

Annual Report and Financial Statements

FOR THE YEAR ENDED 31 JULY 2017



ROYAL ACADEMY OF
DANCE



Photo: David Tett



Photo: Benedict Johnson

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Photo: David Tett

INTRODUCTION

During the period under review, the Royal Academy of Dance (RAD) has launched a number of new initiatives aimed at furthering its mission to promote the benefits of and increase access to dance globally. We have also sought to build upon our reputation for providing the highest standards of teaching around the world. A more detailed outline of our work can be seen on page 03, but here we have highlighted just a few of our recent successes.

We believe that behind every great dancer, there is a great dance teacher. To this end, we have continued to invest in ensuring international access to high quality teacher training.

In the US, Boston Conservatory is in the first year of providing students studying a performing arts degree the option to 'bolt on' a module that qualifies them as RAD Registered Teachers. Take up has been excellent, with almost a third of all eligible students electing to take part in this first year alone. This reflects the high esteem in which the RAD brand is regarded worldwide and gives us the template for a new pathway to membership in countries where access to RAD courses can be challenging.

Another highlight of the year was the Genée International Ballet Competition – held this year in Sydney, Australia. The event attracted 86 of the world's finest young dancers from 12 countries, aged between 15 to 19. The Genée is a true showcase of the best of the RAD's ballet syllabus, and for many competitors, a launch pad to the profession.

Two new and very different RAD programmes have really captured imaginations this year: Project B and Silver Swans.

Project B was launched with the support of our Male Dance Ambassador, former Birmingham Royal Ballet principal, Iain Mackay, in June. This was followed by a mass performance at King's Cross Station in October. A global mass performance video, created thanks to Seenit crowdsourcing technology, also inspired performances in Washington State in the US, Aberdeen in Scotland, and Brisbane in Australia.

Silver Swans saw a stellar response to the launch in September with the support of Angela Rippon. 120 teachers were trained in the UK and, thanks to a new partnership with Las Vegas-based teacher convention, Dance Teacher Web Live, in the US too. Feedback from teachers and students alike has been some of the most affecting we've received this year.

This has been a year of innovation, but also of consolidation - a year which has seen the highest ever annual entry to RAD exams, with particularly strong growth in China. A year in which our Summer Schools sold out in London and Devon and, globally, over 2,000 students attended the schools in Italy, Japan, Malaysia for an intensive and sustained experience of dance.

And, a year in which a huge amount of technological renewal has taken place behind the scenes, the products of which - our new RADius CRM and operating system – will revolutionise and modernise our operations in the coming months and years.

As the RAD contemplates its 100th birthday in 2020 we are confident that we are consolidating our position as a world leader in dance education and examinations. This extends to our position as the preferred membership organisation for professional teachers of dance, and as a leading source of expertise and advocacy for the benefits of dance to the wider community.

REPORT OF THE TRUSTEES

The Trustees of the Royal Academy of Dance (RAD) present their report and audited financial statements for the year ended 31 July 2017. This contains information to satisfy the requirements of trustees' reports under the Charities Act 2011, and to comply with current statutory requirements, the RAD's Charter and the Statement of Recommended Practice for Accounting and Reporting by Charities (2015).

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

This report contains information about the group and charity. In the context of these financial statements, the group accounts include the audited accounts of the charity and its subsidiaries, and the charity accounts include the audited accounts of the Royal Academy of Dance in the United Kingdom and its branches for the year to 31 July 2017. The entities comprising the group and the charity are shown on page 39.

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

The RAD is an awarding organisation recognised to award regulated qualifications in England, Wales and Northern Ireland and is required, through the Board of Trustees, to issue 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 an Alternative Provider 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.

It is required to report any safeguarding 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.

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

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

Strategic aims and achievements

Vision

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

Mission

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

Aims

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

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

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

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

- During the year under review, 502 graduates across 30 countries entered Faculty of Education (FoE) programmes of study.
- We partnered with Boston Conservatory at Berklee, USA to deliver the Access Route to RAD Registered Teacher status as well as agreeing to deliver the Professional Dancers' Postgraduate Teaching Certificate for the first time in Australia in 2018.
- Recruitment to university-validated programmes of study, however, remains challenging due to an increasingly competitive higher education landscape.
- The Benesh Institute continued to deliver the Certificate in Benesh Movement Notation and the Diploma for Professional Benesh Movement Notators. The Benesh Movement Notation for Ballet Teachers distance learning CPD course also continues to be popular.

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

- The launch of RADius, our integrated CRM system and bespoke operating system, was delayed from July 2017 to ensure a robust product, but launched internally within the UK in January 2018, and will be gradually rolled out worldwide over the coming year.
- Dance Proms in October 2016 was the most successful event in its history in ticket sales, the number of new schools entering (50) and the number of international membership entries (14 countries).
- The Genée International Ballet Competition was held in Sydney, Australia in December 2016 with a record number of candidates and sold-out audiences. By live streaming the final, we opened access to our global membership – 600 people signed up to view the live stream (under our target of 900) from 30 different countries and 200 cities.
- During 2016/17, over 4,307 RAD Registered Teachers participated in some form of CPD. Our portfolio includes both face to face and online syllabus and non-syllabus content. Despite our communications, around 1,024 teachers did not engage with CPD during the year. We will continue to address this in 2017/18.
- Twenty-seven students successfully completed the FoE's new pathway to RAD Registered Teacher Status (RTS).
- RAD Enterprises (RADE) finished the year with a surplus nearly £0.1m up on our profit target – all of which is Gift Aided in support of the RAD's charitable objectives. This was driven mainly by the performance of the syllabus app which continues to exceed expectation. The eBook in comparison has not performed so well as customers seem to prefer to either reference the app or their existing Word notes. We will continue to monitor advances in technology to identify how we can best meet customer demand for suitable digital products.
- RADE secured International Dance Supplies as a new manufacturer for licensed uniform wear, complementing offers from existing licensees and providing customers with more choice. The range launched worldwide in January 2017.
- RADE oversaw the production of Discovering Repertoire teacher resources released in January 2017, commissioning the English National Ballet Orchestra for the variations complementing the piano pieces. Work also started on design of a new uniform wear range for the programme.

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

- The RAD delivered 238,743 examinations, class awards, solo performance awards, presentation, and demonstration classes around the world – an increase of 0.1% on last year.
- In January 2017, a five-day residential Examiners' Seminar was held in London with 194 examiners from 25 countries taking part in standardisation exercises.
- We successfully maintained recognition of regulated qualifications by the four UK exams regulators. The Primary in Dance exam and Solo Performance Awards at Grades 1-5 also became recognised in Scotland by SQA Accreditation.
- We produced a four-minute promotional video promoting RAD exams in September 2016 to communicate the quality of exams and syllabus content. The film has been viewed over 26,000 times.

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

- At all Summer Schools (crossing 16/17 and 17/18 financial years), 516 students joined us in the UK from 39 countries.
- In partnership with RAD Australia, we delivered the 'Dance Education in the Twenty-First Century: Practice and Innovation' conference in Sydney 2016.
- The En Avant teachers conference was also held in Toronto, and with 267 attendees. Whilst the event received hugely positive feedback, it did incur a loss.
- The FoE prospectus received a Gold Award for Best Prospectus from a Specialist Institution, 2017.
- Phase I of the Silver Swans pilot programme ran from February 2017, offering CPD workshops to qualified ballet teachers, training them to deliver classes for the over 55s market. The workshops in London, Birmingham and Las Vegas (in a new collaboration with Dance Teacher Web) sold out within the first few days, and by the end of July we had 120 qualified teachers licensed to teach Silver Swans classes.
- Project B, created to inspire boys and men of all ages to dance, was launched on 1 June 2017 at the Mandarin Oriental Hyde Park. The international campaign offered the chance to get involved in learning a piece of specially-created choreography for boys by our Male Dance Ambassador via Seenit. We attracted 70 contributors to the project who submitted 360 videos.
- Lobbying on key issues for dance teachers and the wider dance industry continued, building on recent success in the mainstream press, highlighting the importance of qualified dance teachers.
- A thought-provoking article in *Dance Gazette* about the use of touch in the dance studio, was published in two international dance magazines, accompanied by a shortened web piece and social media posts. The resulting discussion and debate, underlined the RAD's authoritative voice, while highlighting the need to ensure parents check their dance teachers have appropriate safeguarding procedures. RAD teachers also shared the content, directing followers to their own safeguarding policies.
- Pop-up events took place in King's Cross (London) in October 2016, Sydney in December 2016, and Birmingham in July 2017. These are designed both to raise the profile of the RAD in a public space, and to offer performance opportunities for students of member schools.
- The 10th anniversary of Step into Dance was celebrated at Step Live, which took over the Royal Festival Hall for a full day in July 2017.

Strategic Plan

By 2020 we aim to:

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

Our interim targets for 2016/17 were to:

- increase worldwide membership to 14,000. Actual membership at end of 2016/17 was 13,870 – broadly in line with this target
- deliver 231,000 dance examinations. Actual examination numbers were 238,743 – around 3% ahead of target
- generate a net unrestricted income of £490,000. Actual net income was £392,000 – though this included an adjustment to the depreciation basis, following review, of the London headquarters of £150,000; adjusting for this, actual net income was £542,000 – around 11% ahead of target.

Our interim targets for 2017/18 are to:

- increase worldwide membership to 14,000 ahead of repositioning our Affiliate & Full Member categories
- develop new youth-focused categories, in order to produce a step change in membership numbers by 2020
- deliver 239,000 dance examinations, and
- generate an unrestricted net income of £0.5m.

Delivering on the plan

To meet these targets, planned projects and initiatives across the organisation in 2017/18 are:

- the launch of RADius, our integrated CRM system and bespoke operating system for our Membership, Examinations and Education activities
- the launch of Discovering Repertoire, a flexible, modular, classical ballet performance programme taught at three levels for students aged 12 to adult
- a new fundraising strategy to fund the move to the new headquarters, and bursaries through sponsorship from charities, trusts and foundations. We will also again look to engage major donors and corporations through strategic partnerships
- expansion of our Silver Swans CPD programme for older learners, following successful pilots in the UK and US
- continued planning for the move to our new headquarters
- to grow existing markets through the development of new examinations and assessments, and to develop new markets, and
- lobbying on key issues for dance teachers and the wider dance industry.

Corporate and Social Responsibility

Public benefit

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

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

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

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

Corporate governance

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

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
Director of Strategic Development and Fundraising	Matthew Cunningham MA
Director of Education and Training	Michelle Groves MA BSc (Hons) BPhil (Hons)
Artistic Director	Paula Hunt ARAD RAD T Dip RTS MNZM (appt Dec 2016)
Director of Examinations	Dr Andrew McBirnie BA MMus PhD LTCL
Director of Marketing and Communications	Melanie Murphy Dip IPR MICPR
Director of Finance and Operations	Ian Pogue BA (Hons) ACA
Director of Global Membership Services	Sakina Zafar LLB LLM PGCE (appt Aug 2017)
Vice Presidents	
David Bintley CBE	Dame Gillian Lynne DBE
Li Cunxin	David McAllister OAM
Dame Beryl Grey DBE DMus DLitt DEd FRSA	Wayne Sleep OBE
Dr Ivor Guest MA DUNIV FRAD	Sir Peter Wright CBE DMus DLitt FBSM
Advisory Council	
Joy W Brown	Lady Porter
Barbara Fewster OBE FISTD	Sir Roy Strong DLitt PhD FRSA FRSL
Dr Stanley Ho OBE GrOIH Chev Leg d'Hon DSoc Sc CSTJ	

President and vice presidents

The RAD currently has eight elected vice presidents. The president and vice presidents may not be Full Members of the RAD at the time of election but are deemed to become so 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 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)

Thérèse Cantine ARAD Dip PDTC RTS
Deborah Coultish Adv Tch Dip RTS
Sarah Dickinson ARAD Adv Tch Dip RTS
Penny Parks RAD RTS
Lynne Reucroft-Croome BA (Hons) MA LRAD
Justine Berry PDTD PGCE MA ARAD RTS (appt April 2017)
Hilary Clark ARAD (dip PDTC) RTS (appt April 2017)
Imogen Knight BA (Hons) Dip RAD Dip TD (NBS) ARAD
AISTD RAD STC (appt April 2017)

Helen Taylor RAD RTS (resigned April 2017)

List B Trustees (Business)

Guy Perricone (Chair)
Joanna Binder
Julia Bond
Professor Michael Day
Ida Levine BA Juris Doctor JD
Aliceson Robinson
Catherine Weate BA DipEd LSDA FRSA Hon FLAM

Anders Ivarson AI Chor (resigned April 2017)
Brian Brodie (resigned November 2017)

Meetings

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

Constitution

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

The chief executive is responsible for the executive leadership and day-to-day management of the RAD to ensure the delivery of the strategy agreed by the board. The chief executive is supported by seven directors.

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 six trustees in their capacity as examiners, tutors or mentors. Further detail can be found in note 13 of the financial statements.

Independence

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

Trustees are required to disclose any third party interests annually and to disclose any gifts received.

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 eight 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.

Audit Sub-committee

The Audit Sub-committee's 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.

Trustee members

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

Co-opted members

James Cane FCA

Director

Director of Finance and Operations

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 Canadian operation was visited by the external auditors in November 2017. Their final report is provided to the 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 2018 AGM.

Finance Sub-committee

The Finance Sub-committee 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 (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
Joanna Binder	Board of Directors of Royal Academy of Dance Enterprises Ltd
Julia Bond	Finance
Professor Michael Day	Education
Penny Parks RAD RTS	Regional
Aliceson Robinson	Global Membership and Marketing
Catherine Weate	Artistic and Examinations

The 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
Thérèse Cantine ARAD Dip PDTC RTS
Deborah Coulthick Adv Tch Dip RTS
Penny Parks RAD RTS
Justine Berry PDTD PGCE MA ARAD RTS
(appt November 2017)
Hilary Clark ARAD (dip PDTC) RTS (appt June 2017)

Co-opted members

Iain Mackay
Stirling Wood
Philippa Bunting (appt November 2017)

Norman Gealy MA CPsychol FCIPD FCIEA (resigned November 2017)
Caroline Jenkins ARAD RTS (resigned November 2017)
Maira McCormack ARAD PDTC Dip RAD London
(resigned November 2017)
David Nixon (resigned November 2017)

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.

Trustee members

Professor Michael Day (Chair)
Lynne Reucroft-Croome BA (Hons) PGCE LRAD
Hilary Clark ARAD (dip PDTC) RTS (appt June 2017)

Co-opted members

Florin Bisset (University of Bath representative)
Professor Tina Chen FISTD MA Dip RBS TTC ARAD
Harriett Harper
Paula Scales MTD BA (Hons) PGCE RTS
Professor Lorna Unwin

Student representatives

Dr Trish Melton (Postgraduate)
Megan Clayton (Undergraduate)

Director

Director of Education

In 2017 the responsibilities of the Benesh Sub-committee were transferred to the Education Sub-committee.

Global Membership and Marketing Sub-committee

In 2017 the Marketing and Membership Sub-committee was renamed the Global Membership and Marketing sub-committee, to reflect the increasingly international nature of the RAD's activities. It advises and supports the director of marketing and communications, and the director of global membership services, on matters relevant to the marketing and promotion of the RAD's projects, events and services. It also advises and supports the directors and their teams in actively promoting the skills, knowledge and expertise of its members and providing support services and membership benefits for its members throughout their professional careers. The sub-committee also seeks to ensure that the RAD, as a membership organisation, upholds the aims and objectives of the Charter and its bye-laws in an open and transparent way, and that it is fair in all its dealings with members of the RAD and the public.

Trustee members

Aliceson Robinson (Chair)
Catherine Weate BA DipEd LSDA FRSA Hon FLAM
Brian Brodie
Imogen Knight BA (Hons) Dip RAD Dip
TD (NBS) ARAD AISTD RAD STC

Co-opted members

Vikki Allport de Orbe Tch Dip RTS
Karen Harris Tch Cert RTS
Shelley Isaac-Clarke Tch Dip RTS

Directors

Director of Marketing and Communications
Director of Global Membership Services

Regional Sub-committee

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

Chair and Trustee

Penny Parks RAD RTS (South East England)

Director

Director of Global Membership Services

Co-opted members

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

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 wholly 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 Royal Academy of Dance Enterprises Ltd in the context of its relationship to the Group. The sub-committee also assesses the risks to which the company is exposed, and considers any other matters of a legal, statutory or financial nature brought to its attention.

Company Directors

Joanna Binder (Chair)
Luke Rittner CBE
Ian Pogue

Trustee members

Guy Perricone

Co-opted members

Mark Richardson (co-opted Nov 2017)

The board and sub-committee meets four times a year and advises the Finance Sub-committee and the RAD's Board of Trustees on all matters pertaining to Royal Academy of Dance Enterprises Ltd.

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 Audit Committee. As with any such system, the processes are designed to manage rather than eliminate the risk of failure to achieve objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Operational Risk Management Committee

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

Exposure to risk

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

- **Marketplace and products**

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

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

- **Foreign exchange**

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

It is difficult to forecast movement in foreign exchange, particularly in light of ongoing Brexit negotiations, 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 all international organisations, is potentially vulnerable to pandemics, natural phenomena and changes in weather patterns, and to civil war and terrorism. All of these may impede or prevent travel by both examination candidates and course attendees, and by RAD staff such as examiners and tutors, thereby reducing business and associated income. We have developed policies and procedures to minimise the loss of income caused by such events, and to ensure the safety of staff and examiners.

- **Economic climate**

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

It is difficult to forecast the effects of the economic climate on individual customers and therefore the RAD endeavours through better planning to react to downturns which might adversely affect its performance. However, the global reach of the RAD's operations helps to mitigate 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 a Safeguarding Committee with designated safeguarding officers, and reviews its policies annually. Training needs are identified and addressed, and the RAD works with lawyers or other professionals to ensure policies are fit for purpose.

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

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

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

Financial Risk

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

The following are considered to be key control procedures in addressing financial risk:

- **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, Data Protection and Safeguarding, so that employees can strive to improve fairness and safety both in the workplace and for the RAD's customers, ensure compliance with legal responsibilities and to respect one another.

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

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

- **Operating unit financial controls**

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

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

- **Information and computer systems**

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

The RAD is aware that the Data Protection law is changing to the 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, and are implementing a basic GDPR training programme for all staff supplemented by a needs based data protection training programme for all staff across different functions and at different levels.

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 income, before transfers and other recognised gains and losses, of **£405,000** against net income of **£307,000** last year. This was after one-off professional fees in relation to the planned relocation of London headquarters of £230,000 (2016 £336,000). In addition, an adjustment to the depreciation basis for the London headquarters resulted in additional depreciation of £150,000. Adjusting for these one-off costs and the change in depreciation basis, the underlying surplus was **£785,000**. Overall examination numbers were again the highest ever at 239,000 this year, up very slightly on prior year.

Unrestricted income for the Group increased around **12%** to **£21,497,000** from **£19,162,000**, while overall expenditure also increased by around **12%** to **£21,075,000** from **£18,843,000**. A substantial part of these increases is due to the decline in sterling since the EU Referendum, given the international nature of the RAD's activities

The value of the RAD's unrestricted assets increased by £1,062,000 compared to an increase of £838,000 in the prior year. In addition to net income, there was a gain on revaluation of tangible fixed assets of £522,000, and an exchange gain of £135,000 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 £51,000, before transfers and other recognised gains and losses, for the year to 31 July 2017 (2016: net expenditure £74,000). The main movements were:

The RAD is in receipt of a three-year funding grant (2015/16 – 2017/18) from the Jack Petchey Foundation to run the Step into Dance programme (a fully inclusive, community dance programme – 193 secondary schools in every London borough, and in some Essex schools) as well as raising its own funds. All monies received from the Foundation were spent in accordance with the programme's aims. Net income of £26,000 reflects the timing of grant receipt compared to expenditure.

Bursaries, awards and scholarships were awarded through various Scholarship Funds, Trusts, Jubilee Award and Regional schemes. The Iris Truscott fund received significant legacy donations (overall net income of £16,000). Net income of £19,000 to the RADiate restricted fund reflects the timing of grant receipt compared to expenditure.

Performance by activity

Subscription income increased by 11% to £1.2m, with overall net income also up 11% at £0.7m. The number of Registered Teachers increased slightly from 7,632 to 7,783. All other members increased slightly from 5,862 to 6,087.

Examination fees income increased by 16% from £10.6m to £12.3m, with direct expenditure increasing by 21% from £5.8m to £7.1m. This resulted in an overall increase of around 9% in net income from £4.8m to £5.3m. Total examination entries increased very slightly to another record level of 238,743 (2016: 238,499). Performance was broadly steady in most regions, though China saw very strong growth of 29% in examination entries against prior year.

Within Education and training fees income, **Initial Education income** was up around £0.1m on prior year at £3.4m, with overall net income steady at around £0.6m. The number of students on programmes decreased slightly from 1,274 to 1,210, mainly due to a reduction in international student numbers on the Certificate in Ballet Teaching Studies programme. Income from **Continuing Education** increased by 7% to around £3.7m, driven by growth in student events and activities. However, increase in CPD costs meant that overall net income fell from around £0.2m to £0.1m.

Trading income, together with **Licensing and royalty income**, increased 6% from £1.0m to £1.2m, reflecting strong demand for the apps across the range of RAD syllabi, and the introduction of new product lines, including luxury gift items, and co-branding product partnerships. Coupled with strong cost control, this meant that overall net income increased by around 33% to £599,000.

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

Support costs rose from £6.4m to £6.8m, driven by increases in salaries and pensions costs, general administration costs and depreciation, offset by a reduction in governance costs. The translation of the effect of exchange movements can have the effect of increasing or decreasing cost, which was particularly evident in 2016/17.

Operating cash flows and capital expenditure

The Group's overall net cash and loans position was **£5,907,000** compared to **£6,794,000** last year.

There was a net cash outflow from operations of **£407,000** compared to an inflow of **£1,168,000** the year before. Capital expenditure increased from **£86,000** to **£788,000** reflecting the investment in the new integrated CRM system, RADius. In addition, the loan of £250,000 from HSBC was repaid during the year.

The RAD's main banker in the UK and in some overseas territories is HSBC. HSBC renewed the RAD's grouping facility of **£700,000** for a further year in December 2017; and Royal Academy of Dance Enterprises Limited's overdraft facility of **£300,000** for a further year in November 2017. 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 **£16,178,000** to **£17,295,000** reflecting the net income for the year, and the revaluation of the accumulated funds and revaluation reserve at the end of the financial year.

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 2017 the Group's readily realisable reserves stood at **£2,922,000** (2016: £2,925,000), with readily realisable reserves in the UK of **£228,000** (2016: £254,000).

The RAD has a current reserves policy based on three months' costs. This would require free group reserves of £2,998,000 (UK £1,930,000). Therefore, whilst group reserves are broadly in line with policy, those in the UK are not. The trustees are currently reviewing the reserves policy, and will continue to distribute available reserves based on strategic priorities.

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 £1.8m in 2016/17, largely reflecting capital expenditure on RADius (around £0.8m) and repayment of the £250,000 HSBC loan, as well as working capital movements. Combined with revaluation due to exchange rates of £0.6m, this resulted in cash and cash equivalents of £6.1m at year end, compared to £7.2m at end of prior year. The group's readily realisable reserves are now in line with current policy of three months' costs, reflecting performance in the last three years, though as noted above, the trustees are currently reviewing the reserves policy for both the UK and the group. Total examinations, the key driver of income, are again at their highest ever number, reflecting growth in many parts of the world.

Net income has increased from the prior year, and results from underlying operations again provide a strong platform for the year ahead. Significant capital investment in RADius has now been largely completed, and provides a platform to drive efficiencies in our operations in the years ahead. We are still seeing strong growth in some of our overseas markets, particularly in Asia, and continue to develop new initiatives such as Silver Swans and Discovering Repertoire.

The trustees are confident that the RAD will meet its targets for 2017/18, and will be aiming for further growth in net income in 2018/19. They 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

We continue to make good progress against our Strategic Plan targets to our centenary year of 2020 of:

- 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.

The RAD is an increasingly diversified organisation, operating in 85 countries in competitive and complex environments. The trustees will continue to work to minimise the risks and uncertainties the RAD faces in order to deliver upon its mission to its customers and to ensure the continuing development of its students, examiners, teachers and staff.

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



Guy Perricone
Trustee, Board of Trustees

6 March 2018



Luke Rittner CBE
Chief Executive

STATEMENT OF THE BOARD OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

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

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

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 July 2017 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 of Royal Academy of Dance (the 'charity') and its subsidiaries (the 'group') which comprise:

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

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

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

Conclusions relating to going concern

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

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

We have nothing to report in respect of these matters.

Other information

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

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

We have nothing to report in respect of these matters.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144/151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

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.

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.



Deloitte LLP
Statutory Auditor
London United Kingdom

6 March 2018

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

Year ended 31 July 2017

Notes

	2017			2016		
	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	41	11	52	80	58	138
3 Trading	891	-	891	787	-	787
4 Other trading activities	368	106	474	321	43	364
5 Investments	44	-	44	39	1	40
Income from charitable activities						
Examination fees	12,348	-	12,348	10,645	-	10,645
6 Education and training fees	6,456	687	7,143	6,108	648	6,756
Subscription income	1,235	-	1,235	1,116	-	1,116
7 Other income	114	-	114	66	-	66
Total income and endowments	21,497	804	22,301	19,162	750	19,912
Expenditure						
8 Expenditure on raising funds	(1,328)	-	(1,328)	(1,135)	-	(1,135)
9 Expenditure on charitable activities	(19,639)	(754)	(20,393)	(17,403)	(829)	(18,232)
11 Other expenditure	(108)	-	(108)	(305)	-	(305)
Total expenditure	(21,075)	(754)	(21,829)	(18,843)	(829)	(19,672)
Net income / (expenditure) before investment gains and losses	422	50	472	319	(79)	240
Investments held for investment purposes						
Realised losses	(17)	-	(17)	(12)	-	(12)
Unrealised gains	-	1	1	-	5	5
Net income / (expenditure)	405	51	456	307	(74)	233
Other recognised gains and losses						
On revaluation of tangible fixed assets	522	-	522	(290)	-	(290)
Movement on exchange arising from the consolidation of branches and subsidiaries	135	4	139	821	5	826
Net movement in funds	1,062	55	1,117	838	(69)	769
Fund balances brought forward at 1 August	15,353	825	16,178	14,515	894	15,409
Total funds carried forward at 31 July	16,415	880	17,295	15,353	825	16,178

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

GROUP AND CHARITY BALANCE SHEETS

Year ended 31 July 2017

Notes

	Group		Charity	
	2017	2016	2017	2016
	£000	£000	£000	£000
Fixed assets				
18 Intangible assets	20	22	2	3
19 Tangible assets held for charitable use	13,412	12,335	13,246	12,160
20 Investments	61	75	180	189
	13,493	12,432	13,428	12,352
Current assets				
21 Stocks	441	388	185	178
22 Debtors	2,426	2,329	3,275	2,684
Cash at bank and in hand	6,752	7,694	3,707	4,472
	9,619	10,411	7,167	7,334
23 Creditors – amounts falling due within one year	(5,625)	(6,461)	(4,977)	(5,231)
Net current assets	3,994	3,950	2,190	2,103
24 Creditors – amounts falling due after more than one year	(192)	(204)	(192)	(204)
Net assets	17,295	16,178	15,426	14,251
FUNDS				
25 Restricted funds	880	825	874	819
26 Unrestricted funds				
Designated funds	300	279	300	279
Accumulated funds	5,621	5,102	3,847	3,270
Revaluation reserves	10,494	9,972	10,405	9,883
Total funds	17,295	16,178	15,426	14,251

The accompanying notes form part of these accounts.

These financial statements were approved and signed on behalf of the Board of Trustees on 6 March 2018 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 2017

		2017 £000	2016 £000
Restricted and unrestricted funds	Notes		
a. STATEMENT OF CASH FLOWS			
Cash flows from operating activities:			
<i>Net cash (used in)/provided by operating activities</i>	b.	(407)	1,168
Cash flows from investing activities:			
Interest receivable		44	40
Interest payable		(139)	(147)
Purchase of tangible fixed assets and construction-in-progress		(779)	(72)
Purchase of intangible fixed assets		(9)	(14)
Investment in joint venture		-	(35)
Net cash used in investing activities		(883)	(228)
Cash flows from financing activities:			
Amounts (repaid)/borrowed from the banks		(265)	18
Net cash provided by financing activities		(265)	18
Net cash used in overseas taxation		(194)	(230)
Change in cash and cash equivalents in the reporting period		(1,749)	728
Cash and cash equivalents at the beginning of the reporting period	c.	7,244	5,633
Change in cash and cash equivalents due to exchange rate		597	883
Cash and cash equivalents at the end of the reporting period	c.	6,092	7,244
b. Reconciliation of net income to net cash flow from operating activities			
Net income for the reporting period (as per the statement of financial activities)		456	233
Adjustments for:			
Impairment on investment		(17)	(12)
Interest receivable		(44)	(40)
Interest payable		139	147
Amortisation of intangible assets		11	6
Taxation payable		194	230
Depreciation – tangible fixed assets		24	195
(Increase)/decrease in stocks		(53)	56
(Increase) in debtors		(97)	(1,168)
(Decrease)/increase in creditors		(789)	1,963
Effect of foreign exchange on net assets		(231)	(442)
Net cash (used in)/provided by operating activities		(407)	1,168
c. Analysis of cash and cash equivalents			
Cash in hand		6,752	7,694
Notice deposits (less than three months)		-	-
Overdraft facility repayable on demand		(660)	(450)
Total cash and cash equivalents		6,092	7,244

ACCOUNTING POLICIES

Year ended 31 July 2017

Notes

I(a) Basis of accounting

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

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

I(b) Going concern

These accounts have been prepared on the going concern basis. In common with other charities, the RAD faces uncertainties arising from current economic conditions. As explained in the report of the trustees, the planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. Page 13 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 UK and its branches for the year to 31 July 2017, 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 annual rates of depreciation are as follows:

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

I(f) Intangible fixed assets

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

I(g) Leases

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

I(h) Investments

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

I(i) Revaluation of assets

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

ACCOUNTING POLICIES

Year ended 31 July 2017

Notes

I(j) Overseas currencies

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

I(k) Recognition of income

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

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

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

I(l) Recognition of expenditure

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

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

I(m) Pension costs

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

I(n) Fund accounting

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

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

NOTES TO THE ACCOUNTS

Year ended 31 July 2017

Notes

I(o) Regional advisory committees

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

I(p) Treatment of VAT

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

I(q) Financial instruments

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

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

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

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

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

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

NOTES TO THE ACCOUNTS

Year ended 31 July 2017

Notes

	2017			2016		
	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	41	-	41	80	-	80
Grants	-	11	11	-	58	58
	41	11	52	80	58	138

3 Trading

Trading consists of sales made by Royal Academy of Dance Enterprises Limited and branch outlets of the RAD. The company acts as the publishing and distribution arm for the Royal Academy of Dance Examinations Board; publishing and selling its syllabi and related teaching resources, in addition to other dance related products. Its products are sold and distributed through its website, catalogues; a shop outlet located within RAD in Battersea, branch outlets and selected stockists.

	2017 £000	2016 £000
Turnover net of taxes and discounts	891	787
Cost of sales and other costs	(571)	(586)
Net income from trading	320	201

Additional income is generated from licensing fees which are disclosed in note 4, as a result of which Royal Academy of Dance Enterprises Limited was able to make a Gift Aid payment of **£442,000** (2016: £353,000) to its parent company.

	2017			2016		
	Unrestricted Funds £000	Restricted funds £000	Total funds £000	Unrestricted funds £000	Restricted funds £000	Total funds £000
4 Other trading activities						
Fundraising activities	14	106	120	18	43	61
Licensing and royalty income	279	-	279	248	-	248
Property and studio hire	75	-	75	55	-	55
	368	106	474	321	43	364
5 Investment income						
Interest received	44	-	44	39	1	40
	44	-	44	39	1	40
6 Education and training fees						
Initial Education	3,409	-	3,409	3,278	-	3,278
Continuing Education	3,047	687	3,734	2,830	648	3,478
	6,456	687	7,143	6,108	648	6,756
7 Other income						
Advertising income	37	-	37	42	-	42
All other income	77	-	77	24	-	24
	114	-	114	66	-	66

NOTES TO THE ACCOUNTS

Year ended 31 July 2017

Notes

	2017			2016		
	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	241	-	241	117	-	117
Property and studio hire	11	-	11	11	-	11
Trading	1,076	-	1,076	1,007	-	1,007
	1,328	-	1,328	1,135	-	1,135
9 Costs of charitable activities						
Examinations	9,877	-	9,877	8,688	-	8,688
Initial Education	4,553	-	4,553	4,391	-	4,391
Continuing Education	4,193	754	4,947	3,394	829	4,223
Subscription	1,016	-	1,016	930	-	930
	19,639	754	20,393	17,403	829	18,232
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	120	-	120	110	-	110
Other services	4	-	4	12	-	12
Fees payable to the charity's auditor and its associates for the audit of the charity's subsidiaries						
Audit fees	55	-	55	60	-	60
Other services	6	-	6	-	-	-
Fees payable to other auditors for the audit of the charity's branches and subsidiaries						
Fees	49	-	49	46	-	46
11 Other expenditure						
Exchange gains / (losses)	86	-	86	(75)	-	(75)
Taxation	(194)	-	(194)	(230)	-	(230)
	(108)	-	(108)	(305)	-	(305)

NOTES TO THE ACCOUNTS

Year ended 31 July 2017

Notes

12 Analysis of indirect support costs¹ Unrestricted funds 2017

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

Unrestricted funds 2016

	Exams	Education	Training	Subscription	Trading	Total Charitable Activities
	£000	£000	£000	£000	£000	£000
Salaries and pensions	1,316	816	386	218	218	2,954
General administration	612	372	187	118	65	1,354
Information technology	113	95	46	30	28	312
Financing charges	61	41	22	12	10	146
Depreciation	99	54	35	19	13	220
Rent and property	345	213	109	34	38	739
Governance	324	140	82	37	50	633
	2,870	1,731	867	468	422	6,358

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

NOTES TO THE ACCOUNTS

Year ended 31 July 2017

Notes

13 Related party transactions

Six trustees (2016: four) who are also examiners, tutors or mentors received £41,478 (2016: £36,123) in related fees and also expenses including travel costs for attending trustee meetings, and a further £5,398 was paid to nine trustees for travel and other expenses to attend Board meetings (2016: six). Payments to trustees who are also examiners, tutors and mentors are in accordance with Articles 6.5, and 10 of the Charter. Trustees received no remuneration for volunteering their time.

The following related party transactions took place during the year:

Related party: Janet Taylor (National Director – New Zealand) as trustee of 14+ Dance Scholarship Foundation
Transaction: Hire of dance studios, pianist and judge's fees to Royal Academy of Dance New Zealand to host 14+ Dance scholarship event.

Cost of transaction: £3,294 (NZL\$5,846) (2016: £Nil (NZ\$ Nil))

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

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

Cost of transaction: £120,058 (¥16,701,416) (2016: £94,085 (¥15,885,485))

Related party: Andre Cois and Ayrton Cois

Transaction: Photography and artwork for Royal Academy of Dance Australia

Cost of transactions: £2,103 (AUS\$3,365) (2016: £ Nil AUS\$ Nil))

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

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

Cost of transaction: £14,262 (Rupiah 240,000,000) (2016: £15,566 (Rupiah 309,996,600))

Amount due at 31 July 2017: £Nil (Rupiah Nil) (2016: £4,025 (Rupiah 69,996,600))

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

Transaction: Administration services for Royal Academy of Dance gGmbH

Cost of transaction: £621 (€ 720) (2016: £546 (€720))

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

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

Transaction: Website management services.

Cost of transaction: £947 (US\$1,200) (2016: £820 (US\$1,200))

Amount due at 31 July 2017: £Nil (US\$Nil) (2016: £Nil (US\$ Nil))

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

Cost of transaction: £595 (US\$754) (2016: £Nil (US\$ Nil))

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

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

Cost of transaction: £12,229 (€ 14,168) (2016: £7,667 (€ 10,108))

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

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

Transaction: Annual office rent for RAD.

Cost of transaction: £5,490 (€6,360) (2016: £4,825 (€ 6,360))

Amount due at 31 July 2017: £Nil (€ Nil) (2016: £ 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: £5,735 (R 98,149) (2016: £7,693 (R 131,657))

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

Related party: Haamsaaveni Murugiah (daughter of Nagaswari Murugiah) as administrator assistant.

Transaction: Employed as an administrator for the Royal Academy of Dance Malaysia.

Cost of transaction: MYR 18,000 (£3,197) (2016: £ Nil (MYR Nil))

All transactions were at arm's length. The RAD has taken advantage of the option conferred by Section 33 of FRS 102 Related Party Disclosures that allows it not to disclose transactions with subsidiaries.

14 Indemnity insurance

Indemnity insurance was included as part of the RAD's global policy to indemnify the RAD from loss arising from the neglect or default of its trustees, employees or agents and to indemnify the trustees and other officers against the consequence of any neglect or default on their part, in accordance with Article 6(h) of the Charter. The cost for the year to 31 July 2017 was **£5,800** (2016: £5,800).

NOTES TO THE ACCOUNTS

Year ended 31 July 2017

Notes

15 Costs of employees

The RAD employed 195 (2016: 191) administrative staff and 45 (2016: 47) commission-based staff worldwide, as well as contracting the services of examiners, teachers, tutors and musicians. Employment costs account for 55% (2016: 63%) of total expenditure (excluding other expenditure):

	2017			2016		
	Unrestricted funds £000	Restricted funds £000	Total funds £000	Unrestricted funds £000	Restricted funds £000	Total funds £000
Employee gross salaries	10,022	-	10,022	8,862	-	8,862
Employee payroll taxes	571	-	571	544	-	544
Employer pension contribution	311	-	311	288	-	288
Employees on commission	704	-	704	613	-	613
Total employment costs	11,608	-	11,608	10,307	-	10,307

The RAD has a number of Regional Advisory Committees (RACs) 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 05), excluding employer's pension contributions, were £517,000 (2016: £501,000).

	2017	2016
Number of Group employees earning:		
Between £110,000 – £120,000	1	-
between £100,001 – £110,000	-	1
between £90,001 – £100,000	1	1
between £80,001 – £90,000	-	-
between £70,001 – £80,000	4	3
between £60,001 – £70,000	4	6

16 Pension costs

The pension charge for the year to 31 July 2017 was **£311,000** (2016: £288,000).

In the UK the RAD currently operates two schemes, representing in total 153 employees (2016: 142), following the introduction of auto-enrolment

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

Elsewhere the RAD operates or contributes to a variety of defined contribution schemes, money purchase schemes or statutory schemes, representing 66 (2016: 51) employees in nine (2016: nine) countries.

17 Taxation

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

18 Intangible assets

Intangible assets consist of computer software and telephone subscription rights of subsidiary companies that are recorded at cost and written off over a number of years. There have been computer software additions during the year of £9,000 (2016: £14,000), offset by amortisation of £11,000 (2016: £6,000). The Charity had amortisation of £1,000 for the year (2016: £1,000).

NOTES TO THE ACCOUNTS

Year ended 31 July 2017

Notes

19 Tangible fixed assets held for charitable use

	Freehold land and buildings	Furniture and office equipment	Computer equipment	Motor vehicles	Total
Group	£000	£000	£000	£000	£000
Cost or Valuation					
At 1 August 2016	12,120	648	1,358	51	14,177
Exchange movements	136	(9)	26	3	156
Revaluation	226	-	-	-	226
Additions	-	7	772	-	779
Disposals	-	(8)	(20)	-	(28)
At 31 July 2017	12,482	638	2,136	54	15,310
Accumulated depreciation					
At 1 August 2016	71	458	1,270	43	1,842
Exchange movements	-	13	25	2	40
Revaluation	(296)	-	-	-	(296)
Charge for the year	225	44	49	2	320
Eliminated on disposals	-	(8)	-	-	(8)
At 31 July 2017	-	507	1,344	47	1,898
Net book value					
At 31 July 2017	12,482	131	792	7	13,412
At 31 July 2016	12,049	190	88	8	12,335
Charity	£000	£000	£000	£000	£000
Cost or Valuation					
At 1 August 2016	11,995	568	1,258	51	13,872
Exchange movements	127	1	13	2	143
Revaluation	226	-	-	-	226
Additions	-	6	757	-	763
Disposals	-	(9)	-	-	(9)
At 31 July 2017	12,348	566	2,028	53	14,995
Accumulated depreciation					
At 1 August 2016	69	412	1,188	43	1,712
Exchange movements	-	8	18	2	28
Revaluation	(296)	-	-	-	(296)
Charge for the year	227	33	43	2	305
Eliminated on disposals	-	-	-	-	-
At 31 July 2017	-	453	1,249	47	1,749
Net book value					
At 31 July 2017	12,348	113	779	6	13,246
At 31 July 2016	11,926	156	70	8	12,160

NOTES TO THE ACCOUNTS

Year ended 31 July 2017

Notes

19 Tangible fixed assets held for charitable use (continued)

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

		Value at 1 August 2016	Charge for the year	Additions to freehold	Increase (decrease) in valuation	Value at 31 July 2017	Net historical cost
UK	£'000	9,742	(195)	-	233	9,780	1,910
Australia	A\$000	3,800	(50)	-	430	4,180	470
South Africa	Rand'000	2,280	-	-	-	2,280	654

	Value at 1 August 2016	Exchange movement	Charge for the Year	Additions to freehold	Increase in valuation	Value at 31 July 2017
	£'000	£'000	£'000	£'000	£'000	£'000
UK	9,742	-	(195)	-	233	9,780
Australia	2,184	127	(30)	-	289	2,570
South Africa	123	9	-	-	-	132
Total	12,049	136	(225)	-	522	12,482

The freehold property in the UK was valued on 31 July 2017 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 2017 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 2017

Notes

	Group		Charity	
	2017	2016	2017	2016
	£000	£000	£000	£000
20 Investments				
Quoted investments				
Market value at 1 August	47	41	42	37
Net realised / unrealised gains	3	6	8	5
Market value at 31 July	50	47	50	42
Historical cost at 31 July	23	23	13	13
Investment in joint venture				
Dance Proms ²	28	5	28	5
Investment during the year	-	35	-	35
less impairment during year	(17)	(12)	(17)	(12)
As at 31 July	11	28	11	28
Investments in subsidiaries				
Balance at 1 August	-	-	119	119
Additions	-	-	-	-
As at 31 July	-	-	119	119
Total investments at 31 July	61	75	180	189
<i>Quoted investments</i>				
Held in the UK	53	43	53	43
Held outside the UK	-	5	-	-

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

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

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

NOTES TO THE ACCOUNTS

Year ended 31 July 2017

Notes

20 Investments (continued) Investments in subsidiaries

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

	Group		Charity	
	2017 £000	2016 £000	2017 £000	2016 £000
21 Stocks				
Finished goods and goods for resale	374	388	185	178
Work in progress	67	-	-	-
Balance at 31 July	441	388	185	178
22 Debtors				
Trade debtors	1,171	763	1,068	672
Amounts due from subsidiaries	-	-	1,154	662
Other debtors	307	360	209	190
Prepayments and accrued income	948	1,206	844	1,160
Balance at 31 July	2,426	2,329	3,275	2,684
23 Creditors: amounts falling due within one year				
Bank overdrafts	(660)	(450)	(660)	(450)
Bank loans	(15)	(264)	(15)	(264)
Trade creditors	(1,636)	(1,761)	(1,490)	(1,315)
Taxation and social security	(206)	(332)	(49)	(161)
Accruals and deferred income	(3,108)	(3,654)	(2,763)	(3,041)
Balance at 31 July	(5,625)	(6,461)	(4,977)	(5,231)

Bank overdrafts

Royal Academy of Dance Enterprises Ltd has a £300,000 overdraft facility with HSBC Bank Plc. This was unutilised at year end.

NOTES TO THE ACCOUNTS

Year ended 31 July 2017

Notes

23 Creditors: amounts falling due within one year

Bank overdrafts (continued)

£660,450 (2016: £450,149) is offset for grouping purposes against other balances held by the RAD in the UK with HSBC Bank Plc and attracts interest at 1% (2016: 1%) on so much as is covered by cleared credit balances, and 1.9% over base rate (2016: 1.9%) on the remainder of it within the limit. It is subject to normal terms and conditions including repayment on demand.

As at 31 July 2017 the RAD in the UK had not utilised any of the £700,000 available in the grouped overdraft facility (2016: £nil).

HSBC Bank Plc will review the RAD's facilities in September 2018. 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.

A Base rate loan facility of £250,000, secured on the property at 36 Battersea Square, London, was made available by HSBC Plc in July 2014 to assist in the payment of professional fees related to the change of planning use on that property. The facility crystallised on draw down in November 2014, was initially repayable in November 2016, and was renegotiated to be repayable in June 2017. It attracts interest at 3.4% over the Bank of England Base Rate. The loan was repaid in June 2017.

	Group		Charity	
	2017	2016	2017	2016
	£000	£000	£000	£000
24 Creditors: amounts falling due after more than one year				
Provision for long-service award	(22)	(18)	(22)	(18)
Bank loans	(170)	(186)	(170)	(186)
Balance at 31 July	(192)	(204)	(192)	(204)

Bank loans

A Bank loan of **£184,650** (2016: £185,886) 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 2017

Notes

25 Movement in other funds

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

NOTES TO THE ACCOUNTS

Year ended 31 July 2017

Notes

Movement in other funds (prior year)

		Type of Fund	Balance at 1 August 2015 £000	Exchange Movement £000	Revalued balance at 1 August 2015 £000	Income £000	Expenditure £000	Net movement £000	Gains on investments realised and unrealised £000	Balance at 31 July 2016 £000
Designated										
Genée Legacy funds	Singapore	Designated	24	-	24	-	(18)	(18)	-	6
Genée Legacy funds	UK	Designated	17	-	17	-	(16)	(16)	-	1
Challengenée funds	UK	Designated	98	-	98	3	-	3	-	101
Social Responsibility fund	Group	Designated	104	4	108	15	(2)	13	-	121
Evans Legacy	USA	Designated	45	8	53	-	(3)	(3)	-	50
			288	12	300	18	(39)	(21)		279
Restricted										
Step into Dance programme	UK	Project	29	-	29	648	(706)	(58)	-	(29)
CLIF programme	UK	Project	17	-	17	14	(24)	(10)	-	7
Benesh Projects	UK	Project	12	-	12	(4)	(3)	(7)	-	5
Scholarship/bursary funds	UK	Restricted	597	-	597	5	(26)	(21)	4	580
Boys Only! funds	UK	Restricted	64	-	64	4	(4)	-	-	64
Iris Truscott fund	UK	Restricted	29	-	29	1	(1)	-	1	30
Regional Scholarship funds	UK	Restricted	55	-	55	22	(20)	2	-	57
Jubilee Awards 2012	UK	Restricted	18	-	18	-	-	-	-	18
RADiate	UK	Restricted	-	-	-	60	(44)	16	-	16
Christel Addison funds	Sth Africa	Restricted	65	5	70	-	-	-	-	70
Scholarship fund	Israel	Restricted	1	-	1	-	-	-	-	1
Total Charity			887	5	892	750	(828)	(78)	5	819
Building fund	Sth Africa	Restricted	7	-	7	-	(1)	(1)	-	6
Total Group			894	5	899	750	(829)	(79)	5	825

NOTES TO THE ACCOUNTS

Year ended 31 July 2017

Notes

Designated funds

Designated funds form part of unrestricted reserves:

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

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

Social Responsibility fund: This was set up in 2011 by the trustees to meet its Public Benefit responsibility through Royal Academy of Dance Enterprises Ltd and branch retail outlets in Australia, Canada, New Zealand, South Africa and the USA gift-aiding or transferring, as appropriate, 2% of their sales turnover after tax and discounts. A total of £14,000 (2016: £15,000) was raised during the year from sales, with £1,000 (2016: £2,000) 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 (2016: £3,000).

Restricted funds

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

These funds are used for specific projects:

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

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

Other restricted funds:

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

Scholarship / bursary funds: To provide grants to students attending teacher education and notation programmes at the RAD. Awards totalling £11,000 were made in this financial year (2016: £27,000).

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 £12,000 in the year 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 Bath and delivered by the RAD; or from BA Ballet Education to LRAD programme. Two awards are made annually.

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 2017

Notes

26 Movement in unrestricted funds

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

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

Movement in unrestricted funds (prior year)

	Balance At 1 August 2015	Exchange movements	Net incoming resources	Other recognised losses	Balance at 31 July 2016
	£000	£000	£000	£000	£000
Charity					
Accumulated funds	2,892	623	46	(12)	3,549
Revaluation reserve	10,174	-	-	(291)	9,883
	13,066	623	46	(303)	13,432

Group					
Accumulated funds	4,253	821	319	(12)	5,381
Revaluation reserve	10,262	-	-	(290)	9,972
	14,515	821	319	(302)	15,353

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

NOTES TO THE ACCOUNTS

Year ended 31 July 2017

Notes

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

	Unrestricted funds £000	Total funds £000
Analysis of group net assets between funds (prior year)		
Tangible fixed assets	12,335	12,335
Intangible fixed assets and investments	50	97
Current assets	9,258	10,411
Current liabilities	(6,086)	(6,461)
Amounts falling due after more than one year	(204)	(204)
Total net assets	15,353	16,178

28 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 **£680,000** (2016: net outgoing resources £255,000).

	Income £000	Expenditure £000	2017 Net income £000	Income £000	2016 Net income £000
Unrestricted funds	11,756	(11,140)	616	10,578	(166)
Restricted and designated funds	835	(771)	64	734	(89)
For the year to 31 July	12,591	(11,911)	680	11,312	(255)

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 Worldwide 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 Cecília, 01228 000 São Paulo-SP, Brasil
Spain, Andorra & Gibraltar	Royal Academy of Dance SL., Ventura i Gassol, 3, 5è-3a, 43203 Reus, Tarragona, Spain
Thailand	RAD Dancing (Thailand) Co Ltd, 121/12, Moo 10, Chiangmai-Hangdong Road, Tambon: Pae Dad, Ampur: Muang, Chiangmai 50100
UK	Royal Academy of Dance Enterprises Ltd, 36 Battersea Square, London SW11 3RA

CHARITY

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

Branch offices

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

UK group

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

Representative offices

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

ADVISERS

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

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

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

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 Royal Academy of Dance



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