



ROYAL ACADEMY OF
DANCE

Annual Report and Financial Statements

FOR THE YEAR ENDED 31 JULY 2019



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368,000
online followers worldwide

Presence in **89** countries
and **36** offices

175,000+
unique visitors to
the website
monthly

4,000+
young people per
annum engaging
with Step into
Dance (UK)

250,000
examinations
worldwide

A global flock of
20,000+
Silver Swans
dancing

13,000
members worldwide

1,000
Silver Swans Licensees
delivering Silver Swans® in

8,000
RAD Teachers
worldwide

10+ countries and
growing

1,000
trainee dance teachers
enrolled worldwide

5,000+
SEND children and their
families supported by
RADiate

CHIEF EXECUTIVE'S REPORT

Although we are looking back on the financial year 2018/19, one cannot help but see things coloured in the bright hues of our imminent centenary celebrations. Almost 100 years ago, our five founders, Adeline Genée, Tamara Karsavina, Lucia Cormani, Edouard Espinosa, and Phyllis Bedells – among the leading dance professionals of their day – came together at the Trocadero Restaurant in London to discuss improving the standards of ballet teaching in the UK. From that meeting grew what we now know as the Royal Academy of Dance, and we continue to build on their ambitions and vision.

During the year under review, I am pleased to say that we have made great strides in pursuing our mission to promote the benefits of dance, to improve the standards of dance teaching and to widen access to dance around the world. Pages 11 onwards provide more in-depth details of what we have achieved, but here I would like to highlight just a few of the successes we are most proud of.

In 2018, our Faculty of Education received an 'Outstanding' rating from OFSTED and a hugely satisfying 93% student satisfaction rating from the National Student Survey. Both are a testament to the dedication of both faculty and staff.

Our members are at the heart of our organisation and a reorganisation of membership categories was implemented in order to better serve our members, and to make the scheme more accessible. Our investment in new technologies continued to bear fruit, allowing us to create a rolling membership year rather than set dates for joining and renewal.

It was another record-breaking year for RAD examinations with almost a quarter of a million entries, thanks, in part, to our new online system making it simpler for teachers to enter candidates.

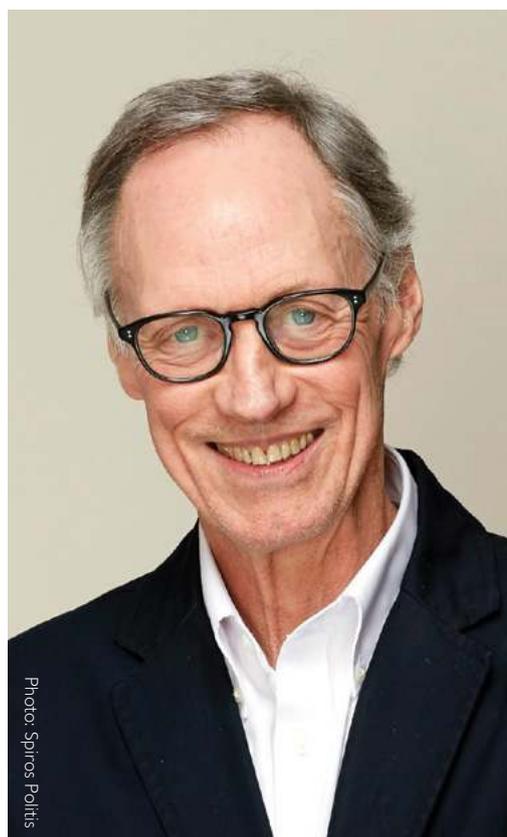
This was also a year when we were pleased to be able to share news of our new purpose-built headquarters, and are now seeing it take shape – a new home for dance and a new home for the Academy. Indeed, the 'topping out' ceremony garnered attention across the media and helped to raise the profile of the Academy and its work.

This annual report aims to give a clear picture of the extraordinary breadth and range of our activities, not just in the UK but also around the world in over 80 countries. It shows that we are where we need to be, delivering on our mission to be a global leader in dance education while also connecting with diverse communities at a local level in key international markets, to expand our reach. Our remit and ambitions have broadened over the years but we have retained our close links to the wider dance profession and our commitment to our founder's ideals, focusing on excellence in dance teaching.

We have come such a long way from that auspicious evening at the Trocadero, but I hope that our founders would be extremely proud of how their vision has been realised on a global scale.



Luke Rittner CBE
Chief Executive



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

Director of Education

Michelle Groves MA BSc (Hons) BPhil (Hons)

Director of Fundraising and Development

Esther McLaughlin (appt Jan 2020)

Director of Marketing and Communications

Melanie Murphy Dip IPR MICPR

Director of Finance and Operations

Ian Pogue BA (Hons) ACA

Director of Examinations

James Stockdale (appt Jan 2020)

Vice Presidents

David Bintley CBE

Li Cunxin AO

Dame Beryl Grey DBE DMus DLitt DEd FRSA

Dame Monica Mason DBE

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

REPORT OF THE TRUSTEES

I am delighted to publish the annual report and financial statements for the RAD for 2018/19. As chair of the trustees, I can confirm that we have made great progress in a number of our objectives, that the vision for our future is clear, and that our plans are in place.

Next year is our centenary year and we have embarked upon a major campaign to raise funds for our new home for dance in London.

We also continue to raise and receive funds from many sponsors and trusts, to whom we are most grateful.

Guy Perricone
Chairman

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 and a provider of programmes of study and qualifications for dance notators,
- delivers projects for specifically targeted groups, as well as offering a global programme of activities, events, competitions, awards, bursaries and scholarships aimed at engaging local communities

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

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 2019. The entities comprising the group and the charity are shown on page 20.

The RAD's registered and head 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 an 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 according to the circumstances. The RAD follows the Charities Commission 2017 Code of Governance.



Strategic aims and highlights

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.



Leroy Mokgatle, Genée (now The Fonteyn) gold medallist in 2015

Strategic aims

1
To be the leading international authority on dance teacher education and professional development.

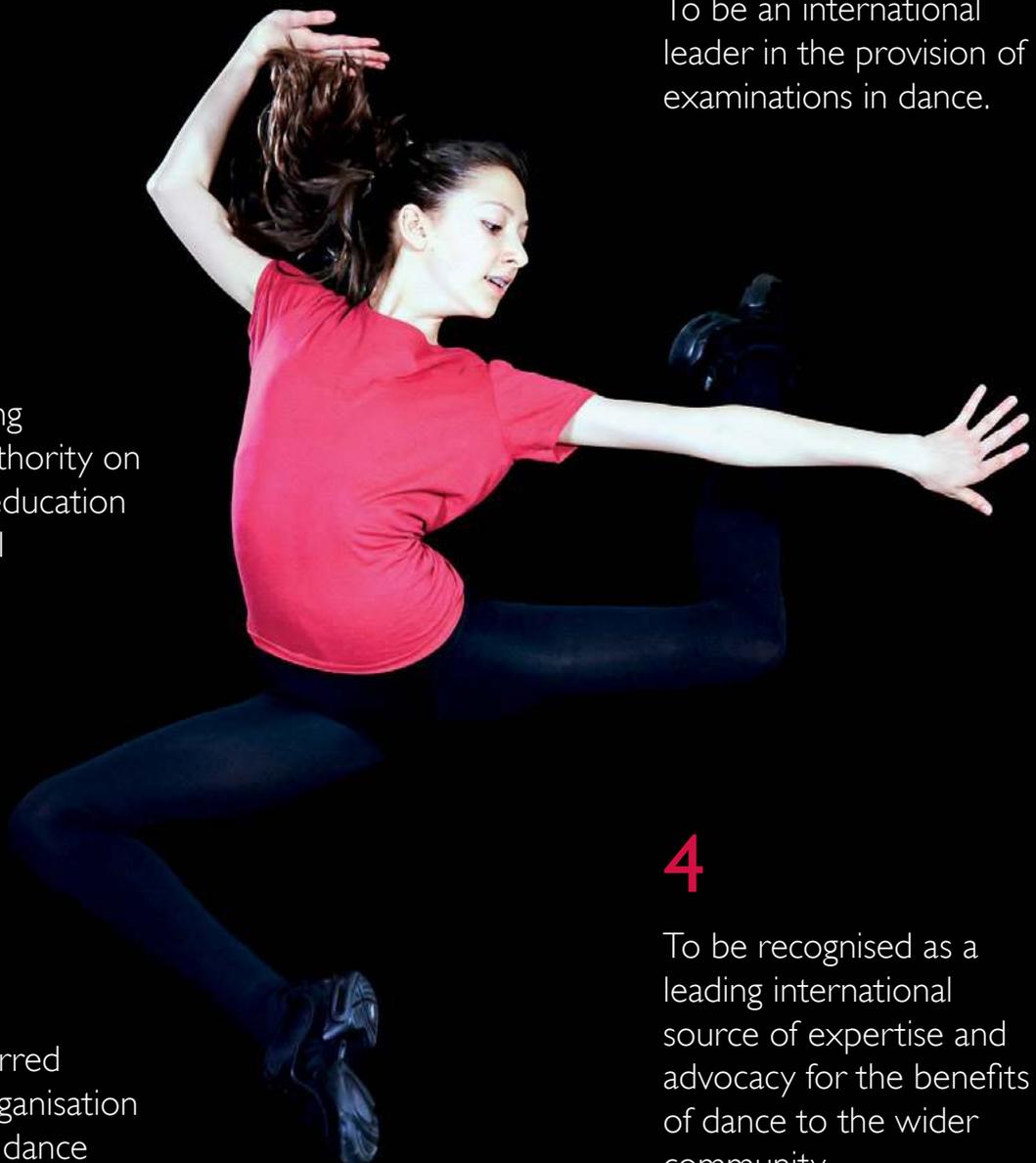
2
To be the preferred membership organisation for professional dance teachers, dance students and all others who wish to support and engage with dance.

3

To be an international leader in the provision of examinations in dance.

4

To be recognised as a leading international source of expertise and advocacy for the benefits of dance to the wider community.



Artistic direction

The RAD is many things to many people, and dance comes in so many forms. Ballet is a part of our heritage and a big part of our future, but it is not all that we do. Today's dancers need to be versatile and need exposure to a wide range of movement disciplines. We also need to respond to our community's needs. Contemporary and street dance, musical theatre, tap, chair-based dancing, Pilates, conditioning and somatic practices all have a place, and bring joy to so many. Dance is the thread that binds us together, but the quality of the teaching and learning is what keeps us together and will move us forwards.

As an international organisation, the RAD isn't defined by one place: our strength lies in the varied and valuable experiences of our teachers worldwide.

Gerard Charles
Artistic Director



Photo: Pierluigi B. Abbondanza

Gerard Charles
teaching at the Italian
Summer School

Public benefit

The RAD is a charity registered in England and Wales. Trustees are required 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 objectives 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. to 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, when 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.

Under Strategic Aim 4, we have fully developed and community engagement plan to work with and in our local community.



Strategic context

During the period under review, we have begun work on a new global headquarters to provide better staff and student facilities, and a new corporate web site has been developed to serve our members with greatly improved mobile optimisation to suit the 'on-the go' nature of our members and the community, stakeholders and customers.

There has been a major investment in fundraising and a new strategy put in place. Work has started on a campaign to raise significant funds for our new headquarters, as well as for projects, bursaries and scholarships.

We are reviewing our brand strategy so that our identity and messaging is consistent with a forward-looking organisation, enabling us to achieve our objectives and vision. In order to be recognised as the world's leading professional membership organisation for dance teachers, and to diversify activities to reach new audiences, our brand needs to reinforce our vision and values.

Above all though, we are an arts organisation, and our ambitions in this area are paramount. In September 2018, we appointed Gerard Charles, formerly Director of Artistic Operations at Joffrey Ballet, as Artistic Director of the RAD. Gerard's role is focused on bringing artistic leadership, creativity and expertise to all areas of our work.

All of the RAD's four strategic aims have been addressed through work programmes, projects and initiatives across the organisation and are underpinned by the commitment to ensure the RAD's future as a well-managed, well-funded and well-governed organisation.



Certificate in Ballet Teaching Studies (CBTS) students

Photo: Tim Cross

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

Highlights

Faculty of Education

- The Faculty of Education received an 'Outstanding' Ofsted grading in December 2018 and registered with the Office for Students in the following January.
- The faculty also achieved Specific Course Designation with Higher Education Funding for Wales and renewed its Institutional Agreement with the University of Bath.
- An increase in student numbers was seen in China on the Professional Dancers' Teaching Diploma and Certificate in Ballet Teaching Studies.
- This period also saw the first Certificate in Ballet Teaching Studies graduates from Korea.
- A new Access Routes partnership was created with Ballet West in Scotland.
- The Faculty achieved a score of 93% for overall student satisfaction in the National Student Survey.
- Although improved, student recruitment has remained challenging in a competitive global market.



CPD

- 104 CPD activities were delivered in the UK, including 2,005 teachers attending courses and workshops, and 701 participating in online activities.
- The Engaging Minds, Informing Practice week in London attracted 300 teachers from 31 countries.
- 251 CPD activities were delivered around the world.
- An audit was carried out with 334 teachers from 43 countries. 72% of teachers audited were successful with 28% either exempt or unsuccessful (15% and 13% respectively).
- 102 Discovering Repertoire courses delivered around the world.
- 23 Silver Swans Licensee Training workshops delivered internationally.

Students on the Professional Dancers Teaching Diploma (PDTD)





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

Highlights

Membership

- In February 2019, an anonymous survey was sent to all teaching members focusing on income, working hours and how we could support members returning to work after a break. Over 400 responses were received in the first two hours, with an overall response rate of 30%. This was a good response and in line with our expectations.
- In April 2019, a Special General Meeting was held to seek approval revisions to the RAD's Supplemental Charter and Bye-Laws. At council on 10 July, these were approved by our patron Her Majesty The Queen.
- May 2019 saw the Members' Area being rolled out to Australia, Canada, South Africa, New Zealand and the US. This created a Global Members' Area and Online Exam Entries single sign-on. To date 7,572 members have successfully set up an account. The international adoption of the new global CRM system did take time to establish and required a greater level of support than initially anticipated from the headquarters team.





Photo: Andy Hooper, courtesy of Luzozade Sport

Silver Swans®

- In May 2019 membership changed from an annual to a rolling scheme, with new members now receiving 12 months of membership no matter when they join in the UK and RoW countries. This change will be rolled out to Australia, Canada, South Africa, New Zealand and the US in 2019/20.
- A review was undertaken of the non-professional membership categories to make the scheme more accessible and member-focused. The following changes were implemented with 1,428 Affiliate Members who were eligible to become an RAD Member Plus, moved into the new category:
 - opening up the Affiliate Member category and renaming it 'RAD Member', and
 - changing the eligibility criteria for Full Member and renaming it 'RAD Member Plus'.

These changes were communicated to members in July 2019 and received positive feedback.

- From July 2019, Associate of the Royal Academy (ARAD) is also now automatically designated to members who have passed the RAD Advanced 2 examination. The age restriction has also been removed. These changes resulted in 754 members being awarded ARAD.
- In July 2019, RAD Friends were also contacted to inform them of the discontinuation of the Friends scheme and of their transition to another category, with 170 RAD Friends moving to the 'RAD Member' category, and 30 RAD Friends to 'RAD Member Plus'.



Photo: Corin, Norfolk
- 2019 Members' Photo Competition



Photo: Andrey Petrov, Tong, W
- 2019 Members' Photo Competition



BBC NEWS

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England Local News Regions Kent

Sittingbourne widower learns ballet and passes exam

© 20 January 2020

Bernard Bibby started ballet lessons four years ago

A 75-year-old man who took up ballet classes following the death of his wife has passed his grade one exam.

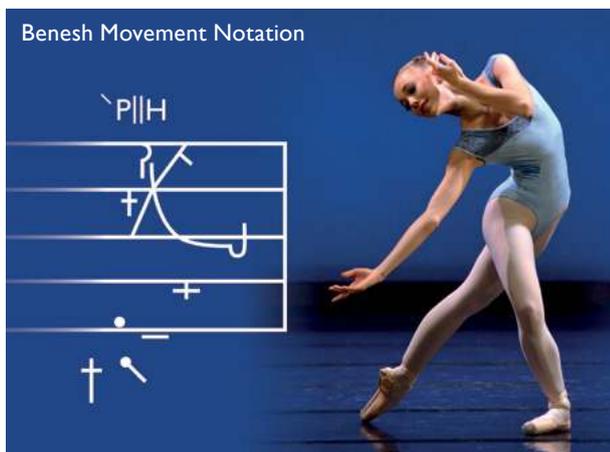
Bernard Bibby was married to Celia for 55 years after dancing brought them together because he was "the only boy at the youth club who could jive".

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

Highlights

Examinations

- The RAD delivered 252,661 (2018: 247,379) examinations, class awards, solo performance awards, presentation and demonstration classes around the world. This was an increase of 2% on the previous year, and the fourth record year in a row.
- The Online Exam Entries system was fully rolled out by the end of the year, with only a couple of countries yet to make it available to teachers. The Exams department supported national and regional offices and teachers as they made the transition.
- There were delays in the issue of examination results and certificates again this year, chiefly due to an unexpected turnover in data processing staff, as well as the continued internal use of the online exam entries system.
- The contract to deliver the new 'Urban Strides' examinations was signed in November 2018. Potential examiners were interviewed in May 2019, and six underwent training in July.
- The RAD hosted the annual Council for Dance, Drama and Musical Theatre (CDMT) comparability study of UK dance awarding organisations on 11 April 2019, looking at standards at Grade 6 and Intermediate.



Benesh

- During this period, Benesh exams were trialled in the UK, Canada, Greece, Germany, and France.

RAD renamed its prestigious, annual ballet competition to celebrate its longest-serving President, Dame Margot Fonteyn, on 18 May 2019 as she would have turned 100 years old.





Student on the RADiate programme

Photo: David Tett



Students on the Creative Dance workshop

Photo: David Tett

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

Highlights

Marketing & Communications

- The press and social media campaign for the Genée International Ballet Competition 2018 delivered over 50 pieces of press coverage, including a feature in *The Telegraph*, picture story in *The Times* in the UK, and significant coverage in daily Hong Kong papers. The partial live stream of the final had 135,886 impressions and a high number of shares and comments. Social media garnered 974,495 impressions as well as high engagement.
- Silver Swans™ was featured on BBC Radio 2's *Graham Norton Show* (UK) in November 2018.
- November 2018 saw the RAD host an 'In Conversation' event with Misty Copeland, and partnership with *The Nutcracker* and the *Four Realms* film.
- Throughout spring 2019 *Her Move* magazine (UK) featured a series of articles on the RAD breaking down stereotypes around what it means to be a dancer.
- *Woman and Home* magazine (UK) featured Silver Swans in May 2019, Social media content was created on the contribution of dance to wellbeing.
- The Topping Out ceremony at our new global headquarters in London was held in January 2019 and generated press coverage on ITV London and in the local Wandsworth press.
- In May 2019 we presented a variety of taster dance activities as part of the Wandsworth Arts Fringe at RAD headquarters. We also ran 'Move to the Musicals' and 'Family Dance' sessions, along with creative dance workshops based on *The Lion*, *Witch and the Wardrobe*, *The Gruffalo* and *Matilda* at local venues around the borough.
- May 2019 also saw the new RAD corporate website launch in the UK, adding better design, navigation and functionality for visitors. This was followed by Canada and China in the year under review and plans for a full global roll-out are underway.



Photo: Mark Allan/BBC Radio 2

RAD Enterprises Ltd

- RAD Enterprises finished the year with a surplus of £450,245, compared to £395,144 (2018). The business remains consistent with strong growth areas once again driven by the syllabus app, RAD branded casual clothing, and bespoke gift lines.
- Work began on the production of a commemorative centenary book, celebrating 100 years of the Royal Academy of Dance. Scala, a leading publisher of arts and heritage books, were commissioned after a tendering process.
- Research was completed into a new sales and inventory system with a view to upgrading in early 2020 prior to development of a new retail website.
- Social media and e-newsletter subscriptions (post GDPR) remain a key focus in order to drive sales globally.

RAD Dance School, London headquarters

- Our UK Summer Events (including London and Dartington Summer Schools) welcomed over 800 students from 43 countries. Along with Summer Schools in Norway, Italy, Canada and Japan, over 2,000 students took part.
- Over 5,500 children and families (up from 4,500 in the previous period) were supported across 12 schools through the RADiate programme for children with special educational needs and disabilities.
- Over 1,300 students attended the Dance School at our headquarters, up on approximately 1,000 the previous year.

Step into Dance

- The Step into Dance programme, delivered by RAD in partnership with the Jack Petchey Foundation delivered classes to young people in 185 schools in 29 London boroughs, and 8 regions in Essex. This figure includes 38 SEND or alternative provision schools.
- The programme reached 4,275 individual students, in the year under review with 52% of participating schools taking part in one or more performance events.

Step into Dance students performing at Step Around Town 2019



Delivering on the Strategic Plan

Launched in 2016, our five-year Strategic Plan to 2020, aimed 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.

Year on year, annual targets are reviewed and adjusted within the context of either operational or external factors which affect our ability to meet targets or may require a strategic change. See page 28 for updated 19/20 targets and commentary.

To meet these targets, planned projects and initiatives across the organisation in 2019/20 are:

- the launch of a capital campaign (originally planned for 18/19) to fund the move to the new headquarters, as well as provide a platform for an ongoing fundraising strategy. We will also again look to engage major donors and corporations through strategic partnerships.
- continued planning for the move to our new headquarters, including moving our IT infrastructure to a data centre to provide more robust disaster recovery capability.
- further development of our global CRM to harness efficiencies in our examination processes.
- further development and international roll-out of the new website integrated with the global CRM to provide a more seamless customer and brand experience worldwide and to provide greater data insight to improve global marketing and communications efficacy.
- growth in existing markets through the development of new examinations and assessments, and develop new markets, focusing particularly on China and Hong Kong.
- review and relaunch of the RAD's global brand identity, in line with the move to the new building.
- development and implementation of a cultural community engagement plan to target harder to reach groups within the borough of Wandsworth and wider London community.
- the development of a new strategic plan for 2020–25, providing a clear direction for our activities after the move to the new headquarters.

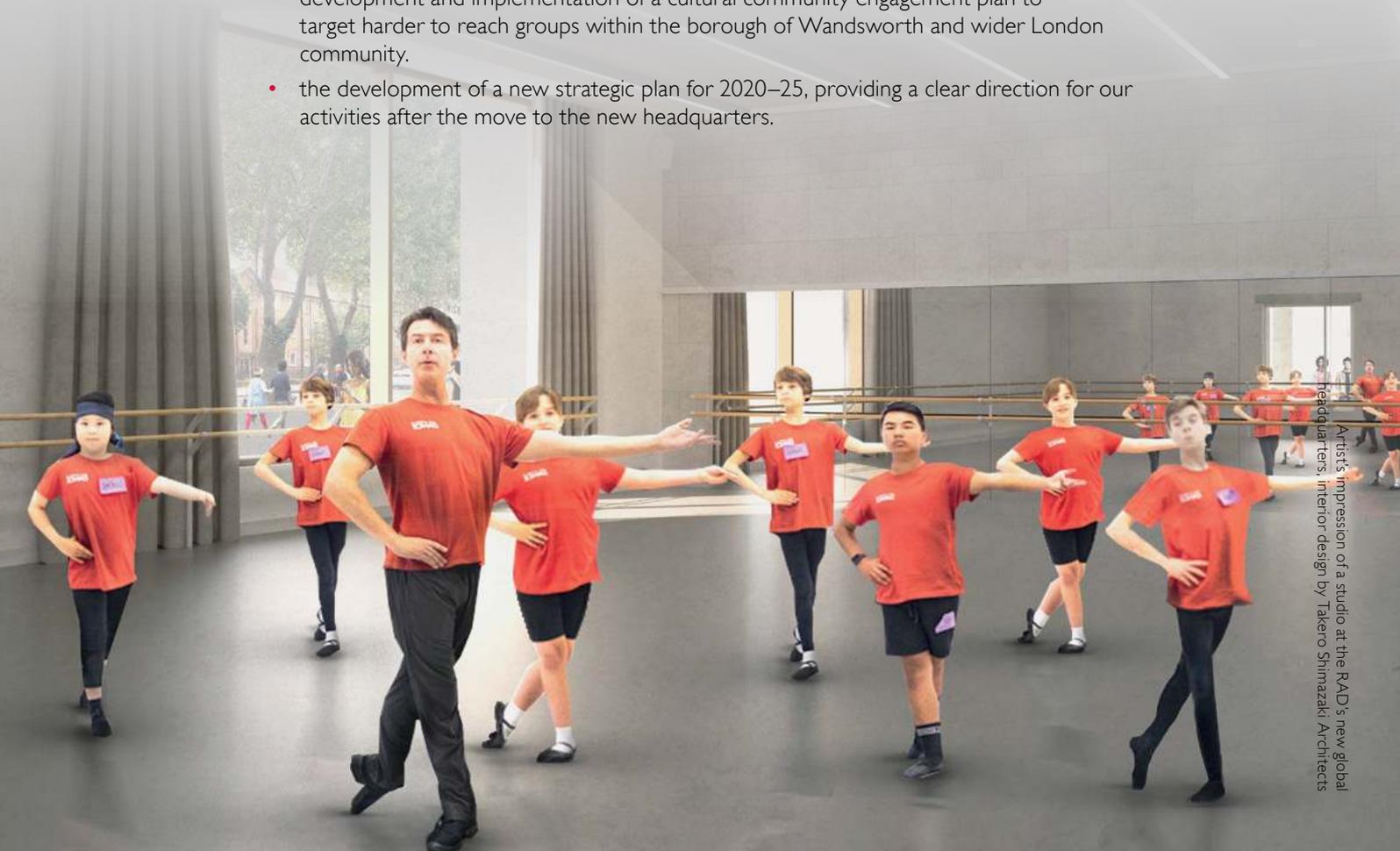




Photo: David Teti

Reaching the community at Wandsworth Arts Fringe

RAD corporate structure

All entities below form the Group (the Academy)

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.

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 nine separate sub-committees.

President and Vice Presidents

The RAD currently has seven 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 currently sixteen elected trustees on the board.

List A Trustees (Dance)

Justine Berry PDTD PGCE MA ARAD RTS
(resigned Sept 2019)
Thérèse Cantine ARAD Dip PDTC RTS
Hilary Clark ARAD (dip PDTC) RTS
Deborah Coultish Adv Tch Dip RTS
Sarah Dickinson ARAD Adv Tch Dip RTS
Imogen Knight ARAD BA (Hons) Dip RAD Dip
TD (NBS) ARAD AISTD RAD RTS
Darren Parish
Penny Parks RAD RTS

List B Trustees

Guy Perricone (Chair)
Joanna Binder
Julia Bond OBE
Peter Flew
Ida Levine BA Juris Doctor JD
Andrew McIntee
David Nixon OBE
Kevin O'Hare CBE
Aliceson Robinson MBA
Catherine Weate BA DipEd LSDA FRSA Hon FLAM
(resigned Dec 2019)

Meetings

The board holds four 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 04.

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 and rental paid on property used for RAD business. 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 43.

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 nine 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.

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 Italian operation was visited by the external auditors in January. Their final report is provided to the Finance and Audit Sub-committee as part of their review of the audit.

The board recommends to members that a resolution to re-appoint Deloitte LLP be proposed at the 2020 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 RAD RTS	Regional
Ida Levine BA Juris Doctor JD	Fundraising and Development
Aliceson Robinson MBA	Global Membership and Marketing
Catherine Weate (Chair) BA DipEd LSDA	Artistic and Examinations
FRSA Hon FLAM (resigned Dec 2019)	

The eight 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 external 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 (resigned Dec 2019)
Justine Berry PDTD PGCE MA ARAD RTS
Hilary Clark ARAD (dip PDTC) RTS
Thérèse Cantine ARAD Dip PDTC RTS
Deborah Coultish Adv Tch Dip RTS
Penny Parks RAD RTS

Co-opted members

Philippa Bunting (resigned June 2019)
Iain Mackay
Louise Norman
Ailin O'Cathain
Stirling Wood (resigned Nov 2018)
Tim Arnold (appt. Sept 2019)
Amanda Eyles (appt. Nov 2019)
Bawren Tavasiva (appt. Nov 2019)

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)
Hilary Clark ARAD (dip PDTC) RTS
Imogen Knight BA (Hons) Dip RAD Dip TD (NBS)
ARAD AISTD RAD RTS

Student representatives:

Nicola Lewis (Postgraduate Student Rep/MAE)
Sohvi Päälylsaho (Undergraduate Student Rep/BABE Level 6)

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
Professor (Emeritus) Prue Huddleston (appt 9 Sep 2019)

Director

Director of Education

Global Membership and Marketing Sub-committee

The Global Membership and Marketing Sub-committee 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 MBA (Chair)
Imogen Knight BA (Hons) Dip RAD Dip TD (NBS)
ARAD AISTD RAD RTS (Vice Chair)

Co-opted members

Vikki Allport de Orbe Tch Dip RTS
Karen Harris Tch Cert RTS
Shelley Isaac-Clarke Tch Dip RTS
Carol Marlow
Lloyd Stringer (appt. Sept 2019)
Verity Batchelder (appt. Sept 2019)

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 Sub-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 Bhattacharjee (London & Middlesex)
Caitriona Brocklebank (RAC Chair, Ireland)
Yvonne Gray RAD RTS (Scotland) (resigned Nov 2019)
Nicky Jenks RAD RTS (South West England, Wales & Channel Islands)
(resigned March 2019)
Caroline Peters (Midlands & East of England)
Lorna Proctor RAD RTS (Northern England, Yorkshire & the Humber)
(resigned Nov 2019)

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 BA (Hons) ACA
Sue Bacchus (appt Dec 2019)

Trustee members

Guy Perricone

Co-opted members
Mark Richardson

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

New Headquarters Project Sub-committee

The new Headquarters Project Sub-committee (formed in May 2019) oversees, on behalf of the trustees, all relevant aspects of the construction, design and fit-out of the Academy's new headquarters on York Road. The Sub-committee supports the Chief Executive and Executive Board in ensuring the successful delivery of the project on time and on budget. The sub-committee seeks to uphold the aims and objectives laid down in the Academy's Royal Charter and bye-laws.

Trustee members

Andrew McIntee (chair)
Guy Perricone
Julia Bond OBE
Ida Levine BA Juris Doctor JD

Co-opted members

Russell Middleton
Tina Wolder
James Cane FCA

Director

Chief Executive

The sub-committee is made up of trustees and experts providing wider experience in the fields of construction, design and property management, and is attended by relevant members of the Executive Board as required. The sub-committee meets monthly.

Fundraising and Development Sub-committee

The new Fundraising and Development Sub-committee (formed June 2019) was created to drive fundraising and development efforts that support the charitable purposes of the Academy, such as social benefits to the wider community, and to advise and support the Director of Fundraising and Development on matters relating to the development of fundable programmes, fundraising tactics, and the Academy's worldwide events programme.

Trustee members

Ida Levine BA Juris Doctor JD (Chair)
Guy Perricone
Julia Bond OBE
Sarah Dickinson ARAD Adv Tch Dip RTS

Co-opted members

David Banks
Phil Dolling
Joanne Muller
Christopher Nourse
Jane Karczewski

Director

Director of Fundraising and Development

The sub-committee is made up of trustees and members co-opted from the wider arts, business and philanthropy sectors, and meets four times a year.

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 Sub-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 review the Corporate and Activity Registers as shown below and also act as the Business Continuity Committee in the event of a disaster:

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 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 in the past couple of years, 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 examination candidates, course attendees, and RAD staff such as examiners and tutors, thereby reducing business and associated income. The RAD 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.

- **Headquarters move**

The planned move to the new headquarters in 2021 gives rise to specific financial, operational and reputational risks.

The fundraising target may not be met, resulting in cash flow issues for the project or core operations. To address this, a fundraising strategy has been developed, with additional resources allocated and bank facility agreed in principle to cover shortfall.

To mitigate the risk of insufficient capacity within RAD to deliver both the project and core operations, and to ensure the project delivers RAD's strategic aims and does not lead to reputational, financial or public benefit issues, a number of measures have been or will be put in place:

- Additional resources allocated in project management, fundraising and communications.
- Establishment of a time-limited sub-committee of trustees/experts to support and challenge the project.
- Development of effective engagement programme as part of business planning.
- Careful planning of handover and move to York Road, with a long familiarisation period and soft opening.
- Good external communications management with appropriate messages for each project stage.

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.

- **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 under the GDPR 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 at different 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, has appointed 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 £54,000 (net expenditure of £180,000 in 2018). This was after one-off professional fees in relation to the planned relocation of RAD headquarters of £143,000 (2018: £141,000). Following the launch of RADius in 2018, additional depreciation has been incurred, with a full year charge of £620,000 (2018: £459,000). Adjusting for these one-off costs and depreciation, the underlying operating surplus was £709,000 (2018: £689,000). Overall examination numbers were the highest ever at 252,661 this year, a 2% increase on prior year.

Unrestricted income for the Group increased by 7% to £23,123,000 (2018: £21,702,000), while overall expenditure also increased by around 6% to £23,184,000 (2018: £21,868,000).

The value of the RAD's assets increased from £17,300,000 to £17,842,000. There was a gain on revaluation of tangible fixed assets of £388,000 (2018: £385,000), and an exchange gain of £137,000 (2018: £182,000 loss) 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 income of £71,000, before transfers and other recognised gains and losses, for the year to 31 July 2019 (2018: net expenditure £18,000).

The Academy 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.

Bursaries, awards and scholarships were awarded through various Scholarship Funds, Trusts, Jubilee Award and Regional schemes. Net expenditure of £32,000 to the RADiate restricted fund reflects the timing of grant receipt compared to expenditure. There was a £57,000 donation from the Benesh Institute Endowment Fund to support Benesh projects. There was a net outflow of £10,000 from the Boys Only! fund, reflecting activity on Project B, created to inspire boys and men of all ages to dance.

Performance by activity

Our interim targets, at the time, for 2018/19 were to:

- deliver 246,000 dance examinations. Actual examination numbers were 252,661—around 3% ahead of target,
- increase worldwide membership to c.19,000 ahead of repositioning Affiliate and Full Member categories. Our focus on rolling out the global CRM, together with GDPR implementation, took up resources needed to do this. A review of the viability of new youth-focused categories added to the delay. As the target of 20,000 members by 2020 relied on the category changes, targets have been adjusted (c.14,000 for 2018/19). Membership at end of 2018/19 was 13,153, and
- generate a net unrestricted income of £650,000. Actual result was net expenditure of £54,000 (2018: £180,000). This result was under target again mainly due to underperformance in some of our international markets. During the year there was planned one-off spend relating to the move to our new headquarters (see financial review – total of £143,000), as well as £600,000 of non-cash depreciation.

Our updated targets for 2019/20 are to:

- increase worldwide membership to c.17,900 including the Youth Membership scheme planned to launch,
- deliver 254,000 dance examinations, and
- generate an unrestricted net income of £750,000, including net fundraising income of £0.3m. This will be achieved through improvement in international offices performance, reduced IT spend and continued focus on cost efficiencies.

Subscription income increased by 3% to £1,323,000 (2018: £1,284,000), with overall net income up 7% at £798,196 (2018: £748,857). The number of Registered Teachers increased slightly from 7,772 to 7,833. All other members decreased slightly from 5,799 to 5,320.

Examination fees income increased by 6% from £12.7m to £13.4m, with direct expenditure increasing by 5% from £7.6m to £8m. This resulted in a slight increase in net income from £5.1m to £5.4m. Total examination entries increased by around 2% to another record level of 252,661 (2018: 247,379), with very strong growth again in China of 13,301 (2018: 9,638). This is an increase of 38%.

Within Education and training fees income, Initial Education income was up £0.4m on prior year at £3.9m, with overall net income increasing from £0.8m to £0.9m. The number of students on programmes decreased to 1,244 from 1,295. Income from **Continuing Education** increased from around £3.4m to £3.6m, though increased expenditure meant that overall net declined slightly from £0.6m to £0.5m.

Trading income, together with **Licensing and royalty income**, decreased by 5% to £1.1m, with no significant product launches such as *Discovering Repertoire* in 17/18. Overall net income however remained steady at £0.5m (2018: £0.5m).

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 £7.4m to £7.8m, driven by increases in salaries and pensions costs, general administration and IT costs (reflecting rollout of RADius and development of new corporate website) and depreciation following the launch of RADius.

Operating cash flows and capital expenditure

The Group's overall net cash and loans position was £6,892,000 compared to £7,015,000 (2018).

There was a net cash inflow from operations of £433,000 compared to an inflow of £1,368,000 the year before. Capital expenditure decreased from £625,000 to £469,000 reflecting launch of the new integrated CRM system, RADius, in January 2018.

HSBC Bank Plc renewed the RAD's grouping facility of £700,000 for a further year in July 2019; and Royal Academy of Dance Enterprises Limited's overdraft facility of £300,000 for a further year in July 2019. 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 £17,300,000 to £17,842,000.

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 2019 Group readily realisable reserves (net assets excluding fixed assets and restricted funds) stood at £2,858,000 (2018: £2,536,000), with readily realisable reserves in the UK of £430,000 (2018: £196,000). 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 planned move of London 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 a shortfall 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 long-term policy would require free Group Reserves of £3,716,000 (UK £2,321,000).

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 outflow for the group of £0.2m in 2018/19 (compared to an inflow of £0.6m in 2018), primarily reflecting the working capital movements within net cash inflow from operating activities before taxation of £0.7m (2018: £1.6m). After revaluation due to exchange rates, this resulted in cash and cash equivalents of £6.9m at year end, a slight decrease of £0.1m compared to end of prior year. Total examinations, the key driver of income, are again at their highest ever number.

Whilst there was again net expenditure this year, as set out in the financial review, performance improved compared to prior year, and underlying operating surplus (after accounting for one-off spend relating to the move to the new headquarters and additional depreciation relating to RADius) is strong. Our focus in the year ahead continues to be on underpinning our activities through ongoing IT development and rollout, and the move to the new headquarters. We are still seeing strong growth in some of our overseas markets, though potentially the outbreak of COVID-19 may disrupt and delay our activities, particularly in China.

RAD's performance at net income level, with an unrestricted loss of £54,000 in 2018/19, was below the budget. This is, however, an improvement on prior year (loss of £180,000). A major capital campaign for the new headquarters is now in progress to fund the move in 2021 and related costs of £3.5m (with the actual building purchase and core fitout funded by the sale of the current headquarters), with financing in principle available for a significant part of this funding requirement if there is a shortfall. Forecasts show that the Academy will continue to operate within available finance facilities in terms of its core activities. 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

As set out in our Strategic Aims and Achievements, progress towards our original Strategic Plan targets for our centenary year of 2020 has been mixed. These targets were:

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

We are on track to deliver the target for dance examinations. As noted last year, the target for membership was always aspirational. Achieving this and the net income target depended on the delivery of a number of new initiatives that have been delayed due to re-prioritisation.

However, the launch and rollout of our new global customer relationship management and operating system and website, have addressed the need to invest in digital infrastructure. While the resources needed to deliver these important projects, together with planning for the new headquarters, has delayed the achievement of some of our Strategic Plan targets, they provide an essential platform for us to move forward in our centenary year and beyond.

While it is now planned that we will move to our new purpose-built headquarters in 2021, following delays in the construction process, this will allow us to focus on our centenary year of 2020 and the range of activities planned to celebrate this, including 100 events in a 100 places, a year-long exhibition at the V&A Museum in London, conferences and the inaugural Margot Fonteyn International Ballet Competition 2020, hosted at the Royal Opera House.

The RAD is a highly diversified organisation, operating in 89 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 members, trustees, sub-committee members, examiners, tutors, teachers, students and parents – ensures the RAD is in an excellent position to deliver upon its mission. As ever, we would like to pay tribute and to thank all those whose contributions and dedication make this possible.



Guy Perricone
Chair, Board of Trustees



Luke Rittner CBE
Chief Executive

26 February 2020

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 and Wales 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 judgements 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 2019 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 charity balance sheets;
- the group cash flow statement;
- the accounting policies; and
- the related notes 1 to 27.

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 Financial Reporting Council's (FRC) 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 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 FRC'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

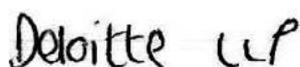
Under the Charities (Accounts and Reports) Regulations 2008 we are required to report in respect of the following matters if, in our opinion:

- 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, sans-serif font.

Deloitte LLP
Statutory Auditor
London United Kingdom

26 February 2020

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 2019

Notes

	2019			2018		
	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	48	-	48	30	-	30
3 Trading	890	-	890	932	-	932
4 Other trading activities	331	118	449	361	42	403
5 Investment income	32	-	32	30	-	30
Income from charitable activities						
Examination fees	13,370	-	13,370	12,700	-	12,700
6 Education and training fees	6,834	689	7,523	6,259	709	6,968
Subscription income	1,323	-	1,323	1,284	-	1,284
7 Other income	295	-	295	106	-	106
Total income and endowments	23,123	807	23,930	21,702	751	22,453
Expenditure						
8 Expenditure on raising funds	(1,336)	-	(1,336)	(1,452)	-	(1,452)
9 Expenditure on charitable activities	(21,497)	(736)	(22,233)	(20,143)	(769)	(20,912)
11 Other expenditure	(351)	-	(351)	(273)	-	(273)
Total expenditure	(23,184)	(736)	(23,920)	(21,868)	(769)	(22,637)
Net (expenditure) / income before investment gains and losses	(61)	71	10	(166)	(18)	(184)
Investments held for investment purposes						
Realised losses	-	-	-	(14)	-	(14)
Unrealised gains	7	-	7	-	-	-
Net (expenditure) / income	(54)	71	17	(180)	(18)	(198)
Other recognised gains and losses						
On revaluation of tangible fixed assets	388	-	388	385	-	385
Movement on exchange arising from the consolidation of branches and subsidiaries	143	(6)	137	(186)	4	(182)
Net movement in funds	477	65	542	19	(14)	5
Total funds brought forward at 1 August	16,434	866	17,300	16,415	880	17,295
Total funds carried forward at 31 July	16,911	931	17,842	16,434	866	17,300

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

GROUP AND CHARITY BALANCE SHEETS

As at 31 July 2019

Notes

	Group		Charity	
	2019 £000	2018 £000	2019 £000	2018 £000
Fixed assets				
Intangible assets	14	15	3	3
18 Tangible assets held for charitable use	13,989	13,793	13,793	13,573
19 Investments	50	90	190	210
	14,053	13,898	13,986	13,786
Current assets				
20 Stocks	552	483	318	257
21 Debtors	2,875	3,266	3,182	3,862
Cash at bank and in hand	7,688	7,760	4,743	4,637
	11,115	11,509	8,243	8,756
22 Creditors – amounts falling due within one year	(7,206)	(7,952)	(6,272)	(7,076)
Net current assets	3,909	3,557	1,971	1,680
Total assets less current liabilities	17,962	17,455	15,957	15,466
23 Creditors – amounts falling due after more than one year	(120)	(155)	(120)	(155)
Net assets	17,842	17,300	15,837	15,311
FUNDS				
24 Restricted Funds	931	866	925	860
Unrestricted funds				
25 Accumulated funds	5,644	5,555	3,771	3,698
Revaluation reserves	11,267	10,879	11,141	10,753
Total funds	17,842	17,300	15,837	15,311

The accompanying notes form part of these accounts.

These financial statements were approved by the Board of Trustees and authorised for issue on 26 February 2020. They were signed on its behalf 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 2019

Restricted and unrestricted funds	Notes	2019 £000	2018 £000
a. STATEMENT OF CASH FLOWS			
Cash flows from operating activities:			
<i>Net cash provided by operating activities</i>	b.	433	1,368
Cash flows from investing activities:			
Interest receivable		32	30
Interest payable		(142)	(124)
Purchase of tangible fixed assets & construction-in-progress		(469)	(618)
Purchase of intangible fixed assets		-	(7)
Investment in joint venture		-	16
Net cash used in investing activities		(579)	(704)
Cash flows from financing activities:			
Amounts borrowed (repaid) from the banks		(30)	(39)
<i>Net cash provided by financing activities</i>		(30)	(39)
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period	c.	7,015	6,092
Change in cash and cash equivalents due to exchange rate		53	298
Cash and cash equivalents at the end of the reporting period	c.	6,892	7,015
b. Reconciliation of net income/(expenditure) to net cash flow from operating activities			
Net income for the reporting period (as per the statement of financial activities)		17	(198)
Adjustments for:			
Impairment on investment		39	-
Interest receivable		(32)	(30)
Interest payable		142	124
Amortisation of intangible fixed assets		-	12
Depreciation – tangible fixed assets		617	236
(Increase)/decrease in stocks		(70)	(42)
(Increase)/decrease in debtors		391	(840)
Increase/(decrease) in creditors		(802)	2,240
Effect of foreign exchange on net assets		131	(134)
Net cash provided by operating activities		433	1,368
c. Analysis of cash and cash equivalents			
Cash in hand		7,688	7,760
Overdraft facility repayable on demand		(796)	(745)
Total cash and cash equivalents		6,892	7,015

ACCOUNTING POLICIES

Year ended 31 July 2019

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 RAD is a company created by Royal Charter (RC000436) on 31 December 1936.

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 29 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 2019, 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) 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(h) 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.

I(i) 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.

ACCOUNTING POLICIES

Year ended 31 July 2019

Notes

I(j) 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(k) 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 by office usage
 - Governance: staff numbers per department
 - Finance charges: income to cost ratio

I(l) 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(m) 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(j) and I(k). 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.

ACCOUNTING POLICIES

Year ended 31 July 2019

Notes

I(n) 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(o) 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(k).

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

In applying the group's accounting policies, which are described above, the trustees are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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.

Critical judgements in applying the Group's accounting policies

The trustees consider that there are no critical judgements, apart from those involving estimations (which are dealt with separately below), that they have made in the process of applying the Group's accounting policies and that would have a significant effect on the amounts recognised in financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are related to the valuation of freehold properties. See note 18 for more details.

NOTES TO THE ACCOUNTS

Year ended 31 July 2019

Notes

	2019			2018		
	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	48	-	48	30	-	30
	48	-	48	30	-	30
3 Trading						
Trading consists of sales made by Royal Academy of Dance Enterprises Limited and branch outlets of the RAD.						
				2019	2018	
				£000	£000	
Turnover net of taxes and discounts				890	932	
Cost of sales and other costs				(621)	(689)	
Net income from trading				269	243	
Additional income is generated from licensing fees which are disclosed in note 4 and a Gift Aid payment of £450,000 (2018: £394,000) that Royal Academy of Dance Enterprises Limited paid to its parent company.						
4 Other trading activities						
Fundraising activities	-	118	118	17	42	59
Licensing and royalty income	258	-	258	271	-	271
Property and studio hire	73	-	73	73	-	73
	331	118	449	361	42	403
5 Investment income						
Interest received	32	-	32	30	-	30
	32	-	32	30	-	30
6 Education and training fees						
Initial Education	3,927	-	3,927	3,554	-	3,554
Continuing Education	2,907	689	3,596	2,705	709	3,414
	6,834	689	7,523	6,259	709	6,968
7 Other income						
Advertising income	93	-	93	47	-	47
All other income	202	-	202	59	-	59
	295	-	295	106	-	106

NOTES TO THE ACCOUNTS

Year ended 31 July 2019

Notes

	2019			2018		
	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	318	-	318	235	-	235
Property and studio hire	-	-	-	4	-	4
Trading	1,018	-	1,018	1,213	-	1,213
	1,336	-	1,336	1,452	-	1,452
9 Costs of charitable activities						
Examinations	11,760	-	11,760	10,639	-	10,639
Initial Education	4,883	-	4,883	4,827	-	4,827
Continuing Education	3,742	736	4,478	3,653	769	4,422
Subscription	1,112	-	1,112	1,024	-	1,024
	21,497	736	22,233	20,143	769	20,912
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	108	-	108	121	4	125
Other services	3	-	3	4	-	4
Fees payable to the Charity's auditor for the audit of the Charity's branches and subsidiaries						
Audit fees	46	-	46	55	-	55
Other services	11	-	11	4	-	4
Fees payable to other auditors for the audit of the charity's branches and subsidiaries						
Fees	54	-	54	47	-	47
11 Other expenditure						
Exchange gains / (losses)	(71)	-	(71)	(8)	-	(8)
Taxation	(281)	-	(281)	(265)	-	(265)
	(352)	-	(352)	(273)	-	(273)

NOTES TO THE ACCOUNTS

Year ended 31 July 2019

Notes

12 Analysis of indirect support costs¹ Unrestricted funds 2019

	Exams	Education	Training	Subscription	Trading	Total Charitable Activities
	£000	£000	£000	£000	£000	£000
Salaries and pensions	1,752	836	537	275	192	3,592
General administration	927	429	299	157	62	1,874
Information technology	219	140	80	50	33	522
Financing charges	72	34	20	10	5	141
Depreciation	269	170	117	38	26	620
Rent and property	321	159	104	34	25	643
Governance	199	52	73	24	53	401
	3,759	1,820	1,230	588	396	7,793

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

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

NOTES TO THE ACCOUNTS

Year ended 31 July 2019

Notes

13 Related party transactions

Ten trustees (2018: ten) who are also examiners, tutors or mentors received £53,644 (2018: £38,708) in related fees and also expenses including travel costs for attending Trustee meetings, and a further £Nil (2018: £3,599) was paid to no trustees for travel and other expenses to attend Board meetings (2018: five). 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. No donations were received from trustees during the year (2018: £Nil).

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 for examinations, courses, summer school administration

Cost of transaction: £94,805 (¥14,092,836) (2018: £109,997 (¥16,348,156))

Amount due at 31 July 2019: £14,085 (¥2,093,740) (2018: £Nil (¥Nil))

Related party: Yole Talula Salendu (National Director – Indonesia)

Transaction: Office rental

Cost of transaction: £13,016 (Rupiah 240,000,000) (2018: £13,016 (Rupiah 240,000,000))

Amount due at 31 July 2019: £13,016 (Rupiah 240,000,000) (2018: £3,171 (Rupiah 59,999,994))

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

Transaction: Website management services

Cost of transaction: £2,957 (US\$3,979) (2018: £1,104 (US\$1,486))

Amount due at 31 July 2019: £Nil (US\$Nil) (2018: £Nil (US\$ Nil))

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

Cost of transaction: £4,345 (US\$5,848) (2018: £1,310 (US\$1,764))

Related party: Matteo De Luca (Brother of National Director – Italy)

Transaction: Credit for advance expenses

Cost of transaction: £5,830 (€ 6,581) (2018: £Nil (€ Nil))

Amount due at 31 July 2019: £5,830 (€ 6,581) (2018: £Nil (€ Nil))

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

Transaction: Annual office rent for RAD

Cost of transaction: £5,634 (€6,360) (2018: £5,634 (€6,360))

Amount due at 31 July 2019: £5,634 (€ 6,360) (2018: £ Nil (€ Nil))

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

Transaction: Layout and design for RAD publications. Filming of CBTS ISP assessments and Solo seal examinations

Cost of transaction: £13,890 (R 240,8800) (2018: £7,339 (R 127,269))

Amount due at 31 July 2019: £ Nil (R Nil) 2018: £ Nil (R Nil))

Related party: Nicole Lume (Daughter of Olivia Lume)

Transaction: Temporary clerical work

Cost of transaction: £1,002 (R 17,378) (2018: £ Nil (R Nil))

Amount due at 31 July 2019: £ Nil (R Nil) (2018: £ Nil (R Nil))

Related party: Mrs van der Hoff (Spouse of National Director – Thailand)

Transaction: Income received from Sangdao's Performing Arts School for AEC examination fees and service charge for manpower

Cost of transaction: £4,361 (THB 190,154) (2018: £101 (THB 4,435))

Amount due at 31 July 2019: £ Nil (THB Nil) (2018: £ Nil (THB Nil))

Related party: Andrew Cois (related to Sara Cois (employee) – Australia)

Transaction: AC Photography for event photography

Cost of transaction: £887 (AUD\$ 1,550) (2018: £Nil (AUD\$ Nil))

Amount due at 31 July 2019: £ Nil (THB Nil) (2018: £ 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 Academy's global policy to indemnify the Academy 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 2019 was £6,821 (2018: £7,250).

NOTES TO THE ACCOUNTS

Year ended 31 July 2019

Notes

15 Costs of employees

The Academy employed 215 (2018: 215) administrative staff and 42 (2018: 44) commission-based staff worldwide, as well as contracting the services of examiners, teachers, tutors and musicians. Employment costs account for 54% (2018: 56%) of total expenditure (excluding other expenditure):

	2019			2018		
	Unrestricted funds £000	Restricted funds £000	Total funds £000	Unrestricted funds £000	Restricted funds £000	Total funds £000
Employee gross salaries	(11,163)	-	(11,163)	(10,510)	-	(10,510)
Employee payroll taxes	(716)	-	(716)	(617)	-	(617)
Employer pension contribution	(350)	-	(350)	(352)	-	(352)
Employees on commission	(755)	-	(755)	(723)	-	(723)
Total employment costs	(12,984)	-	(12,984)	(12,202)	-	(12,202)

The Academy has a number of Regional Advisory Committees (RAC) in Australia, Greece, South Africa and the UK. These RACs 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 04), excluding employer's pension contributions and national insurance, were £641,000 (2018: £487,000).

	2019	2018
Number of group employees earning:		
Between £120,001 – £130,000	1	0
Between £110,000 – £120,000	1	1
Between £100,001 – £110,000	-	-
Between £90,001 – £100,000	-	1
Between £80,001 – £90,000	-	-
Between £70,001 – £80,000	6	4
Between £60,001 – £70,000	5	6

16 Pension costs

The pension charge for the year to 31 July 2019 was **£350,000** (2018: £352,000).

In the UK the Academy currently operates two schemes, representing in total 148 employees (2018: 166), 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 56 (2018: 66) employees in 11 (2018: nine) countries.

17 Taxation

The Academy is a charitable organisation and is entitled to UK tax exemptions available to charities under the Corporation Tax Act 2010 (chapters 2 and 3 of part ii, section 466 onwards). 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.

NOTES TO THE ACCOUNTS

Year ended 31 July 2019

Notes

18 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 2018	12,475	638	2,692	51	15,856
Exchange movements	(28)	(14)	(5)	1	(46)
Revaluation	166	-	-	-	166
Additions	117	6	346	-	469
Disposals	-	-	(3)	-	(3)
At 31 July 2019	12,730	630	3,030	52	16,442
Accumulated depreciation					
At 1 August 2018	-	520	1,496	47	2,063
Exchange movements	-	(5)	(1)	1	(5)
Revaluation	(222)	-	-	-	(222)
Charge for the year	222	55	338	2	617
Eliminated on disposals	-	-	-	-	-
At 31 July 2019	-	570	1,833	50	2,453
Net book value					
At 31 July 2019	12,730	60	1,197	2	13,989
At 31 July 2018	12,475	118	1,197	4	13,794
Charity					
	£000	£000	£000	£000	£000
Cost or Valuation					
At 1 August 2018	12,304	547	2,559	51	15,461
Exchange movements	(21)	(3)	(1)	1	(24)
Revaluation	166	-	-	-	166
Additions	117	3	340	-	460
Disposals	-	-	-	-	-
At 31 July 2019	12,566	547	2,898	52	16,063
Accumulated depreciation					
At 1 August 2018	-	451	1,391	47	1,889
Exchange movements	-	(1)	-	1	-
Revaluation	(222)	-	-	-	(222)
Charge for the year	222	47	331	2	602
Eliminated on disposals	-	-	-	-	-
At 31 July 2019	-	497	1,722	50	2,269
Net book value					
At 31 July 2019	12,566	49	1,176	1	13,794
At 31 July 2018	12,306	96	1,168	4	13,574

NOTES TO THE ACCOUNTS

Year ended 31 July 2019

Notes

18 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 2018	Charge for the year	Additions to freehold	Increase (decrease) in valuation	Value at 31 July 2019	Net historical cost
UK	£'000	9,780	(196)	117	196	9,897	2,027
Australia	A\$000	4,400	(47)	-	347	4,700	470
South Africa	Rand'000	2,912	-	-	-	2,912	654

	Value at 1 August 2018	Exchange movement	Charge for the Year	Additions to freehold	Increase in valuation	Value at 31 July 2019
	£'000	£'000	£'000	£'000	£'000	£'000
UK	9,780	-	(196)	117	196	9,897
Australia	2,526	(28)	(27)	-	192	2,663
South Africa	170	-	-	-	-	170
Total	12,476	(28)	(223)	117	388	12,730

The freehold property in the UK was valued on 31 July 2019 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 2019 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 2019

Notes

	Group		Charity	
	2019 £000	2018 £000	2019 £000	2018 £000
19 Investments				
Quoted investments				
Market value at 1 August	66	53	67	53
Net realised / unrealised gains (losses)	(16)	13	(22)	14
Market value at 31 July	50	66	45	67
Historical cost at 31 July	23	23	13	13
Investment in joint venture				
Dance Proms ²	24	8	24	8
Investment during the year	-	16	-	16
less impairment during year	(24)	-	(24)	-
As at 31 July	-	24	-	24
Investments in subsidiaries				
Balance at 1 August	-	-	119	119
Exchange differences	-	-	25	-
As at 31 July	-	-	144	119
Total investments at 31 July	50	90	189	210
<i>Quoted investments</i>				
Held in the United Kingdom	50	66	45	66
Held outside the United Kingdom	-	-	-	-

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 48, whose aims and objectives mirror those of the Academy, 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 Academy 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 Academy 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 2019

Notes

19 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%	72
Yayasan RAD Indonesia	Indonesia	NPWP:01.683.529.0-017.000	100% control	6
Royal Academy of Dance Srl	Italy	TN-0174567	99%	9
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%	3
RAD Dancing (Thailand) Co Ltd	Thailand	05055540038970	49%	52
Royal Academy of Dance Enterprises Ltd	Great Britain	No 2773495	100%	-
Balance at 31 July				145

	Group		Charity	
	2019 £000	2018 £000	2019 £000	2018 £000
20 Stocks				
Finished goods and goods for resale	552	483	318	257
Balance at 31 July	552	483	318	257
21 Debtors: amounts falling due within one year				
Trade debtors	896	1,787	715	1,563
Amounts due from subsidiaries	-	-	910	1,061
Other debtors	219	150	96	61
Prepayments and accrued income	1,760	1,329	1,461	1,177
Balance at 31 July	2,875	3,266	3,182	3,862
22 Creditors: amounts falling due within one year				
Bank overdrafts	(796)	(745)	(796)	(745)
Bank loans	(13)	(12)	(13)	(12)
Trade creditors	(2,071)	(2,885)	(1,856)	(2,598)
Amounts owed to subsidiaries	-	-	(457)	(366)
Taxation and social security	(288)	(237)	(152)	(64)
Accruals and deferred income	(4,038)	(4,073)	(2,998)	(3,292)
Balance at 31 July	(7,206)	(7,952)	(6,272)	(7,077)

NOTES TO THE ACCOUNTS

Year ended 31 July 2019

Notes

22 Creditors: amounts falling due within one year (continued)

Bank overdrafts

The Charity bank overdraft of £796,000 (2018: £745,000) 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% (2018: 1%) on so much as is covered by cleared credit balances, and 1.9% over base rate (2018: 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 2019, the Royal Academy of Dance in the United Kingdom had not utilised any of the £700,000 available in the grouped overdraft facility (2018: £nil).

HSBC Bank Plc will review the Academy's facilities in June 2020. 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	
	2019	2018	2019	2018
	£000	£000	£000	£000
23 Creditors: amounts falling due after more than one year				
Provision for long-service award	(17)	(21)	(17)	(21)
Bank loans	(103)	(134)	(103)	(134)
Balance at 31 July	(120)	(155)	(120)	(155)

Bank loans

A Bank loan of £115,737 (2018: £146,165) 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 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 2019

Notes

24 Movement in designated and restricted funds

		Type of Fund	Balance at 1 August 2018	Exchange Movement	Income	Expenditure	Net movement	Gains on investments realised and unrealised	Transfers from unrestricted funds	Balance at 31 July 2019
			£000	£000	£000	£000	£000	£000	£000	£000
Designated										
Genée Legacy Funds	Singapore	Designated	6	-	-	-	-	-	-	6
Genée Legacy Funds	UK	Designated	1	-	-	-	-	-	-	1
Challengenée Funds	UK	Designated	35	-	2	(8)	(6)	-	-	29
Social Responsibility Fund	Group	Designated	147	(4)	4	-	-	-	-	147
Evans Legacy	USA	Designated	50	5	-	-	5	-	-	55
Fiona Campbell Legacy	UK	Designated	34	-	-	(9)	(9)	-	-	25
			273	1	6	(17)	(10)		-	263
Restricted										
Step into Dance programme	UK	Project	(40)	-	689	(637)	52	-	-	12
CLIF programme	UK	Project	(2)	-	-	-	-	-	-	(2)
Benesh Projects	UK	Project	29	-	57	-	57	-	-	86
Scholarship/bursary funds	UK	Restricted	561	-	33	(20)	13	-	-	574
Boys Only! funds	UK	Restricted	51	-	5	(15)	(10)	-	-	41
Iris Truscott fund	UK	Restricted	58	-	1	-	1	-	-	59
Regional Scholarship funds	UK	Restricted	58	-	-	(10)	(10)	-	-	48
Jubilee Awards 2012	UK	Restricted	18	-	-	-	-	-	-	18
RADiate	UK	Restricted	48	-	22	(54)	(32)	-	-	16
Christel Addison funds	Sth Africa	Restricted	78	(6)	-	-	(6)	-	-	72
Scholarship fund	Israel	Restricted	1	-	-	-	-	-	-	1
Total Charity			860	(6)	807	(736)	65	-	-	925
Building fund	Sth Africa	Restricted	6	-	-	-	-	-	-	6
Total Group			866	(6)	807	(736)	65	-	-	931

NOTES TO THE ACCOUNTS

Year ended 31 July 2019

Notes

24 Movement in designated and restricted funds (prior year)

		Type of Fund	Balance at 1 August 2018	Exchange Movement	Income	Expenditure	Net movement	Gains on investments realised and unrealised	Transfers from unrestricted funds	Balance at 31 July 2019
			£000	£000	£000	£000	£000	£000	£000	£000
Designated										
Genée Legacy Funds	Singapore	Designated	6	-	-	-	-	-	-	6
Genée Legacy Funds	UK	Designated	1	-	-	-	-	-	-	1
Challengenée Funds	UK	Designated	104	-	2	(71)	(69)	-	-	35
Social Responsibility Fund	Group	Designated	135	-	17	(5)	12	-	-	147
Evans Legacy	USA	Designated	54	(4)	-	-	(4)	-	-	50
Fiona Campbell Legacy	UK	Designated	-	-	42	(8)	34	-	-	34
			300	(4)	61	(84)	(27)	-	-	273
Restricted										
Step into Dance programme	UK	Project	(3)	-	623	(660)	(37)	-	-	(40)
CLIF programme	UK	Project	(2)	-	-	-	-	-	-	(2)
Benesh Projects	UK	Project	9	-	20	-	20	-	-	29
Scholarship/bursary funds	UK	Restricted	573	-	3	(15)	(12)	-	-	561
Boys Only! funds	UK	Restricted	64	-	7	(20)	(13)	-	-	51
Iris Truscott fund	UK	Restricted	46	-	12	(1)	11	1	-	58
Regional Scholarship funds	UK	Restricted	59	-	20	(21)	-(1)	-	-	58
Jubilee Awards 2012	UK	Restricted	18	-	-	-	-	-	-	18
RADiate	UK	Restricted	35	-	65	(52)	13	-	-	48
Christel Addison funds	Sth Africa	Restricted	74	4	-	-	4	-	-	78
Scholarship fund	Israel	Restricted	1	-	-	-	-	-	-	1
Total Charity			874	4	750	(769)	(15)	1	-	860
Building fund	Sth Africa	Restricted	6	-	-	-	-	-	-	6
Total Group			880	4	750	(769)	(15)	1	-	866

NOTES TO THE ACCOUNTS

Year ended 31 July 2019

Notes

24 Movement in designated and restricted funds (continued)

Designated funds

Designated funds form part of unrestricted reserves (included in accumulated funds):

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 £4,000 (2018: £17,000) was raised during the year from sales, with £nil (2018: £5,000) 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 (2018: £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.

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 Academy. Awards totalling £20,000 were made in this financial year (2018: £14,000).

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 £15,000 in the year (2018: £20,000) 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 Academy; or from BA Ballet Education to LRAD programme.

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 2019

Notes

25 Movement in unrestricted funds

	Balance at 1 August 2018	Exchange movements	Net (outgoing) Resources	Other recognised (losses)/gains	Balance at 31 July 2019
	£000	£000	£000	£000	£000
Charity					
Accumulated funds	3,698	221	(155)	7	3,771
Revaluation reserve	10,753	-	-	388	11,141
	14,451	221	(155)	395	14,912

Group					
Accumulated funds	5,555	143	(61)	7	5,644
Revaluation reserve	10,879	-	-	388	11,267
	16,434	143	(61)	395	16,911

Movement in unrestricted funds (prior year)

	Balance at 1 August 2017	Exchange movements	Net Incoming Resources	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

The net movement in funds includes unrealised gains on investment in land and building through revaluation at current prices.

NOTES TO THE ACCOUNTS

Year ended 31 July 2019

Notes

	Unrestricted funds £000	Restricted funds £000	Total funds £000
26 Analysis of group net assets between funds			
Tangible fixed assets	13,989	-	13,989
Intangible fixed assets and investments	58	6	64
Current assets	10,105	925	11,030
Current liabilities	(7,121)	-	(7,121)
Amounts falling due after more than one year	(120)	-	(120)
Total net assets	16,911	931	17,842

	Unrestricted funds £000	Restricted funds £000	Total funds £000
Analysis of group net assets between funds (prior year)			
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

27 Parent charity

The parent charity in the United Kingdom (UK Group) had net incoming resources before consolidation adjustments, transfers between funds, and other recognised gains and losses of £344,000 (2018: net expenditure £224,000).

	2019			2018		
	Income £000	Expenditure £000	Net income (expenditure) £000	Income £000	Expenditure £000	Net income (expenditure) £000
Unrestricted funds	13,409	(13,126)	283	11,993	(12,202)	(209)
Restricted and designated funds	813	(752)	61	767	(782)	(15)
For the year to 31 July	14,222	(13,878)	344	12,760	(12,984)	(224)

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
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