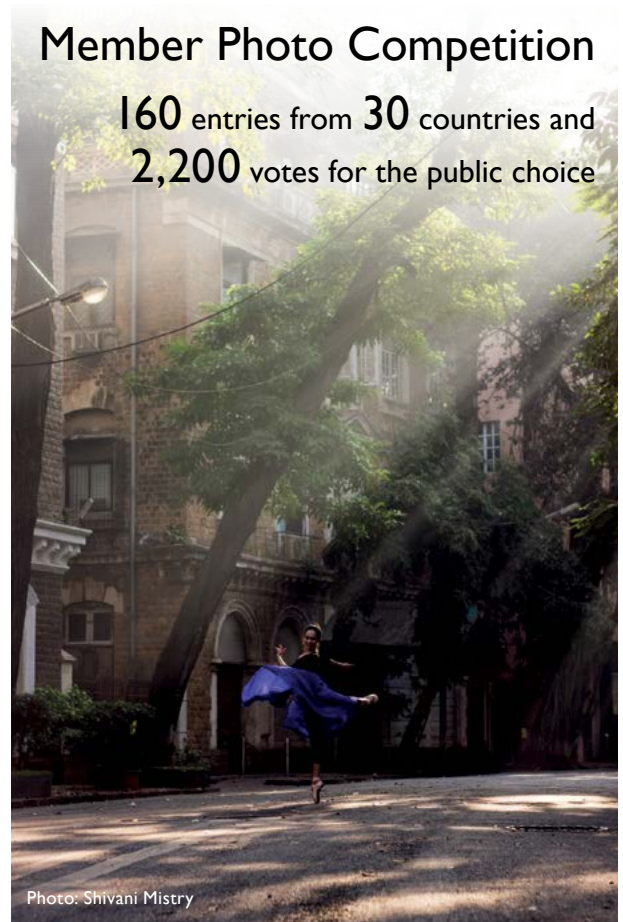
The Duchess observed a Silver Swans™ class, met some Swans and Ambassador, Angela Rippon CBE.

Her Royal Highness also had the opportunity to observe the next generation of male dancers in a Project B class.



Photos: David Tett





Member Photo Competition

160 entries from 30 countries and
2,200 votes for the public choice



Photo: Sam Lane Photography

Project B pop-up, King's Cross station
50+ boys aged 8–18

Exams

| record year, **247,379** exams



Photo: Elliott Franks

Summer Schools

6 countries and 2,175 students

Photo: Liu Yang



Photo: David Tett

Silver Swans

1 ambassador,
304 licensees,
100 pieces of media coverage,
1 Memcom Excellence Awards shortlisting
and 1 PRCA Awards commendation



Discovering Repertoire

30 launch events in 15 countries
attended by 1,000 members



Photo: Graham Read



Step into Dance

celebrated its **10th** anniversary in 2017 with **+1000** students from **70** schools performing at Step LIVE! for an audience of **+2000**



Dance Proms

350 young dancers,
an audience of **2,500**

Photo: David Tett

REPORT OF THE TRUSTEES

The Trustees of the Royal Academy of Dance (RAD) present their report and audited financial statements for the year ended 31 July 2018. This contains information to satisfy the requirements of trustees' reports under the Charities Act 2011, and to comply with current statutory requirements, the RAD's Charter and the Statement of Recommended Practice for Accounting and Reporting by Charities (2015).

The RAD is a company created by Royal Charter on 31 December 1936 and registered as a charity on 16 January 1963 in England and Wales No 312826. An amended Supplemental Charter and Bye-Laws was approved on 10 December 2008 by the Privy Council. Royal Academy of Dance, RAD and its block logo are registered trademarks in the European Union and in certain other countries.

This report contains information about the group and charity. In the context of these financial statements the group accounts include the audited accounts of the charity and its subsidiaries, and the charity accounts include the audited accounts of the Royal Academy of Dance in the United Kingdom and its branches for the year to 31 July 2018. The entities comprising the group and the charity are shown on page 15.

The RAD's head and registered office is 36 Battersea Square, London SW11 3RA. The RAD has a number of branches, representative offices and subsidiary companies in 32 countries, in which it holds, either in trust or outright, 100% of the issued share capital. It also has effective control over an association incorporated under s21 of the Republic of South Africa's Companies Act which owns the freehold property in South Africa; Yayasan Royal Academy of Dance Indonesia, a non-profit foundation, based in Indonesia and RAD Dancing (Thailand) Co Ltd where it holds a minority shareholding.

The RAD is an awarding organisation recognised to award regulated qualifications in England, Wales and Northern Ireland and is required, through the Board of Trustees, to issue annual Statement of Compliance to the Office of Qualifications and Examinations Regulation (Ofqual), Qualifications Wales and the Council for the Curriculum, Examinations and Assessment (CCEA). The RAD is also recognised as an approved awarding body in Scotland by SQA Accreditation, part of the Scottish Qualifications Authority.

As a provider of higher education registered with the Office for Students with Specific Course Designation, the RAD is subject to review by the Quality Assurance Agency for Higher Education (QAA) under the Department for Education's requirements for courses designated for student loan purposes.

The RAD is required to report any Safeguarding (including Prevent) incidents to the Charity Commission; to Ofqual, Qualifications Wales and CCEA where there is an event which could have an adverse effect in leading to a loss of standards, integrity or public confidence in qualifications and to Ofsted and to the Office for Students according to the circumstances. The RAD follows the Charities Commission 2017 Code of Governance.

Principal activities

The RAD provides dance training, dance teacher education, and dance assessment services to students and teachers. It is also:

- a registration organisation for dance teachers, providing opportunities for the education and training of young people and adults in dance, and employment opportunities for dance teachers,
- a higher education provider – providing programmes of study and associated qualifications for aspiring dance teachers,
- an awarding organisation – devising and administering a portfolio of examinations in dance which form part of the assessment process of courses of study, delivered by teachers, leading to proficiency in dance at a high level, and
- the owner of Benesh Movement Notation – provider of programmes of study and qualifications for dance notators.

Its services can be accessed via www.royalacademyofdance.org and through local websites internationally.

Strategic aims and achievements

Vision

Our vision is to lead the world in dance education and training and be recognised internationally for the highest standards of teaching and learning. As the professional membership body for dance teachers we will inspire and empower dance teachers and students, members, and staff to make innovative, artistic and lasting contributions to dance and dance education throughout the world.

Mission

Our mission is to promote and enhance knowledge, understanding and practice of dance internationally by educating and training teachers and students, and by providing examinations to reward achievement, so preserving and extending the rich, artistic and educational value of dance for future generations.

Aims

The charitable objectives set out in our charter to elevate and advance the art of dance, by promoting the correct tuition in its highest forms and to advance education in the art of dance, are reflected in four strategic objectives:

1. to be the leading international authority on dance teacher education and professional development,
2. to be the preferred membership organisation for professional dance teachers, dance students and others who wish to support and engage with dance,
3. to be an international leader in the provision of examinations in dance, and
4. to be recognised as a leading international source of expertise and advocacy for the benefits of dance to the wider community.

All of the RAD's four strategic objectives have been addressed through work programmes, projects and initiatives across the organisation during the financial year.

Strategic Aim 1: to be the leading international authority on dance teacher education and professional development.

- The Faculty of Education (FoE) saw 413 students from 43 countries graduate from its programmes. It also:
 - made application to the new regulatory body for English higher education, the Office for Students (OfS), to secure the RAD's position as an HE provider.
 - focused on broadening international awareness of the BA (Hons) Dance Education and MA in Education (Dance Teaching) distance learning programmes to increase student recruitment with new advertising in the UK and our network of national offices.
 - delivered the Professional Dancers' Postgraduate Teaching Certificate in Australia for the first time, and
 - partnered with the Hong Kong Academy for Performing Arts in delivering the Access Route to RAD Registered Teacher Status.
- Recruitment to university-validated programmes of study remained challenging due to an increasingly competitive higher education landscape, and students being unable to finance tuition fees.
- Benesh International (BI) began the process of embedding Benesh Notation within formal dance training by:
 - advertising introductory courses to the professional programmes,
 - streamlining opportunities between different BMN courses by reviewing professional award programmes, and trialling Benesh exams,
 - translating Benesh for Ballet (BMN4B) into Chinese and Spanish,
 - creating more opportunities for children/young people to discover BMN, and
 - creating a series of CPD courses for delivery to BMN tutors and choreologists.

Strategic Aim 2: to be the preferred membership organisation for professional dance teachers, students and all others who wish to support and engage with dance.

- Our integrated CRM and bespoke operating system, was rolled out to New Zealand, South Africa and the United States, with Canada and Australia going live in July 2018 and January 2019 respectively.
- At the end of May 2018 we launched our refreshed Members' Area for members. This gives a more personalised experience, allowing members to renew their membership and declare their CPD online.
- BI began to develop and facilitate a sense of community for Benesh users by:
 - rebranding as 'Benesh International, at the RAD', creating a clear and cohesive identity,
 - establishing a database of Benesh Members and the Benesh community worldwide,
 - creating a choreologist working group for professional Benesh Notators,
 - increasing social media presence via the creation of a BI Facebook group,
 - linking BI professional awards distance learning courses to VLE (Moodle), and
 - the creation of a BI student forum.
- Online RAD Enterprises (RADE) business is steadily growing, facilitated by our presence on social media, which we will continue to develop. In line with high street fashion, customers are very drawn to leisurewear 'Athleisure' and keen to buy branded clothing.
- RADE launched Discovering Repertoire teacher resources and uniform worldwide in January 2018. Sales were very encouraging given that this is the first non-syllabus product of its kind from RAD.
- RADE is continuing to look at ways to raise its profile, to explore opportunities for a new retail management system, and to make improvements to its website alongside more marketing investment.

Strategic Aim 3: to be an international leader in the provision of examinations in dance.

- The RAD delivered 247,379 examinations, class awards, solo performance awards, presentation and demonstration classes around the world – an increase of 4% on the previous year, and the third record year in a row.
- We are in the process of rolling out our new online exams system, initially in the UK and then around the world, which will allow teachers to register their schools and students, submit examination entries and view exam results online. Delays in the issue of results and certificates were experienced this year while the system, designed to be used externally, was being used for internal data processing.
- Discovering Repertoire exams and class awards launched at levels 2, 3 and 4 and the requirements for the Solo Seal were amended to include a virtuoso finale.
- Examiner training programmes in the UK, South Africa and Australia resulted in 27 new examiners being appointed to the worldwide panel.
- The RAD hosted the annual CDMT comparability study of UK dance-awarding organisations in March/April 2018 looking at standards at Grade I.

Strategic Aim 4: to be recognised as a leading international source of expertise and advocacy for the benefits of dance to the wider community.

- The global launch of Discovering Repertoire saw 30 events taking place in 15 countries, attended by a total of 1,000 members, and resulting in much positive feedback of the new programme.
- February 2018 saw a visit from the Duchess of Cornwall to RAD headquarters. She watched classes and showed interest in Silver Swans, Project B and Discovering Repertoire.
- The Faculty of Education prospectus received the Heist Silver Award in the 'Best Prospectus from a Specialist Institution' category.
- Summer Schools ran in 6 countries (UK, Norway, Italy, Canada, China and Japan) for a combined number of 2,175 students. UK Summer Events (including London and Dartington Summer Schools) also welcomed over 700 students from 37 countries.
- The 86th Genée International Ballet Competition was held in Lisbon for the first time, involving 52 candidates from 14 countries. 11 finalists competed in front of a sold out audience at the final, where gold, silver and bronze medals were awarded, and where we exceeded our target ticket sales target.
- The final Dance Proms took place at the Royal Albert Hall, featuring 350 young dancers performing in front of an enthusiastic audience of 2,500.
- **Silver Swans™**
 - Phase 2 of the pilot expanded within the UK, and the US and Australia for the first time. By the conclusion, around 400 licensees had been trained, 12% of whom were not originally Registered Teachers – thus creating a new audience.
 - The public launch of Silver Swans™ with Angela Rippon as ambassador was supported by an extensive national marketing and PR campaign resulting in 100 pieces of press coverage in one month, including news broadcasts on the BBC, ITV, Channel 5, 13 BBC Global News radio, and a piece in *The Telegraph*.
 - The campaign was shortlisted at the Memcom Excellence Awards and also received a commendation at the Public Relations and Communications Association Awards.
- **Project B**
 - Over £6,000 of bursaries were distributed to male dance students and teachers.
 - A series of well-attended UK workshops aimed specifically at boys, and for the first time, Australia joined the scheme, staging a Boys Only summer weekend workshop for 90 students.
 - A Project B 'Day of Dance' involving 50 male dancers took place featuring a surprise mass performance at King's Cross Station in London. The piece was choreographed by male dance ambassador Iain Mackay.
 - With funding from the British Council and in partnership with the Marylebone Cricket Club, we delivered the pilot of Changing Moves, Changing Minds (a variation on last year's Dance Down the Wicket), challenging gender stereotypes in India.
- We continued work towards building a fundraising strategy to cater to the revenue, capital, project-specific and bursary needs of the organisation and its customers.

Strategic Plan

At the start of our five year Strategic Plan, our aims by 2020 were to:

- increase our worldwide membership to 20,000 across all categories
- deliver 254,000 dance examinations each year; and
- generate net unrestricted income of £1m in 2019/20, aiming to ensure that we can move to our new headquarters without impacting delivery of our strategic objectives and maintaining group reserves in line with policy.

Our interim targets for 2017/18 were to:

- increase worldwide membership to 16,000. Actual membership at the end of 2017/18 was 13,571. Our focus on delivering and rolling out the CRM, together with implementation of GDPR, has consumed internal resource needed to reposition our Affiliate and Full Member categories as planned. In addition, ongoing review of the viability of new youth-focused categories means that activity in this area has been delayed. Therefore, as the target of 20,000 members worldwide by 2020 was reliant on a step change in categories (particularly youth), we do not expect to achieve this by 2020 and targets have and will be adjusted accordingly (target of 14,000 for 2018/19).
- deliver 239,000 dance examinations. Actual examination numbers were 247,379 – 4% ahead of target.
- generate a net unrestricted income of £0.5m. Actual result was net expenditure of £180,000 – though this included additional depreciation of the London headquarters of £150,000 compared to target, following review last year; adjusting for this, actual net expenditure was £30,000. This result was under target mainly due to underperformance in some of our international markets. During the year there was significant planned one-off spend relating to the roll out of the CRM, development of our new corporate website and the move to our new headquarters (see financial review – total of £410,000), as well as £0.5m of non-cash depreciation.

Our interim targets for 2018/19 under the Strategic Plan are to:

- increase worldwide membership to c19,000 ahead of repositioning our Affiliate and Full Member categories. This is now budgeted at c14,000 for reasons noted above.
- deliver 246,000 dance examinations, and
- generate an unrestricted net income of £650,000. Whilst this is considered achievable, given some one-off items in 2017/18, this will require an improved performance in our international offices.

Delivering on the plan

To meet these targets, planned projects and initiatives across the organisation in 2018/19 are:

- the continued international rollout of the new integrated CRM and bespoke operating system for our membership, examinations and education activities
- the launch of a new global website, delivering content in the local language in many markets, and improved user experience for all
- the launch of a capital campaign to fund the move to the new headquarters, as well as provide a platform for a continuing fundraising strategy. We will also again look to engage major donors and corporations through strategic partnerships
- the expansion of our Silver Swans CPD programme for older learners, following successful pilots in the UK and US
- continued planning for the move to our new headquarters
- to grow existing markets through the development of new examinations and assessments and consolidation of the membership scheme
- to continue lobbying on key issues for dance teachers and the wider dance industry.

Corporate and Social Responsibility

Public benefit

The RAD is a charity registered in England and Wales. Trustees are required to have regard to any guidance the UK's Charity Commission publishes on public benefit and to ensure that they carry out the charity's aims for the public benefit whenever the exercise of any powers or duties may be relevant.

The charitable objects of the RAD as set out in its Charter are to:

1. elevate and advance the art of dance by promoting the correct tuition of dance in its highest forms, and
2. advance education in the art of dance, in particular by:
 - providing facilities for dance, dance education and training,
 - setting up and maintaining programmes of study for the education and training of dancers, teachers and notators of dance (such programmes to include, but not be limited to, the study of Benesh Movement Notation, whenever appropriate),
 - setting and conducting examinations in dance and the teaching of dance,
 - educating, training, assessing, registering, licensing and chartering teachers of dance who meet standards determined by the Board from time to time, and
 - promoting teaching of dance.

The trustees have reviewed these aims and consider that the activities of the RAD meet the two main principles of public benefit – that the benefits are identifiable and are related to the aims of the RAD, that the public are the beneficiaries and that there is no significant exclusion as to who can benefit.

Corporate governance

The group relies on a robust governance framework to support the organisation. Responsibility for good governance lies with the trustees who are accountable to the members. The trustees oversee the RAD's worldwide operations through a trustee board and eight separate sub-committees.

President and vice presidents

The RAD currently has eight elected vice presidents. The president and vice presidents may not be Full Members of the RAD at the time of election but are deemed to become Full Members following election. Candidates for the office of president and up to nine vice presidents can be nominated by Full Members or be recommended by the board of trustees and are elected by members at the Annual General Meeting (AGM). Since the revision of the charter in 2008, the president and vice presidents elected since that date can only hold office for a maximum of two terms of five years, in accordance with clause 52.7 of the bye-laws.

Advisory council

There is an advisory council which consists of the president, vice presidents, and any other persons appointed by the board, whose purpose is to provide advice to the board as it sees fit. The advisory council did not meet during the year.

International advisers

The trustees may appoint up to five international advisers whose ordinary residence is not in the UK and who may attend meetings of the board of trustees in an advisory capacity. There are no current appointments.

The Board of Trustees

The board comprises up to a maximum of twenty members, of which ten are Full Members of the RAD (List A) and ten, including the chair, who may or may not be Full Members but who have been recommended by the Board as persons likely to bring skills or experience in areas other than dance or education (List B).

Candidates for the office of trustee can be nominated by Full Members or recommended by the board of trustees and are elected by members at the AGM. Trustees are elected to hold office for a term of three years, and may be re-appointed for two further consecutive terms in accordance with clauses 33–38 of the Bye-Laws.

Individuals may be co-opted by the trustees to fill vacancies arising during the year.

The board's role and responsibilities are set out in formal Terms of Reference and Standing Orders.

There are sixteen elected trustees on the board.

List A Trustees (Dance)

Justine Berry PDTD PGCE MA ARAD RTS
Thérèse Cantine ARAD Dip PDTC RTS
Hilary Clark ARAD (dip PDTC) RTS
Deborah Coulthick Adv Tch Dip RTS
Sarah Dickinson ARAD Adv Tch Dip RTS
Imogen Knight ARAD BA (Hons) Dip RAD Dip TD (NBS)
AISTD RAD STC
Darren Parish (co-opted 22 March 2018)
Penny Parks RAD RTS

List B Trustees

Guy Perricone (Chair)
Joanna Binder
Julia Bond OBE
Peter Flew MA NPQH SFHEA (appt 21 June 2018)
Ida Levine BA Juris Doctor JD
Andrew McIntee (appt 20 April 2018)
David Nixon OBE (co-opted 22 March 2018)
Kevin O'Hare CBE (co-opted 22 March 2018)
Aliceson Robinson
Catherine Weate BA DipEd LSDA FRSA Hon FLAM

Lynne Reucroft-Croome BA (Hons) MA LRAD (retired 26 April 2018)
Professor Michael Day (resigned 21 June 2018)

Meetings

The board holds three scheduled meetings in a year, plus an annual strategy day. Comprehensive papers, including minutes of previous meetings, are presented to the board.

Constitution

The chair is responsible for the leadership and management of the Board.

The chief executive is responsible for the executive leadership and day-to-day management of the RAD to ensure the delivery of the strategy agreed by the board. The chief executive is supported by six directors, as listed on page 02.

RAD corporate structure

All entities below form the group

RAD

Subsidiary companies

The results of the subsidiary companies are consolidated with the results of the charity (Branch offices and UK Group) to form the group.

RAD Singapore
Pte Ltd
Singapore

RAD gGmbH
Germany

Yayasan RAD
Indonesia

RAD Srl
Italy

RAD Dancing
(Malaysia) Sdn Bhd

RAD de Mexico AC
Mexico

RAD Asbl
Benelux & France

RAD s2I Company
South Africa

RAD Brasil Ltda
South America

RAD SL
Spain, Andorra
& Gibraltar

RAD Dancing
(Thailand) Co Ltd
Thailand

RAD Enterprises Ltd
United Kingdom

Charity

RAD

Branch offices

Australia

Canada

Israel

Japan

New Zealand

Portugal

Southern Africa &
Mauritius

United States

Representative offices

Caribbean

China

Cyprus

Greece

Hong Kong

Ireland

Malta

Philippines

Scandinavia

South Asia

South Korea

Taiwan

Turkey

UAE & Qatar

The results of the representative offices are included in the results of the UK to form the UK Group.

Training

All trustees are provided with a handbook, and take part in induction sessions with senior staff to familiarise themselves with the work of the RAD.

Related parties

The RAD has entered into a number of transactions with related parties during the year. These are in the form of management charges made to overseas branches and subsidiaries to cover the cost of administration of the group by UK headquarters, and fees and expenses paid to ten trustees in their capacity as examiners, tutors or mentors. Further detail can be found in note 13 of the financial statements.

Independence

Trustees are required to sign a code of conduct on appointment. Up to one half of the trustees may receive an emolument for services rendered to the RAD, but where the trustee has received payment in the preceding twelve months, may not take part in any debate or vote considering emoluments, whether specific or general, and should not be present at a meeting at which a specific payment to that trustee is discussed or an appointment which involves payment is made.

Trustees are required to disclose any third party interests annually and to disclose any gifts received, these are disclosed in note 13 on page 36.

Indemnities and insurance

In accordance with Article 6(h) of the RAD's charter, the RAD takes out indemnity insurance as part of its global policy to indemnify it against loss arising from the neglect or default of its trustees, employees or agents and to indemnify the trustees and other officers against the consequence of any neglect or default on their part.

Board sub-committees

The board operates seven sub-committees, created under Bye-Law 40 of the RAD's charter. All sub-committees have formal Terms of Reference and Standing Orders which are reviewed annually. A Fundraising and Development Sub-committee was formalised during the year for introduction in 2018/19 to focus specifically on fundraising and development matters.

All sub-committees have regular scheduled and unscheduled meetings, and papers are made available to all sub-committee members and those in attendance.

Finance and Audit Sub-committee

In its capacity as an Audit Sub-committee, its key function is to support the board in fulfilling its responsibilities in reviewing the effectiveness of the RAD's financial reporting, internal controls and risk management. In addition the sub-committee considers the statutory accounts and meets annually with the external auditors to receive and discuss their report on the annual audit.

As part of this role the sub-committee provides advice to the board on whether these financial statements are fair, balanced and understandable, and provides all the necessary information for members to assess the RAD's performance.

The group's external auditors require certain local auditors of other group entities to report to them, and in addition under international auditing standards are required to consider if they should visit these entities. The Portuguese operation was visited by the external auditors in November 2018. Their final report is provided to the Audit Sub-committee as part of their review of the audit.

The board recommend to members that a resolution to re-appoint Deloitte LLP be proposed at the 2019 AGM.

In its capacity as a Finance Sub-committee, it advises the board of trustees on all financial matters and considers the management and financial accounts, budgets and financial resources of the group together with the strategic plan prepared on a five-year rolling basis with annual revisions. The sub-committee also assesses the risks to which the RAD is exposed, and considers any other matters of a legal, statutory or financial nature brought to its attention.

When considering the annual budgets, it also determines the general salary policy to apply throughout the group. It has four scheduled meetings a year.

Trustee members

Julia Bond OBE (Chair)
Joanna Binder
Ida Levine BA Juris Doctor JD
Guy Perricone

Co-opted members

James Cane FCA

Director

Director of Finance and Operations

Nominations and Remuneration Sub-committee

The Nominations and Remuneration Sub-committee ensures that there is a formal and appropriate procedure for the appointment of key trustees and management at the RAD, and considers the remuneration of key management by reference to the roles performed and market rates. It also considers the recipients for the award of the Queen Elizabeth II Coronation Award, Fellowships of the Royal Academy of Dance, and President's Awards.

Membership is drawn from the chairs of the respective sub-committees:

Members

Guy Perricone (Chair)	Board of Trustees
Julia Bond OBE	Finance and Audit
Joanna Binder	Board of Directors of Royal Academy of Dance Enterprises Ltd
Peter Flew	Education
Penny Parks	Regional
Aliceson Robinson	Global Membership and Marketing
Catherine Weate	Artistic and Examinations

The five remaining sub-committees represent the main activities or functions of the RAD. Membership of sub-committees is made up of trustees and co-opted members recruited for their relevant skills and experience. Each of the sub-committees has a chair who is a trustee and at least one director in attendance with the relevant specialism. All members of the executive board may attend these sub-committees. The chairman of the board of trustees is an ex-officio member of each sub-committee.

Artistic and Examinations Sub-committee

The Artistic and Examinations Sub-committee advises and supports the artistic director and the director of examinations (and other directors as appropriate) on advances and changes in the dance, arts and education sectors that may impact on the work and policies of the examinations board and the RAD. The sub-committee seeks to ensure that the RAD's artistic policy and standards of examination are maintained and enhanced; that the examinations board is fully accountable, complies with the requirements of the regulators, and maintains the highest standards of efficiency and quality assurance in its policies and procedures; and that community, competitions, outreach programmes and other similar areas of the RAD's work are artistically, practically and financially viable.

Trustee members

Catherine Weate (Chair) BA DipEd LSDA FRSA Hon FLAM
Justine Berry PDTD PGCE MA ARAD RTS
Hilary Clark ARAD (dip PDC) RTS
Thérèse Cantine ARAD Dip PDC RTS
Deborah Coultish Adv Tch Dip RTS
Penny Parks RAD RTS

Co-opted members

Philippa Bunting (appt November 2017)
Iain Mackay
Louise Norman (appt June 2018)
Ailin O'Cathain (appt March 2018)
Stirling Wood

Directors

Artistic Director
Director of Examinations

Education Sub-committee

The Education Sub-committee advises and supports the director of education on advances and changes in education that may have an impact on the work and policies of the Faculty of Education and the RAD. The sub-committee seeks to ensure that all programmes of study are fully accountable, developed and maintained to the highest standards, and are financially viable. It also seeks to ensure that the RAD, as a provider of higher education, upholds its public interest governance principles; including but not limited to the principles of freedom of speech and academic freedom. The RAD complies with its duties under Section 29 of the Counter-Terrorism and Security Act 2015 (Prevent Duty).

Trustee members

Peter Flew (Chair) MA NPQH SFHEA
Hilary Clark ARAD (dip PDC) RTS
Imogen Knight BA (Hons) Dip RAD Dip TD (NBS)
ARAD AISTD RAD STC

Student representatives:

Christina Welsh (Undergraduate Student Rep/BABE Level 6)
Nicola Lewis (Postgraduate Student Rep/MA)

Co-opted members

Dr Florin Bisset (University of Bath representative)

Dr Joanne Cliffe PhD MSc BEd (Hons) (appt March 2019)
Professor Tina Chen FISTD MA Dip RBS TTC ARAD
Judith Hemery AB (Hons)
Fiona Sheehan MA BA (appt March 2018)
Paula Scales MTD BA (Hons) PGCE RTS
Lynne Reucroft-Croome BA (Hons) PGCE LRAD

Director

Director of Education

Global Membership and Marketing Sub-committee

The Global Membership and Marketing Sub-committee, to reflect the increasingly international nature of the RAD's activities. It advises and supports the director of marketing and communications on matters relevant to the marketing and promotion of the RAD's projects, events and services. It also advises and supports the director and their teams in promoting the skills, knowledge and expertise of its members and providing support services and membership benefits for its members throughout their professional careers. The sub-committee also seeks to ensure that the RAD, as a membership organisation, upholds the aims and objectives of the Charter and its Bye-Laws in an open and transparent way, and that it is fair in all its dealings with members of the RAD and the public.

Trustee members

Aliceson Robinson (Chair)
Imogen Knight BA (Hons) Dip RAD Dip TD (NBS)
ARAD AISTD RAD STC

Co-opted members

Vikki Allport de Orbe Tch Dip RTS
Karen Harris Tch Cert RTS
Shelley Isaac-Clarke Tch Dip RTS
Carol Marlow (apt February 2017)
Andrew McIntee (apt June 2018)

Director

Director of Marketing and Communications

Regional Sub-committee

The Regional Sub-committee advises and supports the chief executive, who also has responsibility for UK regional matters, that may have an impact on the work and policies of the RAD. The sub-committee seeks to ensure that the RAD is fully accountable to its members and maintains the highest standards in all areas of its work. The terms of reference of the committee determine that the incumbent chair is put forward to the board of trustees on initial election as a co-opted trustee and subsequently recommended for election at the AGM.

Chair and Trustee

Penny Parks RAD RTS (South East England)

Co-opted members

Reena Bhattarcharjee (London & Middlesex)
Caitríona Brocklebank (RAC Chair, Ireland)
Yvonne Gray RAD RTS (Scotland)
Nicky Jenks RAD RTS (South West England, Wales & Channel Islands)
Caroline Peters (Midlands & East of England)
Lorna Proctor RAD RTS (Northern England, Yorkshire & the Humber)
Paul Doyle Tch Cert RTS (Ireland & Northern Ireland, resigned November 2018)

Director

Chief Executive

Board of the Royal Academy of Dance Enterprises Ltd (RADE) Enterprises Sub-committee

The Board of the RADE also acts as the Enterprises Sub-committee of the RAD. Its members are made up of directors of the company and trustees of the RAD.

RADE is a separately constituted private limited company owned by the RAD. It is the primary publishing and distribution arm for the RAD and its examination board. It retails examination syllabi in various media including print, audio-visual and apps, as well as recommended uniform wear, teaching resources, dance-related products and gift items. Its products are sold and distributed through its website, mail order, printed catalogues, book distributors, RAD branches and the RAD itself.

The Enterprises Sub-committee considers the management and financial accounts, budgets and financial resources of the RADE in the context of its relationship to the group. The sub-committee also assesses the risks to which the company is exposed, and considers any other matters of a legal, statutory or financial nature brought to its attention.

Company Directors

Joanna Binder (Chair)
Luke Rittner CBE
Ian Pogue

Trustee members

Guy Perricone

Co-opted members

Mark Richardson

The board and sub-committee discharges these responsibilities by meeting four times a year and advises the Finance and Audit Sub-committee and the RAD's Board of Trustees on all matters pertaining to RADE.

Principal risks and uncertainties

Governance, risk and control

The trustees are responsible for the group's system of internal control and risk management and consider this to be fundamental to the achievement of the RAD's policies. Some of the key elements of the governance, risk and control framework in which the RAD operates are set out below. The work of the trustees, sub-committees, management and staff are at the heart of its processes. The board approves strategic plans and annual budgets, reviews quarterly results with comparisons against forecast, requests analytical reports as and when necessary and debates topics requiring attention. The relevant sub-committees receive papers and provide assurance to the board. The trustees review the effectiveness of governance, risk and control through this reporting mechanism as well as management concerns raised by the external auditor through the Finance and Audit Committee. As with any such system, the processes are designed to manage rather than eliminate the risk of failure to achieve objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Operational Risk Management Committee

The chief executive, directors, and senior heads of departments act as the Business Continuity Committee in the event of a disaster. They also consider the Corporate and Activity Risk Registers.

Exposure to risk

Management reviews the risks to which the RAD could be exposed, particularly in terms of governance, operations and finance, on an ongoing basis. Risks are assessed for likelihood and severity of impact. This information is then used to develop a risk management strategy, including the identification of existing operational controls and any new controls the trustees consider necessary. A number of risks and uncertainties have been identified:

- **Marketplace and products**

Other awarding organisations, who offer dance examinations across multiple genres at a lower cost; and higher education bodies that offer places funded by government, compete against the RAD which focuses on a single genre. Members may for one reason or another no longer wish to retain membership of the RAD or to use our products and services. A change in syllabus can have an adverse effect on the ability of teachers to continue providing candidates for examination at previous levels due to the challenges of acquiring new knowledge and passing it on to the candidate base.

In mitigation of these risks, the RAD uses internal impact statements to assess risk, and using the full force of social media to publicise, promote and sell its products and services.

- **Foreign exchange**

The RAD operates in many jurisdictions, setting its fees in local currencies, while at the same time incurring central costs based in sterling. It is therefore prone to fluctuations in its results due to currency gains and losses.

It is difficult to forecast movement in foreign exchange, particularly in light of the uncertainty around Brexit, and therefore the RAD maintains awareness of movements in currency which might adversely affect its performance. This is then considered in making decisions concerning timing of movements of funds between countries.

- **World events**

The RAD, like many international organisations, is potentially vulnerable to pandemics, natural phenomena and changes in weather patterns, and to civil war and terrorism. All of these may impede or prevent travel by both examination candidates and course attendees, and by RAD staff such as examiners and tutors, thereby reducing business and associated income. We have developed policies and procedures to minimise the loss of income caused by such events, and to ensure the safety of staff and examiners.

- **Economic climate**

In common with most organisations, the RAD is vulnerable to changes in the global economic climate. Our core business depends on the purchasing power of its customers and we have no control over their financial circumstances – whether member, teacher, examination candidate, higher education student or dance class attendee.

It is difficult to forecast the effects of the economic climate on individual customers and therefore the RAD endeavours through better planning to react to downturns which might adversely affect its performance. However, the global reach of the RAD's operations mitigates against this risk, as markets experiencing strong economic conditions can support those in a downturn.

- **Statutory and regulatory compliance**

The complexity of the group structure could lead to non-compliance through oversight, lack of knowledge or training, at both local and group level. Non-compliance can lead to loss of status, recognition, reputation, confidence, customers and the imposition of penalties. To mitigate this risk, subject to considerations around cost and benefit, the RAD employs qualified personnel at group and local levels, and works with regulatory or statutory authorities to ensure compliance.

- **People**

Working with young people brings safeguarding responsibilities. The RAD has an active Safeguarding Committee with designated safeguarding officers, and reviews its policies annually. Training needs are identified and addressed, and the RAD works with lawyers or other professionals to ensure policies are fit for purpose.

The behaviour of members and organisations associated with the RAD can lead to reputational loss. The RAD performs due diligence before entering into partnerships, ensures contracts are in place, and operates Codes of Conduct and Professional Practice.

High turnover of staff could expose the RAD to lack of continuity and loss of knowledge. The RAD undertakes performance reviews to ensure that the right staff are retained, and offers a range of benefits. Succession planning is undertaken for senior staff.

These risks and uncertainties are included in the Corporate and Activity Risk Registers along with actions to mitigate them. A further function of the risk registers is to inform business continuity plans which are underpinned by an offsite IT disaster recovery centre to provide the necessary technological backup in the case of unforeseen events.

Financial Risk

The RAD does not have a separate Financial Risk Management Committee. This function is assumed by the Finance and Audit Sub-committee.

In controlling and underpinning financial risk, the following are considered to be key control procedures:

- **Quality and integrity of personnel**

It is the RAD's policy to invest in the right people needed to support its operations. It has developed a series of Human Resource policies, the most important of which are Equality and Diversity, Health and Safety, Information Management and Safeguarding, so that employees can strive to improve fairness and safety both in the workplace and for the RAD's customers, ensure compliance with legal responsibilities and to respect one another.

Each of these areas has a policy group which monitors the RAD's compliance with the relevant area and which reports directly to senior management.

All policies and procedures are reviewed and approved annually by the trustees and changes are brought to the attention of employees. Regular fire drills take place at the RAD's premises.

- **Operating unit financial controls**

A Controls Manual, which is updated annually, sets out the key disciplines expected of staff in managing their role, responsibility, operation or entity. The manual forms part of an employee's induction and can be found on the RAD's internal HR homepage.

The central finance office function performs comparison tests on the results of branches, subsidiaries and offices, and undertakes visits during the year. Management ensures that qualified finance professionals are appointed to senior positions of financial responsibility. The trustees will continue to consider whether the growth of the RAD warrants the appointment of an internal audit function, resources permitting.

- **Information and computer systems**

The RAD's financial and management information is processed and stored on a number of computer systems. This can lead to concerns of integrity, duplication, security and other data issues. A disaster recovery centre operates in the UK. Back-up systems are installed in major international offices.

The RAD is aware that the Data Protection law changed on 25 May 2018 to the General Data Protection Regulation (GDPR) and understands the impact to the organisation and our staff. We have identified areas that could cause compliance issues and have developed a roadmap for addressing these across the organisation.

The RAD sets out data protection compliance in a framework of policies and procedures. We monitor compliance with data protection policies and regularly review the effectiveness of data handling/processing activities and security controls. We are implementing a basic GDPR training programme for all staff, supplemented by a needs-based data protection training programme for staff across different functions and levels. The sheer amount of data held and being processed means that full compliance will take significant time and resources to achieve. The RAD does not meet the criteria for an obligatory Data Protection Officer; however, due to our ongoing commitment to GDPR compliance, combined with the lack of internal expertise, the RAD aims to appoint a Data Protection Officer to support the work of the Information Management Committee.

FINANCIAL REVIEW

Overview

The financial statements have been prepared in accordance with the Charities SORP (FRS 102), applicable from 1 January 2015.

Unrestricted activities

The worldwide group reported net expenditure, before transfers and other recognised gains and losses, of **£180,000** against net income of **£405,000** last year. This was after one-off professional fees in relation to the planned relocation of RAD headquarters of £141,000 (2017: £230,000), plus other one-off costs in relation to the rollout of the CRM and development of the new corporate website £269,000. Following the launch of the CRM in January, additional depreciation has been incurred, with a full year charge of £459,000 (2017: £320,000). Adjusting for these one-off costs and depreciation, the underlying operating surplus was **£689,000**. Overall examination numbers were again the highest ever at 247,379 this year, a 4% increase on prior year.

Unrestricted income for the group increased by 1% to **£21,702,000** from **£21,497,000**, while overall expenditure also increased by around 4% to **£21,868,000** from **£21,075,000**.

The value of the RAD's net assets increased marginally to £17,300,000. There was a gain on revaluation of tangible fixed assets of £385,000 (2017: £522,000), and an exchange loss of £186,000 (2017: £135,000 gain) on consolidation.

Restricted activities

The RAD has a number of funds which have been built up from donations, legacies, trusts, grants, fundraising events and appeals. These are administered in accordance with the accounting policy in Note 1 (n) Fund Accounting. The funds are divided into two categories as shown in Note 25 of these Financial Statements. There was net expenditure of **£18,000**, before transfers and other recognised gains and losses, for the year to 31 July 2018 (2017: net income £51,000).

The RAD is in receipt of a funding grant (recently renewed to 2020/21) from the Jack Petchey Foundation to run the Step into Dance programme (a fully inclusive, community dance programme – 193 secondary schools in every London borough, and in some Essex schools) as well as raising its own funds. All monies received from the Foundation were spent in accordance with the programme's aims. Net expenditure of £37,000 reflects the timing of grant receipt compared to expenditure (2017: net income of £26,000).

Bursaries, awards and scholarships were awarded through various Scholarship Funds, Trusts, Jubilee Award and Regional schemes. Net income of £13,000 to the RADiate restricted fund reflects the timing of grant receipt compared to expenditure. There was a £20,000 donation from the Benesh Institute Endowment Fund to support Benesh projects. There was a net outflow of £13,000 from the Boys Only! fund, reflecting activity on Project B, created to inspire boys and men of all ages to dance.

Performance by activity

Subscription income increased by 4% to £1.2m, with overall net income up 10% at £0.8m. The number of Registered Teachers decreased slightly from 7,783 to 7,772. All other members decreased slightly from 6,087 to 5,799.

Examination fees income increased by 3% from £12.3m to £12.7m, with direct expenditure increasing by 6% from £7.1m to £7.6m. This resulted in a slight decline in net income from £5.2m to £5.1m. Total examination entries increased by around 4% to another record level of 247,379 (2017: 238,743), with very strong growth again in China of 44% against prior year.

Within Education and training fees income, **Initial Education income** was up around £0.2m on prior year at £3.6m, with overall net income increasing from £0.6m to £0.8m. The number of students on programmes increased from 1,210 to 1,295, mainly due to a large increase in international student numbers on the Certificate in Ballet Teaching Studies programme. Income from **Continuing Education** fell from around £3.7m to £3.4m, though cost savings meant that overall net income was steady at around £0.1m.

Trading income, together with **Licensing and royalty income**, increased 3% at £1.2m, primarily reflecting the launch of Discovering Repertoire, though there remained strong demand for the apps across the range of RAD syllabi. Overall net income declined from £0.6m to £0.5m, partly reflecting the initial costs of Discovering Repertoire.

All other income is derived from advertising, rental from studios, sundry income, gains on exchange, with associated expenditure and taxation on subsidiary company profits.

Support costs rose from £6.8m to £7.4m, driven by increases in salaries and pensions costs, general administration and IT costs (reflecting rollout of the CRM and development of the new corporate website), and depreciation following the launch of the CRM.

Operating cash flows and capital expenditure

The group's overall net cash and overdraft position was **£7,015,000** compared to **£6,092,000** last year.

There was a net cash inflow from operations of **£1,633,000** compared to an outflow of **£407,000** the year before. Capital expenditure decreased from **£788,000** to **£625,000** reflecting the launch of the new integrated CRM system in January. Amounts repaid to banks reduced to £39,000 following repayment of the loan of £250,000 from HSBC plc in the prior year.

HSBC Bank Plc renewed the RAD's grouping facility of **£700,000** for a further year in October 2018; and Royal Academy of Dance Enterprises Limited's overdraft facility of **£300,000** for a further year in December 2018. The Enterprises facility was used during the year to make gift aid payments within the time limits, but was unused at year end.

Net assets and reserves policy

Group net assets increased from **£17,295,000** to **£17,300,000**.

The RAD's current pattern of activities provides fluctuating peaks in income and expenditure, and a reserves policy is necessary not only to cover these periodic cash flow deficits but also to ensure that its core activities can be covered from pressure on income and expenditure such as unforeseen emergencies, unforeseen day-to-day operational costs, income that has fallen below expectations, or planned commitments that cannot be met by future income alone.

As of 31 July 2018 group readily realisable reserves (net assets excluding fixed assets and restricted funds) stood at **£2,536,000** (2017: £2,922,000), with readily realisable reserves in the UK of **£196,000** (2017: £228,000). Funds are only repatriated to the UK as required, given the UK's access to financing facilities and potential tax liabilities on transfer from some offices.

The RAD has a long-term overall group reserves policy based on three months' costs. The reserves policy has been reviewed by the Board of Trustees in the last year. The planned move of RAD headquarters in 2020 will require significant additional funding to cover tax liabilities, loose fit-out costs and professional fees. Ongoing professional fees are currently being funded from UK operations. It is anticipated that the major costs noted above will be funded by a combination of long-term financing, fundraising and repatriation of funds from overseas offices. Agreement in principle is in place to fund the total via long-term financing if this is required. However, it is anticipated that the move will impact achievement of long-term reserves policies ahead of and in the short-term after the move, depending on how the mix of funding is distributed. The current long-term policy would require free group reserves of £3,319,000 (UK £2,184,000). This policy will be reviewed again subsequent to the headquarters move.

Going concern

The trustees recognise that the RAD must be a well-managed, well-funded and well-governed organisation to achieve its strategic objectives. They believe that a robust business model and corporate structure backed by a sound technological, marketing, communications infrastructure with good physical and human resources will deliver that aim.

There was a net cash inflow for the group of £0.6m in 2017/18, compared to an outflow of £1.7m in prior year, primarily reflecting net cash inflow from operating activities of £1.6m offset by ongoing capital expenditure on the CRM. Combined with revaluation due to exchange rates of £0.3m, this resulted in cash and cash equivalents of £7.0m at year end, an increase of £0.9m compared to end of prior year. Total examinations, the key driver of income, are again at their highest ever number.

Whilst there was net expenditure this year, as set out in the financial review, this reflected a number of significant one-off items investing in the future of the organisation, and underlying operating surplus and cash generation is strong. The core capital investment in the CRM has now been completed, and once fully rolled out internationally will provide both a consistent platform and efficiencies for our operations. Whilst our focus has been and will continue to be on underpinning our activities, through major IT investment and the move to the new headquarters, we are still seeing strong growth in some of our overseas markets, particularly in China, and continue to grow and develop new initiatives such as Silver Swans.

The trustees believe that the RAD will meet its targets for 2018/19, and will be aiming for growth in net income in 2019/20. Forecasts show that the RAD will continue to operate within available finance facilities. The trustees therefore conclude that there are no material uncertainties as of the date of this report which may cast doubt about the charity and group's ability to continue as a going concern.

Future outlook

Our original Strategic Plan targets for our centenary year of 2020 were:

- delivering 254,000 dance examinations each year
- generating an unrestricted net income of £1m in 2019/20
- securing 20,000 members of all categories worldwide.

We are on track to deliver the target of for dance examinations. The target for membership was always an aspirational and the net income target depended on the delivery of a number of new initiatives. The early planning of the CRM system, vastly underestimated the resource required from all teams including membership. This, coupled with high-level staffing disruptions, led to the stagnation of development plans. As a result, membership growth has remained flat and we are reviewing our membership target. However, it is clear that in order to grow the membership, the scheme must change to reflect the needs and expectations of both existing and potential new members.

Similarly, several key new initiatives in other areas will be delivered later than originally planned. Given the underperformance in core operations in some international offices in 2017/18 we are reviewing the net income target for 2019/20, and it is unlikely that we will achieve the level of growth required to fully meet this target.

The launch of the CRM system in January 2018 is a significant milestone toward achieving our strategic aims. It will be gradually rolled out worldwide during 2019, and will allow us to introduce new products and services, to benefit from both human and technological efficiencies, and provide improved services for our teachers, students, examiners, and customers globally. The roll-out of both the CRM and the new global website addresses a period of under-investment in digital infrastructure. Their development will unlock considerable time and resource efficiencies and improve member and customer experiences, particularly in markets that have been operating without a website or other digital tools to reach and connect with members and customers.

Ground has been broken on our new purpose-built headquarters at York Road, Wandsworth, and construction is on track to hit its milestones. It is planned that the RAD will move to its new state-of-the-art headquarters in 2020, a landmark moment in its centenary year enabling the RAD to better achieve its strategic objectives at a local and national levels.

The RAD is an increasingly diversified organisation, operating in 86 countries in competitive and complex environments. The trustees will continue to work to minimise the risks and uncertainties the RAD faces in order to deliver upon its mission to its customers and to ensure the continuing development of its students, examiners, teachers and staff.

The hard work of RAD staff, together with support from everyone: president, vice-presidents, advisory council, trustees and its sub-committee members, examiners, tutors, teachers, students and parents, put the RAD in an excellent position to deliver upon its mission. We would as always like to pay tribute and thank all those whose contributions and dedication make this possible.



Guy Perricone
Trustee, Board of Trustees

14 March 2019



Luke Rittner CBE
Chief Executive

STATEMENT OF THE BOARD OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL ACADEMY OF DANCE

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of the Royal Academy of Dance (the 'charity') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 July 2018 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the Charities Act 2011.

We have audited the financial statements which comprise:

- the group consolidated statement of financial activities;
- the group and parent charity balance sheets;
- the group cash flow statement; and
- the related notes 1 to 28.

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).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and of the parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the trustees' use of the going concern basis of accounting in 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 group's and the parent charity'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.

We have nothing to report in respect of these matters.

Other information

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

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

We have nothing to report in respect of these matters.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144/151 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Under the Charities (Accounts and Reports) Regulations 2008 we are required to report in respect of the following matters if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity 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.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the charity'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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

The logo for Deloitte LLP, featuring the word "Deloitte" in a stylized, handwritten-style font, followed by "LLP" in a simpler, bold font.

Deloitte LLP
Statutory Auditor
London United Kingdom

14 March 2019

Deloitte LLP is eligible for appointment as auditor for the charity by virtue of its eligibility for appointment as audit of a company under section 1212 of the Companies Act 2006.

GROUP CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year to 31 July 2018

Notes

	2018			2017		
	Unrestricted funds £000	Restricted funds £000	Total funds £000	Unrestricted funds £000	Restricted funds £000	Total funds £000
Income and endowments from						
2 Donations and legacies	30	-	30	41	11	52
3 Trading	932	-	932	891	-	891
4 Other trading activities	361	42	403	368	106	474
5 Investments	30	-	30	44	-	44
Income from charitable activities						
Examination fees	12,700	-	12,700	12,348	-	12,348
6 Education and training fees	6,259	709	6,968	6,456	687	7,143
Subscription income	1,284	-	1,284	1,235	-	1,235
7 Other income	106	-	106	114	-	114
Total income and endowments	21,702	751	22,453	21,497	804	22,301
Expenditure						
8 Expenditure on raising funds	(1,452)	-	(1,452)	(1,328)	-	(1,328)
9 Expenditure on charitable activities	(20,143)	(769)	(20,912)	(19,639)	(754)	(20,393)
11 Other expenditure	(273)	-	(273)	(108)	-	(108)
Total expenditure	(21,868)	(769)	(22,637)	(21,075)	(754)	(21,829)
Net (expenditure) / income before investment gains and losses	(166)	(18)	(184)	422	50	472
Investments held for investment purposes						
Realised losses	(14)	-	(14)	(17)	-	(17)
Unrealised gains	-	-	-	-	1	1
Net (expenditure) / income	(180)	(18)	(198)	405	51	456
Other recognised gains and losses						
On revaluation of tangible fixed assets	385	-	385	522	-	522
Movement on exchange arising from the consolidation of branches and subsidiaries	(186)	4	(182)	135	4	139
Net movement in funds	19	(14)	5	1,062	55	1,117
Fund balances brought forward at 1 August	16,415	880	17,295	15,353	825	16,178
Total funds carried forward at 31 July	16,434	866	17,300	16,415	880	17,295

There were no other recognised gains and losses other than those listed above and the net income for the year. All income relates to continuing operations.

GROUP AND CHARITY BALANCE SHEETS

As at 31 July 2018

Notes

	Group		Charity	
	2018	2017	2018	2017
	£000	£000	£000	£000
Fixed assets				
18 Intangible assets	15	20	3	2
19 Tangible assets held for charitable use	13,793	13,412	13,573	13,246
20 Investments	90	61	210	180
	13,898	13,493	13,786	13,428
Current assets				
21 Stocks	483	441	257	185
22 Debtors	3,266	2,426	3,497	3,275
Cash at bank and in hand	7,760	6,752	4,637	3,707
	11,509	9,619	8,391	7,167
23 Creditors – amounts falling due within one year	(7,952)	(5,625)	(6,711)	(4,977)
Net current assets	3,557	3,994	1,680	2,190
Total assets less current liabilities	17,455	17,487	15,466	15,618
24 Creditors – amounts falling due after more than one year	(155)	(192)	(155)	(192)
Net assets	17,300	17,295	15,311	15,426
FUNDS				
25 Restricted funds	866	880	860	874
26 Unrestricted funds				
Designated funds	273	300	360	300
Accumulated funds	5,282	5,621	3,338	3,847
Revaluation reserves	10,879	10,494	10,753	10,405
Total funds	17,300	17,295	15,311	15,426

The accompanying notes form part of these accounts.

These financial statements were approved, signed and authorised for issue on behalf of the Board of Trustees on 14 March 2019 by:



Guy Perricone
Chair, Board of Trustees



Julia Bond
Trustee, Board of Trustees



Luke Rittner CBE
Chief Executive

GROUP CASH FLOW STATEMENT

For the year to 31 July 2018

		2018 £000	2017 £000
Restricted and unrestricted funds	Notes		
a. STATEMENT OF CASH FLOWS			
Cash flows from operating activities:			
<i>Net cash provided/(used in) by operating activities</i>	b.	1,633	(407)
Cash flows from investing activities:			
Interest receivable		30	44
Interest payable		(124)	(139)
Purchase of tangible fixed assets and construction-in-progress		(618)	(779)
Purchase of intangible fixed assets		(7)	(9)
Investment in joint venture		16	-
Net cash used in investing activities		(704)	(883)
Cash flows from financing activities:			
Amounts repaid to the banks		(39)	(265)
Net cash used in financing activities		(39)	(265)
Net cash used in overseas taxation		(265)	(194)
Change in cash and cash equivalents in the reporting period		625	(1,749)
Cash and cash equivalents at the beginning of the reporting period	c.	6,092	7,244
Change in cash and cash equivalents due to exchange rate		298	597
Cash and cash equivalents at the end of the reporting period	c.	7,015	6,092
b. Reconciliation of net income to net cash flow from operating activities			
Net income for the reporting period (as per the statement of financial activities)		(198)	456
Adjustments for:			
Impairment on investment		-	(17)
Interest receivable		(30)	(44)
Interest payable		124	139
Amortisation of intangible fixed assets		12	11
Taxation payable		265	194
Depreciation – tangible fixed assets		236	24
Increase in stocks		(42)	(53)
Increase in debtors		(840)	(97)
Increase/(decrease) in creditors		2,240	(789)
Effect of foreign exchange on working capital assets		(134)	(231)
Net cash provided by / (used in) operating activities		1,633	(407)
c. Analysis of cash and cash equivalents			
Cash in hand		7,760	6,752
Overdraft facility repayable on demand		(745)	(660)
Total cash and cash equivalents		7,015	6,092

ACCOUNTING POLICIES

Year ended 31 July 2018

Notes

I(a) Basis of accounting

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. The RAD meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value except for investments and fixed assets which have been included at revalued amounts. The charity meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemption available to it in respect of its separate financial statements in relation to presentation of a cash flow statement.

The financial statements are prepared in sterling which is the functional currency of the charity.

I(b) Going concern

These accounts have been prepared on the going concern basis. In common with other charities, the RAD faces uncertainties arising from current economic conditions. As explained in the report of the trustees the planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. Page 22 of this report and statements discusses these uncertainties and the trustees conclude that there are no material uncertainties as of the date of this report which may cast doubt about the charity and group's ability to continue as a going concern.

I(c) Basis of consolidation

The charity accounts include the audited accounts of the Royal Academy of Dance in the United Kingdom and its branches for the year to 31 July 2018, and the consolidated group accounts include the audited accounts of the charity and its subsidiaries. All activities derive from continuing operations.

I(d) Stocks and work-in-progress

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Provision is made for obsolete, slow-moving or defective items where appropriate. Costs relating to the examination syllabi and teaching aids are treated as work-in-progress until the product is ready for sale.

I(e) Tangible fixed assets

All tangible fixed assets, other than freehold land, are stated at cost or valuation net of depreciation and any provision for impairment. Depreciation is provided on cost using the straight-line method over the estimated useful lives of the assets. Impairment reviews are conducted when events and changes in circumstances indicate that impairment may have occurred. If any asset is found to have a carrying value materially higher than its recoverable amount, it is written down accordingly. Freehold land is not depreciated. Tangible fixed assets under £500 are not capitalised. The rates of depreciation are as follows:

Freehold buildings	2%	Furniture and office equipment	10%
Computer equipment	33%	Motor vehicles	25%

I(f) Intangible fixed assets

Intangible fixed assets consist of computer software and telephone subscription rights of subsidiary companies which are included at cost and amortised in equal instalments over a period of years estimated to be their useful economic life. Provision is made for any impairment.

I(g) Leases

Assets held under hire purchase contracts, which confer rights and obligations, similar to those attached to owned assets, are capitalised as fixed assets and are depreciated over their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the SOFA over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. The group currently has no assets held under finance leases.

I(h) Investments

Listed investments are included in the balance sheet at market value. Investments in subsidiaries and joint ventures are included in the charity's accounts at cost less provision for impairment.

I(i) Revaluation of assets

Investments and land and buildings held by the group for restricted and unrestricted use are revalued annually where material. The gain or loss is reflected in the statement of financial activities and, for land and buildings, includes the amount of depreciation provided in that year.

ACCOUNTING POLICIES

Year ended 31 July 2018

Notes

I(j) Overseas currencies

Income, expenditure, assets and liabilities of overseas branches and subsidiaries are translated into sterling at the exchange rates ruling at the balance sheet date. The exchange gains or losses arising from the retranslating of opening net assets of the overseas branches and subsidiaries are shown under 'Other recognised gains or losses' in the statement of financial activities. All other exchange gains or losses are dealt with through expenditure within the statement of financial activities.

I(k) Recognition of income

Income is recognised in the statement of financial activities on a receivable basis. This is when the RAD has entitlement, receipt is probable and the amount can be reliably measured. If there are conditions that have to be fulfilled before entitlement to income received the income is deferred and included under creditors.

Assets given for use by the RAD are recognised as income at their estimated market value when receivable. If they form part of the fixed assets at the year-end they are included in the balance sheet at the value at which the gift was included in income.

Income received in advance for exams or short courses where the activity does not complete until after the year end is apportioned to the relevant financial year; or fees for programmes such as the Faculty of Education's Certificate in Ballet Teaching Studies which is a two-year programme that falls across three financial periods.

I(l) Recognition of expenditure

Unrestricted expenditure is accounted for on an accruals basis. Expenditure is allocated directly to the activity to which it relates, including support costs that can be identified as being an integral part of direct charitable expenditure.

- (a) Costs of raising funds: costs of raising funds include expenditure related to support departments and staff members engaged in or contributing to those activities.
- (b) Costs of charitable activities: charitable expenditure includes all expenditure related to the objects of the charity and includes expenditure related to support departments and staff members engaged in or contributing to charitable activities.
- (c) Governance costs: these are costs associated with the constitutional and statutory requirements of the group, and include expenditure related to the trustees and senior staff members engaged in or contributing to the governance of the group. These are allocated within support costs as per the requirements of the Charities SORP 2015.
- (d) Indirect support costs have been allocated on the following bases:
 - Salaries and pensions: staff numbers per department
 - General administration: staff numbers per department
 - Information technology: staff numbers per department
 - Rent and property: departmental use for office space and income generated for studio space
 - Depreciation: estimated use
 - Governance: staff numbers per department

I(m) Pension costs

Retirement benefits to employees are provided by defined contribution pension schemes and for teachers by the Teachers' Pension Scheme, a defined benefit scheme. The Teachers' Pension Scheme is a multi-employer scheme where the RAD cannot identify their individual share of assets, and is therefore accounted as a defined contribution scheme. Contributions payable to the pension schemes in respect of each accounting period are charged to the statement of financial activities.

I(n) Fund accounting

Funds can be classified as designated, general or restricted. General funds are all unrestricted funds which are not designated and can be applied at the discretion of the trustees in accordance with the RAD's charitable objects. They arise from a number of sources, which include:

- (a) Donations, legacies, scholarships, bursaries and trusts left to the RAD and its branches and subsidiaries to administer in accordance with the conditions laid down therein.
- (b) Grants, sponsorship and project money awarded to the RAD and its branches and subsidiaries where conditions are related to their expenditure.
- (c) Fundraising events and appeals for monies for specific purposes set up by the RAD and its branches and subsidiaries.
- (d) Funds from unrestricted activities set aside by trustees to fund particular activities. These are classified as Designated Funds.
- (e) Income and expenditure is treated as per notes I(k) and I(l). All expenditure in pursuance of the conditions is shown as restricted fund expenditure.
- (f) Scholarships and bursaries are paid at the time when the activity for which the award is made requires payment.
- (g) Transfers of funds from unrestricted to restricted funds will occur where trustees have agreed to fund an excess of expenditure over income.

NOTES TO THE ACCOUNTS

Year ended 31 July 2018

Notes

I(o) Regional advisory committees

The charity carries out some activities through a network of regional advisory committees that include the name of the charity in their title, and are located in only some of the countries in which the charity operates. All regional advisory panel and committee transactions are accounted for gross in the accounts of the charity, and all assets and liabilities are included in the charity's balance sheet.

I(p) Treatment of VAT

The RAD is registered as partially exempt for VAT in the UK, and is exempt or liable for VAT or applicable taxes in other parts of the world. Irrecoverable VAT is charged to the activity to which it relates or otherwise forms part of the support costs and apportioned as per note I(l).

I(q) Financial instruments

Trade and other debtors are recognised at the settlement amount due after any discount offered and net of the bad debt provision. Prepayments are valued at the amount prepaid, net of any trade discounts due. Creditors and provisions are recognised where the group has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

I(r) Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies described above, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates, judgements and assumptions are made based on a combination of past experience, professional expert advice and other evidence that is relevant to the particular circumstance. Actual results may differ from 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.

The valuation of freehold properties is considered to involve the critical judgements and sources of estimation uncertainty when applying the group's accounting policies.

The trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

NOTES TO THE ACCOUNTS

Year ended 31 July 2018

Notes

	2018			2017		
	Unrestricted funds £000	Restricted funds £000	Total funds £000	Unrestricted funds £000	Restricted funds £000	Total funds £000
2 Income endowments from:						
Donations, gifts and legacies	30	-	30	41	-	41
Grants	-	-	-	-	11	11
	30	-	30	41	11	52
3 Trading						
Trading consists of sales made by Royal Academy of Dance Enterprises Limited and branch outlets of the RAD.						
				2018	2017	
				£000	£000	
Turnover net of taxes and discounts				932	891	
Cost of sales and other costs				(689)	(571)	
Net income from trading				243	320	
Additional income is generated from licensing fees which are disclosed in note 4. Royal Academy of Dance Enterprises Limited was able to make a Gift Aid payment of £394,000 (2017: £442,000) to its parent company.						
4 Other trading activities						
Fundraising activities	17	42	59	14	106	120
Licensing and royalty income	271	-	271	279	-	279
Property and studio hire	73	-	73	75	-	75
	361	42	403	368	106	474
5 Investment income						
Interest received	30	-	30	44	-	44
	30	-	30	44	-	44
6 Education and training fees						
Initial Education	3,554	-	3,554	3,409	-	3,409
Continuing Education	2,705	709	3,414	3,047	687	3,734
	6,259	709	6,968	6,456	687	7,143
7 Other income						
Advertising income	47	-	47	37	-	37
All other income	59	-	59	77	-	77
	106	-	106	114	-	114

NOTES TO THE ACCOUNTS

Year ended 31 July 2018

Notes

	2018			2017		
	Unrestricted funds £000	Restricted funds £000	Total funds £000	Unrestricted funds £000	Restricted funds £000	Total funds £000
Expenditure						
8 Costs of raising funds						
Fundraising activities	235	-	235	241	-	241
Property and studio hire	4	-	4	11	-	11
Trading	1,213	-	1,213	1,076	-	1,076
	1,452	-	1,452	1,328	-	1,328
9 Costs of charitable activities						
Examinations	10,639	-	10,639	9,877	-	9,877
Initial Education	4,827	-	4,827	4,553	-	4,553
Continuing Education	3,653	769	4,422	4,193	754	4,947
Subscription	1,024	-	1,024	1,016	-	1,016
	20,143	769	20,912	19,639	754	20,393
10 Auditor fees payable						
Fees payable to the charity's auditor and its associates for the audit of the charity's annual accounts						
Audit fees	121	4	125	120	-	120
Other services	4	-	4	4	-	4
Fees payable to the charity's auditor and its associates for the audit of the charity's subsidiaries						
Audit fees	55	-	55	55	-	55
Other services	4	-	4	6	-	6
Fees payable to other auditors for the audit of the charity's branches and subsidiaries						
Fees	47	-	47	49	-	49
11 Other expenditure						
Exchange gains / (losses)	(8)	-	(8)	86	-	86
Taxation	(265)	-	(265)	(194)	-	(194)
	(273)	-	(273)	(108)	-	(108)

NOTES TO THE ACCOUNTS

Year ended 31 July 2018

Notes

12 Analysis of indirect support costs¹ Unrestricted funds 2018

	Exams	Education	Training	Subscription	Trading	Total Charitable Activities
	£000	£000	£000	£000	£000	£000
Salaries and pensions	1,589	941	497	236	220	3,483
General administration	722	569	291	140	134	1,856
Information technology	164	157	73	41	37	472
Financing charges	53	36	16	10	8	123
Depreciation	145	162	75	40	37	459
Rent and property	236	176	83	39	41	575
Governance	214	56	92	29	47	438
	3,123	2,097	1,127	535	524	7,406

Unrestricted funds 2017

	Exams	Education	Training	Subscription	Trading	Total Charitable Activities
	£000	£000	£000	£000	£000	£000
Salaries and pensions	1,415	769	582	231	214	3,211
General administration	657	445	291	122	124	1,639
Information technology	123	116	72	35	35	381
Financing charges	50	36	29	12	12	139
Depreciation	105	102	53	31	29	320
Rent and property	234	189	122	48	48	641
Governance	229	61	95	26	43	454
	2,813	1,718	1,244	505	505	6,785

¹ The basis of allocation of support costs are disclosed in Note 1(I).

NOTES TO THE ACCOUNTS

Year ended 31 July 2018

Notes

13 Related party transactions

Ten trustees (2017: six) who are also examiners, tutors or mentors received £38,708 (2017: £41,478) in related fees and also expenses including travel costs for attending trustee meetings, and a further £3,599 (2017: £5,398) was paid to five trustees for travel and other expenses to attend Board meetings (2017: nine). Payments to trustees who are also examiners, tutors and mentors are in accordance with Articles 6.5, and 10 of the Charter. Trustees received no remuneration for volunteering their time.

The following related party transactions took place during the year:

Related party: Noriko Kobayashi (National Director – Japan) as owner of Kobayashi Ballet Studios

Transaction: Hire of dance studios, office space and seconded staff to Royal Academy of Dance Japan for examinations, courses, summer schools and administration.

Cost of transaction: £109,997 (¥16,348,156) (2017: £120,058 (¥16,701,416))

Amount due at 31 July 2018: £Nil (¥Nil) (2017: £Nil (¥Nil))

Related party: Lala Salendu (National Director – Indonesia) as owner of dance studios

Transaction: Hire of studios to Yayasan Royal Academy of Dance Indonesia for examinations and courses

Cost of transaction: £13,016 (Rupiah 240,000,000) (2017: £14,262 (Rupiah 240,000,000))

Amount due at 31 July 2018: £3,171 (Rupiah 59,999,994) (2017: £Nil (Rupiah Nil))

Related party: Holger Winter (spouse of National Director – Germany)

Transaction: Administration services for Royal Academy of Dance gGmbH

Cost of transaction: £638 (€720) (2017: £621 (€720))

Amount due at 31 July 2018: £ Nil (€ Nil) (2017: £ Nil (€ Nil))

Related party: Ross Alexander (son of National Director – USA) as owner of Viabold

Transaction: Website management services.

Cost of transaction: £1,104 (US\$1,486) (2017: £947 (US\$1,200))

Amount due at 31 July 2018: £Nil (US\$ Nil) (2017: £Nil (US\$ Nil))

Transaction: Ferrell Alexander (daughter of National Director) as Social Media Coordinator.

Cost of transaction: £1,310 (US\$1,764) (2017: £595 (US\$754))

Amount due at 31 July 2018: £Nil (US\$ Nil) (2017: £Nil (US\$ Nil))

Related party: Dance Etc and Pilar Monteiro (Niece of National Director – Portugal)

Transaction: Studio hire for Exams and CPD activities and office hire. Pilar has been an employee since March 2016.

Cost of transaction: £1,329 (€ 1,500) (2017: £12,229 (€ 14,168))

Amount due at 31 July 2017: £ Nil (€ Nil) (2016: £ Nil (€ Nil))

Related party: Blanca Cortes (Daughter of National Director – Spain).

Transaction: Annual office rent for RAD.

Cost of transaction: £5,634 (€6,360) (2017: £5,490 (€ 6,360))

Amount due at 31 July 2018: £Nil (€ Nil) (2017: £ Nil (€ Nil))

Related party: Mr Lume (husband of Olivia Lume) as owner of Lumeco Graphics and Media

Transaction: Layout and design for RAD publications. Overseeing the RAD South Africa websites. Liaising with printers regards most printing requirements of RAD. Filming of CBTS ISP assessments and SOLO seal examinations.

Cost of transaction: £7,339 (R 127,269) (2017: £5,735 (R 98,149))

Amount due at 31 July 2018: £ Nil (R Nil) (2017: £ Nil (R Nil))

Related Party Transactions: Operator of Sangdao's Performing Arts School (Spouse of Director – Thailand)

Transaction: Ace examination fee.

Cost of transaction: £50 (THB 2,202) (2017: £Nil (THB Nil))

Transaction: Service charge for manpower.

Cost of transaction: £51 (THB 2,233) (2017: £Nil (THB Nil))

Amount due at 31 July 2018 £Nil (THB Nil) (2017: £Nil (THB Nil))

All transactions were at arm's length. The RAD has taken advantage of the option conferred by Section 33 of FRS 102

Related Party Disclosures that allows it not to disclose transactions with subsidiaries.

14 Indemnity insurance

Indemnity insurance was included as part of the RAD's global policy to indemnify the RAD from loss arising from the neglect or default of its trustees, employees or agents and to indemnify the trustees and other officers against the consequence of any neglect or default on their part, in accordance with Article 6(h) of the Charter. The cost for the year to 31 July 2018 was £7,250 (2017: £5,800).

NOTES TO THE ACCOUNTS

Year ended 31 July 2018

Notes

15 Costs of employees

The RAD employed 215 (2017: 195) administrative staff and 44 (2017: 45) commission-based staff worldwide, as well as contracting the services of examiners, teachers, tutors and musicians. Employment costs account for 56% (2017: 55%) of total expenditure (excluding other expenditure):

	2018			2017		
	Unrestricted funds £000	Restricted funds £000	Total funds £000	Unrestricted funds £000	Restricted funds £000	Total funds £000
Employee gross salaries	(10,510)	-	(10,510)	(10,022)	-	(10,022)
Employee payroll taxes	(617)	-	(617)	(571)	-	(571)
Employer pension contribution	(352)	-	(352)	(311)	-	(311)
Employees on commission	(723)	-	(723)	(704)	-	(704)
Total employment costs	(12,202)	-	(12,202)	(11,608)	-	(11,608)

The RAD has a number of Regional Advisory Committees (RAC) in Australia, Greece, South Africa and the UK. These RAC's operate through committees consisting of up to ten volunteer members and hold student events and activities throughout the year. Many of these activities are manned by volunteers who are entitled to reimbursement of their expenses.

The total employee benefits of the key management personnel of the charity (as listed on page 2), excluding employer's pension contributions, were £487,000 (2017: £517,000).

	2018	2017
Number of group employees earning:		
Between £110,000 – £120,000	1	1
between £100,001 – £110,000	-	-
between £90,001 – £100,000	1	1
between £80,001 – £90,000	-	-
between £70,001 – £80,000	4	4
between £60,001 – £70,000	6	4

16 Pension costs

The pension charge for the year to 31 July 2018 was **£352,000** (2017: £311,000).

In the UK the RAD currently operates two schemes, representing in total 166 employees (2017: 153), following the introduction of auto-enrolment.

Provider	Type of scheme
Aegon Scottish Equitable	Defined contribution scheme
Teachers' Pension Scheme (TPS)	A contracted-out, unfunded, defined benefit pay-as-you-go occupational pension scheme

Elsewhere the RAD operates or contributes to a variety of defined contribution schemes, money purchase schemes or statutory schemes, representing 66 (2017: 66) employees in nine (2017: nine) countries.

17 Taxation

The RAD is a charitable organisation and is entitled to UK tax exemptions available to charities. The Royal Academy of Dance Enterprises Limited gift aids its "annual profits", as defined by a Deed of Covenant entered into with the RAD. Provision for UK taxation has only been made in respect of any residual profit of the Royal Academy of Dance Enterprises Limited. Subject to the availability of similar charitable exemptions overseas, provision has been made for overseas taxation on the profits of overseas subsidiaries and branches.

18 Intangible assets

These consist of computer software and telephone subscription rights of subsidiary companies that are recorded at cost and written off over a number of years. There have been computer software additions during the year of £7,000 (2017: £9,000), offset by amortisation of £12,000 (2017: £11,000). The charity had an addition of £1,000 (2017: nil) and nil amortisation for the year (2017: £1,000).

NOTES TO THE ACCOUNTS

Year ended 31 July 2018

Notes

19 Tangible fixed assets held for charitable use

	Freehold land and buildings	Furniture and office equipment	Computer equipment	Motor vehicles	Total
Group	£000	£000	£000	£000	£000
Cost or Valuation					
At 1 August 2017	12,482	638	2,136	54	15,310
Exchange movements	(169)	1	23	(2)	(147)
Revaluation	162	-	-	-	162
Additions	1	24	593	-	618
Disposals	-	(24)	(62)	-	(86)
At 31 July 2018	12,476	639	2,690	52	15,857
Accumulated depreciation					
At 1 August 2017	-	507	1,344	47	1,898
Exchange movements	-	(4)	24	(2)	18
Revaluation	(223)	-	-	-	(223)
Charge for the year	223	44	190	2	459
Eliminated on disposals	-	(26)	(62)	-	(88)
At 31 July 2018	-	521	1,496	47	2,064
Net book value					
At 31 July 2018	12,476	118	1,194	5	13,793
At 31 July 2017	12,482	131	792	7	13,412
Charity	£000	£000	£000	£000	£000
Cost or Valuation					
At 1 August 2017	12,348	566	2,028	53	14,995
Exchange movements	(168)	(11)	22	(2)	(159)
Revaluation	125	-	-	-	125
Additions	1	15	571	-	587
Disposals	-	(23)	(62)	-	(85)
At 31 July 2018	12,306	547	2,559	51	15,463
Accumulated depreciation					
At 1 August 2017	-	453	1,249	47	1,749
Exchange movements	-	(9)	23	(2)	12
Revaluation	(223)	-	-	-	(223)
Charge for the year	223	35	180	2	440
Eliminated on disposals	-	(26)	(62)	-	(88)
At 31 July 2018	-	453	1,390	47	1,890
Net book value					
At 31 July 2018	12,304	93	1,170	4	13,573
At 31 July 2017	12,348	113	779	6	13,246

NOTES TO THE ACCOUNTS

Year ended 31 July 2018

Notes

19 Tangible fixed assets held for charitable use (continued)

The RAD owns freehold properties in the UK, Australia and South Africa. The current valuations, after amortisation charges and exchange gains arising out of the translation of Group Freehold properties at the end of the financial year are:

		Value at 1 August 2017	Charge for the year	Additions to freehold	Increase (decrease) in valuation	Value at 31 July 2018	Net historical cost
UK	£'000	9,780	(196)	-	196	9,780	1,910
Australia	A\$000	4,180	(48)	2	266	4,400	470
South Africa	Rand'000	2,280	-	-	632	2,912	654

	Value at 1 August 2017	Exchange movement	Charge for the Year	Additions to freehold	Increase in valuation	Value at 31 July 2018
	£'000	£'000	£'000	£'000	£'000	£'000
UK	9,780	-	(196)	-	196	9,780
Australia	2,570	(170)	(27)	1	152	2,526
South Africa	132	1	-	-	37	170
Total	12,482	(169)	(223)	1	385	12,476

The freehold property in the UK was valued on 31 July 2018 in accordance with the requirements of the RICS Valuation – Professional Standards (7th edition) and FRS 102, and was valued to existing use value assuming the property would be sold as part of the continuing business. The Valuer's opinion of value was primarily derived using comparable recent market transactions.

The freehold property in Australia was valued on 31 July 2018 at fair value; assuming the land component would be of interest to a developer rather than as part of the continuing business.

These valuations were carried out by:

Property in London, UK	Daniel Watney LLP, Chartered Surveyors
Property in Sydney, Australia	Cviker Property Valuations & Consultancy

The valuation of the freehold property in South Africa was taken from the Johannesburg Municipality rating which is revised periodically.

The charity does not hold any heritage assets which are defined as tangible assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture.

NOTES TO THE ACCOUNTS

Year ended 31 July 2018

Notes

	Group		Charity	
	2018	2017	2018	2017
	£000	£000	£000	£000
20 Investments				
Quoted investments				
Market value at 1 August	53	47	53	42
Net realised / unrealised gains	13	3	14	8
Market value at 31 July	66	50	67	50
Historical cost at 31 July	23	23	13	13
Investment in joint venture				
Dance Proms ²	8	28	8	28
Investment during the year	16	-	16	-
less impairment during year	-	(17)	-	(17)
As at 31 July	24	11	24	11
Investments in subsidiaries				
Balance at 1 August	-	-	119	119
Additions	-	-	-	-
As at 31 July	-	-	119	119
Total investments at 31 July	90	61	210	180
<i>Quoted investments</i>				
Held in the UK	66	50	66	53
Held outside the UK	-	-	-	-

All quoted investments are held within restricted funds, are listed on a recognised stock exchange, and are valued at market value at the year-end.

The charity owns 100% of the issued capital of the subsidiary companies on page 41, whose aims and objectives mirror those of the RAD, with the exception of Royal Academy of Dance S/C Ltda., a company registered in Brazil, and Royal Academy of Dance de Mexico AC, a company registered in Mexico whose issued share capitals are held 100% in trust on behalf of the Royal Academy of Dance; and RAD Dancing (Thailand) Co Ltd where the RAD holds 49% of the issued share capital, but has effective control.

The charity also has effective control over a building fund in South Africa which is administered by the Royal Academy of Dance, an association incorporated under s21 of the Republic of South Africa's Companies Act, and Yayasan Royal Academy of Dance Indonesia, a non-profit foundation, based in Indonesia. The results of these entities are included in the group's results as long as the RAD continues to maintain a branch in South Africa, and operations in Indonesia. RAD Dancing (Malaysia) Sdn. Bhd. is a wholly owned subsidiary of Royal Academy of Dance Singapore Pte Ltd.

2 Celebration of Dance Festival Ltd.; a joint venture between the ISTD, IDTA and RAD

NOTES TO THE ACCOUNTS

Year ended 31 July 2018

Notes

20 Investments (continued) Investments in subsidiaries

Subsidiaries	Country of incorporation	Co Registration number	% of issued share capital	Share capital value £000
Royal Academy of Dance S/C Ltda	Brazil	CNP-J27907864/0001-48	Held in trust	-
Royal Academy of Dance gGmbH	Germany	HRB 103317	100%	63
Yayasan RAD Indonesia	Indonesia	NPWP:01.683.529.0-017.000	100% control	6
Royal Academy of Dance Srl	Italy	TN-0174567	99%	8
Royal Academy of Dance Asbl	Luxembourg	RCS F1236	100%	3
RAD Dancing (Malaysia) Sdn Bhd	Malaysia	RFC RAD 011026DT5	100%	-
Royal Academy of Dance de Mexico AC	Mexico	No 282399-X	Held in trust	-
Royal Academy of Dance Singapore Pte Ltd	Singapore	No 02211/1988-M	100%	-
Royal Academy of Dance	South Africa	1990/004233/08	100% control	-
Royal Academy of Dance SL	Spain	CIF No B-59915330	100%	2
RAD Dancing (Thailand) Co Ltd	Thailand	05055540038970	49%	37
Royal Academy of Dance Enterprises Ltd	UK	No 2773495	100%	-
Balance at 31 July				119

	Group		Charity	
	2018 £000	2017 £000	2018 £000	2017 £000
21 Stocks				
Finished goods and goods for resale	483	374	257	185
Work in progress	-	67	-	-
Balance at 31 July	483	441	257	185
22 Debtors				
Trade debtors	1,787	1,171	1,563	1,068
Amounts due from subsidiaries	-	-	696	1,154
Other debtors	150	307	61	209
Prepayments and accrued income	1,329	948	1,177	844
Balance at 31 July	3,266	2,426	3,497	3,275
23 Creditors: amounts falling due within one year				
Bank overdrafts	(745)	(660)	(745)	(660)
Bank loans	(12)	(15)	(12)	(15)
Trade creditors	(2,885)	(1,636)	(2,598)	(1,490)
Taxation and social security	(237)	(206)	(64)	(49)
Accruals and deferred income	(4,073)	(3,108)	(3,292)	(2,763)
Balance at 31 July	(7,952)	(5,625)	(6,711)	(4,977)

NOTES TO THE ACCOUNTS

Year ended 31 July 2018

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23 Creditors: amounts falling due within one year

Bank overdrafts

The bank overdraft of £744,790 (2017: £660,450) is offset for grouping purposes against other balances held by the Royal Academy of Dance in the United Kingdom with HSBC Bank Plc and attracts interest at 1% (2016: 1%) on so much as is covered by cleared credit balances, and 1.9% over base rate (2016: 1.9%) on the remainder of it within the limit. It is subject to normal terms and conditions including repayment on demand.

As at 31 July the Royal Academy of Dance in the United Kingdom had not utilised any of the £700,000 available in the grouped overdraft facility (2017: £nil).

HSBC Bank Plc will review the RAD's facilities in September 2019. The facilities are secured on the freehold property at 36 Battersea Square, London SW11 3RA.

An overdraft facility of A\$400,000 with Westpac, secured on the property at 20 Farrell Avenue Sydney, was made available in March 2012 to facilitate the completion of the building works on the property and to supplement the cyclical nature of the Australian's operations cash flow. The facility is available for 10 years expiring in February 2022.

	Group		Charity	
	2018	2017	2018	2017
	£000	£000	£000	£000
24 Creditors: amounts falling due after more than one year				
Provision for long-service award	(21)	(22)	(21)	(22)
Bank loans	(134)	(170)	(134)	(170)
Balance at 31 July	(155)	(192)	(155)	(192)

Bank loans

A bank loan of **£146,165** (2017: £184,650) relates to bank bill business loan of **A\$400,000** utilised in March 2012 to complete building works on 20 Farrell Avenue, Sydney. The loan is interest and fees for the first 3 years; then principal, interest and fees for the remaining period of 10 years, expiring 2027. The current interest rate at the time of writing is 5.535%. The change in total liability is due to exchange movements as well as payments against the loan. The loan is secured on that property.

NOTES TO THE ACCOUNTS

Year ended 31 July 2018

Notes

25 Movement in other funds

		Type of Fund	Balance at 1 August 2017 £000	Exchange Movement £000	Revalued balance at 1 August 2018 £000	Income £000	Expenditure £000	Net movement £000	Gains on investments realised and unrealised £000	Balance at 31 July 2018 £000
Designated										
Genée Legacy Funds	Singapore	Designated	6	-	6	-	-	-	-	6
Genée Legacy Funds	UK	Designated	1	-	1	-	-	-	-	1
Challengenée Funds	UK	Designated	104	-	104	2	(71)	(69)	-	35
Social Responsibility Fund	Group	Designated	135	-	135	17	(5)	12	-	147
Evans Legacy	USA	Designated	54	(4)	50	-	-	-	-	50
Fiona Campbell Legacy	UK	Designated	-	-	-	42	(8)	34	-	34
			300	(4)	296	61	(84)	(23)	-	273
Restricted										
Step into Dance programme	UK	Project	(3)	-	(3)	623	(660)	(37)	-	(40)
CLIF programme	UK	Project	(2)	-	(2)	-	-	-	-	(2)
Benesh Projects	UK	Project	9	-	9	20	-	20	-	29
Scholarship/bursary funds	UK	Restricted	573	-	573	3	(15)	(12)	-	561
Boys Only! funds	UK	Restricted	64	-	64	7	(20)	(13)	-	51
Iris Truscott fund	UK	Restricted	46	-	46	12	(1)	11	1	58
Regional Scholarship funds	UK	Restricted	59	-	59	20	(21)	(1)	-	58
Jubilee Awards 2012	UK	Restricted	18	-	18	-	-	-	-	18
RADiate	UK	Restricted	35	-	35	65	(52)	13	-	48
Christel Addison funds	Sth Africa	Restricted	74	4	78	-	-	-	-	78
Scholarship fund	Israel	Restricted	1	-	1	-	-	-	-	1
Total Charity			874	4	878	750	(769)	(19)	1	860
Building fund	Sth Africa	Restricted	6	-	6	-	-	-	-	6
Total Group			880	4	884	750	(769)	(19)	1	866

NOTES TO THE ACCOUNTS

Year ended 31 July 2018

Notes

Movement in other funds (prior year)

		Type of Fund	Balance at 1 August 2016 £000	Exchange Movement £000	Revalued balance at 1 August 2016 £000	Income £000	Expenditure £000	Net movement £000	Gains on investments realised and unrealised £000	Balance at 31 July 2017 £000
Designated										
Genée Legacy funds	Singapore	Designated	6	-	6	-	-	-	-	6
Genée Legacy funds	UK	Designated	1	-	1	-	-	-	-	1
Challengenée funds	UK	Designated	101	-	101	18	(15)	3	-	104
Social Responsibility fund	Group	Designated	121	1	122	14	(1)	13	-	135
Evans Legacy	USA	Designated	50	4	54	-	-	-	-	54
			279	5	284	32	(16)	16	-	300
Restricted										
Step into Dance programme	UK	Project	(29)	-	(29)	687	(661)	26	-	(3)
CLIF programme	UK	Project	7	-	7	6	(15)	(9)	-	(2)
Benesh Projects	UK	Project	5	-	5	5	(1)	4	-	9
Scholarship/bursary funds	UK	Restricted	580	-	580	4	(11)	(7)	-	573
Boys Only! funds	UK	Restricted	64	-	64	12	(12)	-	-	64
Iris Truscott fund	UK	Restricted	30	-	30	16	(1)	15	1	46
Regional Scholarship funds	UK	Restricted	57	-	57	9	(7)	2	-	59
Jubilee Awards 2012	UK	Restricted	18	-	18	-	-	-	-	18
RADiate	UK	Restricted	16	-	16	65	(46)	19	-	35
Christel Addison funds	Sth Africa	Restricted	70	4	74	-	-	-	-	74
Scholarship fund	Israel	Restricted	1	-	1	-	-	-	-	1
Total Charity			819	4	823	804	(754)	50	1	874
Building fund	Sth Africa	Restricted	6	-	6	-	-	-	-	6
Total Group			825	4	829	804	(754)	50	1	880

NOTES TO THE ACCOUNTS

Year ended 31 July 2018

Notes

Designated funds

Designated funds form part of unrestricted reserves:

Genée Legacy funds (Singapore and UK): Funds raised from the Genée International Ballet Competition.

Challengenée funds: Funds raised to support the Genée International Ballet Competition and bursaries.

Social Responsibility fund: This was set up in 2011 by the trustees to meet its Public Benefit responsibility through Royal Academy of Dance Enterprises Ltd and branch retail outlets in Australia, Canada, New Zealand, South Africa and the USA gift-aiding or transferring, as appropriate, 2% of their sales turnover after tax and discounts. A total of £17,000 (2017: £14,000) was raised during the year from sales, with £5,000 (2017: £1,000) in costs. No awards have yet been made.

Evans Legacy (USA): US\$70,000 of a US\$120,000 legacy left to the Royal Academy of Dance's US office was designated in 2014 for future projects. No transfers were made this year (2017: £nil).

Fiona Campbell Legacy: An unrestricted legacy donation from a former member was set up as a designated fund in 2017/18, to support access to activities across the RAD for students and members, with a particular focus on activities in Ireland and Northern Ireland.

Restricted funds

Restricted funds are funds arising out of donations, grants, legacies and awards given or raised for specific purposes:

These funds are used for specific projects:

Step into Dance: A fully inclusive, community dance programme, a partnership between the Royal Academy of Dance who lead the programme and The Jack Petchey Foundation who fund it.

The Community Learning and Innovation Fund (CLIF): Funded research into Dance for Lifelong Wellbeing.

Other restricted funds:

Benesh Projects: Funds are raised from the Benesh Institute Endowment Fund to finance changes made in the Benesh Movement website and Benesh course material.

Scholarship / bursary funds: To provide grants to students attending teacher education and notation programmes at the RAD. Awards totalling £14,000 were made in this financial year (2017: £11,000).

Boys Only! funds: Funds raised at a joint RAD/RBS Billy Elliot preview Gala to provide opportunities for male students whose access to dance is limited for economic, geographic or physical reasons. There was spend of £20,000 in the year (2017: £12,000) to support Project B, created to inspire boys and men of all ages to dance.

Iris Truscott fund: A trust deed registered with the Charity Commissioners to give awards to students wishing to progress from either the CBTS to a Level 2 or 3 teaching qualification validated by the University of Surrey and delivered by the RAD; or from BA Ballet Education to LRAD programme. One award was made in 2017/18.

Regional Scholarship funds: Funds are raised and administered by Regional Advisory Committees in England and Wales to provide scholarships for students to further their training.

Jubilee Awards 2012: One of four awards made to the Royal Academy of Arts, the Royal Academy, the Royal Academy of Dramatic Art and the Royal Academy of Dance to honour HM The Queen's patronage of the four Academies' in her Golden Jubilee Year.

RADiate funds: Funds are raised from a grant received by City Bridge Trust and school tuition fees for special needs education in primary schools.

Christel Addison funds (South Africa): A legacy left by a South African teacher to fund teacher training opportunities overseas for South African residents. No awards were made.

Scholarship funds (Israel): To provide scholarships for students to further their training. No awards were made.

Building Fund (South Africa): The building is owned by Royal Academy of Dance a company registered in South Africa under s21 Companies Act. Funds are raised by renting the building.

NOTES TO THE ACCOUNTS

Year ended 31 July 2018

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26 Movement in unrestricted funds

	Balance at 1 August 2017	Exchange movements	Net expenditure	Other recognised (losses)/gains	Balance at 31 July 2018
	£000	£000	£000	£000	£000
Charity					
Accumulated funds	4,147	(137)	(298)	(14)	3,698
Revaluation reserve	10,405	-	-	348	10,753
	14,552	(137)	(298)	334	14,451

Group					
Accumulated funds	5,921	(186)	(166)	(14)	5,555
Revaluation reserve	10,494	-	-	385	10,879
	16,415	(186)	(166)	371	16,434

Movement in unrestricted funds (prior year)

	Balance at 1 August 2016	Exchange movements	Net income	Other recognised (losses)/gains	Balance at 31 July 2017
	£000	£000	£000	£000	£000
Charity					
Accumulated funds	3,549	107	508	(17)	4,147
Revaluation reserve	9,883	-	-	522	10,405
	13,432	107	508	505	14,552

Group					
Accumulated funds	5,381	135	422	(17)	5,921
Revaluation reserve	9,972	-	-	522	10,494
	15,353	135	422	505	16,415

The net movement in funds includes unrealised losses on investment in land and building through revaluation at current prices. These represent a decrease in the value of funds held rather than a decrease in funds.

NOTES TO THE ACCOUNTS

Year ended 31 July 2018

Notes

	Unrestricted funds £000	Restricted funds £000	Total funds £000
27 Analysis of group net assets between funds			
Tangible fixed assets	13,793	-	13,793
Intangible fixed assets and investments	61	44	105
Current assets	10,687	822	11,509
Current liabilities	(7,952)	-	(7,952)
Amounts falling due after more than one year	(155)	-	(155)
Total net assets	16,434	866	17,300

	Unrestricted funds £000	Restricted funds £000	Total funds £000
Analysis of group net assets between funds (prior year)			
Tangible fixed assets	13,412	-	13,412
Intangible fixed assets and investments	38	43	81
Current assets	8,782	837	9,619
Current liabilities	(5,625)	-	(5,625)
Amounts falling due after more than one year	(192)	-	(192)
Total net assets	16,415	880	17,295

28 Parent charity

The parent charity in the United Kingdom (UK Group) had net expenditure before consolidation adjustments, transfers between funds, and other recognised gains and losses of £251,000 (2017: net incoming resources £680,000).

	2018			2017		
	Income	Expenditure	Net income (expenditure)	Income	Expenditure	Net income (expenditure)
	£000	£000	£000	£000	£000	£000
Unrestricted funds	11,993	(12,202)	(209)	11,756	(11,140)	616
Restricted and designated funds	767	(782)	(15)	835	(771)	64
For the year to 31 July	12,760	(12,984)	(224)	12,591	(11,911)	680

GROUP

The results of the twelve Subsidiary companies below are consolidated with the results of the charity (Branch Offices and UK Group) to form the group:

Subsidiary companies

Benelux & France	Royal Academy of Dance Asbl., 8, rue de Beggen, L-1220 Luxembourg.
Germany	Royal Academy of Dance gGmbH, Waldenserstrasse 2-4, 10551 Berlin
Indonesia	Yayasan RAD Indonesia, Jl. Angur III / no:1 Cipete, Jakarta Selatan 12410
Italy	Royal Academy of Dance Srl., Via Vannetti 12, 38122 Trento
Malaysia	RAD Dancing (Malaysia) Sdn Bhd., No 16F 1 Sentral, Jalan Stesen Sentral, Kuala Lumpur 50470
Mexico & Central America	Royal Academy of Dance de Mexico AC, Amates 18 Fracc Alconfores, San Mateo, Naucalpan CP 53240, Mexico
Singapore	Royal Academy of Dance Singapore Pte Ltd, Farrer Road Post Office, PO Box 106, Singapore 912804
South Africa	Royal Academy of Dance s21 Company, PO Box 200, Bramley 2018, Johannesburg
South America	Royal Academy of Dance Brasil Ltda, Av. Angelica, 566/86, Santa Cecilia, 01228 000 São Paulo-SP, Brasil
Spain, Andorra & Gibraltar	Royal Academy of Dance SL., Ventura i Gassol, 3, 5è-3a, 43203 Reus, Tarragona, Spain
Thailand	RAD Dancing (Thailand) Co Ltd, 121/12, Moo 10, Chiangmai-Hangdong Road, Tambon: Pae Dad, Ampur: Muang, Chiangmai 50100
UK	Royal Academy of Dance Enterprises Ltd, 36 Battersea Square, London SW11 3RA

CHARITY

The results of the eight branch offices below are consolidated with the results of the UK Group to form the charity:

Branch offices

Australia	20 Farrell Avenue, Darlinghurst, NSW 2010
Canada	Suite 601, 1210 Sheppard Avenue East, Suite 601, Toronto, Ontario M2K 1E3
Israel	Hadar Street 491, Neve Yamin
Japan	Trad Mejiro B2F, 2-39-1 Mejiro, Toshima-Ku, Tokyo 171-0031
New Zealand	Level 11, 49 Boulcott Street, Wellington 6011
Portugal	Rua 4 Infancia 86, 138 C/V Esq, 1350-241 Lisboa
Southern Africa & Mauritius	PO Box 200, Bramley 2018, Johannesburg, South Africa
United States	1927 N 4th Street, Milwaukee 53212, Wisconsin

UK Group

The results of the fourteen representative offices below are included in the results of the UK to form the UK Group:

Representative offices

Caribbean	PO Box 1433, 8 Rockhampton Drive, Kingston 8, Jamaica
China	2nd Floor Tower 2, Dong Hai Commercial Building, 588 Yan An Dong Lui, Shanghai
Cyprus	71 Irinis Street, 3041 Limassol
Greece	British Council, 17 Kolonaki Square, Athens 10673
Hong Kong	Hong Kong Examination and Assessment Authority, 17 Tseuk Luk Street, San Po Kong, Kowloon
Ireland	c/o 152 Slad Road, Stroud, Gloucestershire GL5 1RH
Malta	c/o 29/10 Sir Luigi Camilleri Street, Sliema SLM1281
Philippines	British Council, 10F Taipan Building, Ortigas Jn Road, Ortigas Center, Pasig City 1605
Scandinavia	Smedstuveien 25, 7040 Trondheim, Norway
South Asia	40a Lake Gardens, off Lake Drive, Rajagiriya 10100, Sri Lanka
South Korea	1703 Artnouveau Palace, 258 Sukchonhosu-ro, Songpa Gu, Seoul 05624
Taiwan	5f, No 122, Sect 7 Chung Shan N. Road, Taipei 11151
Turkey	British Council, Buyukdere Caddesi Maya Akar Centre, No: 100-102 Kat: 5, Esentepe 34394, Istanbul
UAE & Qatar	British Council, PO Box 1636, Dubai

ADVISERS

UK Banker	HSBC Bank Plc	31 Holborn Circus, London EC1N 2HR
UK Solicitor	Fieldfisher LLP	Riverbank House, 2 Swan Lane, London EC4R 3TT
UK and Group Auditor	Deloitte LLP	1 New Street Square, London EC4A 3HQ

Deloitte LLP and members of the Deloitte Touche Tohmatsu worldwide network audit the group branches and subsidiaries with the exception of the following, which are either audited or reviewed by the firms shown below:

Brazil	Sussumo Hirakata	Organizacao Contabil Liberty, Rua Mituto Mizumoto 56, Liberdade, 01513 010 Sao Paulo-SP
Canada	Grant Thornton LLP	15 Allstate Parkway, Suite 200, Markham, Ontario L3R 5B4
Indonesia	KAP Ekna Masni, Bustaman & Rekan	Sentra Kramat B-18, JL Kramat Raya 7-9, Jakarta 10450
Israel	Hannan Gabriel CPA	8 Hayod-Chef Street, Hod Hasharon 45200
Luxembourg	Alexander J Davies Sàrl	24 Rue Jean L'Aveugle, Luxembourg L-1148
Portugal	CERB	Beloura Office Park, Rua do Centro Empresarial, Edifício EE06 – Escritório 12, Quinta da Beloura, 2710-444 Sintra
Spain	Asesoria Berzosa	Donoso Cotres 85, 28015 Madrid
Thailand	KT&R Business Consultant Co Ltd	59/1 Sukhumvit 64 Bangchak, Prakanong, Bangkok 10260
United States	Wren Kelly CPA LLP	PO Box 12290, Bakersfield, CA 93389-2290

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