

A young ballerina with dark hair pulled back is captured in a dynamic pose within a dance studio. She is wearing a black leotard and white tights, with her feet in pointe shoes. Her right leg is extended forward and slightly to the side, while her left leg is bent and lifted. Her arms are outstretched, and her head is tilted back, looking towards the upper right. The background shows a large, bright studio with wooden floors and glass walls, with ballet barres visible in the distance.

ROYAL ACADEMY OF  
**DANCE**

# Annual Report and Financial Statements

FOR THE YEAR ENDED 31 JULY 2020

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# CHAIRMAN OF THE BOARD OF TRUSTEES' REPORT

We are delighted to publish the Annual Report and financial statements for the Royal Academy of Dance for 2019/20. This report covers a period of unprecedented challenges for us, which is still continuing. As with so many other organisations, the global pandemic has had a very significant impact on our activities. Especially disappointing for the RAD has been the fact that we were not able to celebrate our centenary as we had planned, and so many exciting projects and initiatives have had to be cancelled. Our focus has had to be on addressing the impact of the pandemic on our activities in the UK and around the world. It has been a real challenge – the most difficult environment many of us have ever known – but thanks to the commitment and hard work of the RAD team, we are looking forward to emerging from the crisis and re-dedicating ourselves to our primary purpose of teaching the world to dance.

Because of the pandemic, the Board of Trustees and our Finance and Audit Sub-committee have met much more frequently over the past twelve months to guide the organisation through the difficulties it has faced. We have also prioritised support for our members and students through this period, principally through the provision of additional and enhanced online resources and guidance and, critically, with financial and hardship support. The pandemic has obliged us to migrate many of our activities online, and this has proved a real success. We have learnt a great deal from this experience, and these lessons will inform our plans and be incorporated into our activities as we move back to a more normalised environment.

As Chair of the Board of Trustees, I would formally like to recognise and thank HM Government for the generous support extended to us through the Cultural Recovery Fund. We are very grateful for this, not just for its financial impact, but also as an indication of the value placed on the RAD's work and contribution.

On behalf of my fellow Trustees, I would also like to recognise and commend the RAD management and staff for their exceptional commitment and dedication throughout this extremely difficult and stressful period. They have worked so hard and made sacrifices throughout the year to keep the organisation running, and we are extremely grateful to them.

I would also like to thank all our members, friends and supporters for their help and assistance during this period. Again, this is greatly appreciated. We know many of them have experienced real hardship and difficulties this year, and we hope that better times lie ahead for all.

Finally, I would like to express our sincerest gratitude to our Chief Executive, Luke Rittner who will be retiring once we move into our wonderful new headquarters on York Road (construction of which has continued throughout the pandemic). Luke has been our Chief Executive for over 20 years, and his contribution to the RAD cannot be overstated – it has been truly transformational. Throughout his tenure, he has led the RAD with his wonderful blend of professionalism and passion. It is hard to imagine an Academy without him at the helm, and he will be sorely missed by me and by all of us at the RAD. We wish him the very best for the future.



Guy Perricone  
Chairman

# CHIEF EXECUTIVE'S REPORT

The devastating effects of Covid-19 on the Academy are all too painfully apparent as we look back on the financial year 2019-20. When we issued our last Annual Report, we were looking forward to a year of global celebrations to mark our centenary. In response to the effects of the pandemic, we had to scale back our ambitions in this regard and indeed in all our ambitions in order to focus on the survival of the Academy, the continuation of the business, and to support and guide our staff, our members and our students through the crisis.

In the period under review, we have revised our membership offering to include new categories to more fully match the needs of potential and existing members. We have also rolled out the online Members' Area to Australia, Canada, New Zealand, South Africa and the USA.

In the last report, I highlighted our investment in new technologies, and this investment has proved its worth in the face of the pandemic and the consequent requirement to move many of our services and activities online. As a result of this, video assessments were successfully implemented, allowing over 17,000 candidates internationally to take RAD examinations. We were also able to move to webinar-based models for training and standardisation of examiners.

We also launched the hugely successful RAD@Home online. This focused initially on providing Silver Swans classes for older learners and was fronted by our ambassador for the programme, Angela Rippon CBE. In a further coup, we hosted a special Zoom call with HRH The Duchess of Cornwall where we were able to announce her as the Academy's new Vice Patron. This garnered a significant amount of press coverage for the RAD, and by extension RAD teachers and Licensees, by highlighting the vital contribution dance makes to maintaining good physical and mental wellbeing in young and old alike.

Despite the logistical challenges brought about by the pandemic, we are still on target to move into our new purpose-built headquarters before the end of 2021. We are greatly looking forward to it becoming a home for dance at the centre of our local and international community. We also continue to expand the breadth and range of our activities as a global leader in dance education while connecting with increasingly diverse communities at all levels.

I mentioned at the beginning of my report the need to defer our centenary celebrations. In our response to the pandemic, however, we can hold up our determination to continue to deliver on our mission as a celebration of sorts. Around the world our dedicated management and staff have been under tremendous pressure to carry on and to adapt to new ways of working. All have risen to the challenge in a manner that I'm sure would make our founders proud, as I am, and also very grateful.

This is the last Annual Report that I shall be delivering as Chief Executive. I took up my post in August 1999 and in the intervening years the Academy has embraced an enormous amount of change and has developed into a truly global organisation. There have been many challenges along the way, some of them have been financial, others have been logistical, but throughout this period the Academy's influence has grown significantly. It has been nothing short of a huge privilege for me to have been at the helm of this remarkable organisation for 22 years. I have travelled extensively and met and become friends with many of our members around the world. I have worked closely with colleagues in our international offices, and I have seen at first hand the incredible dedication to their responsibilities, sometimes in very challenging circumstances. I have at times been humbled by the determination, professionalism and calm equilibrium of our examiners who sometimes face difficult and even dangerous situations with a fearless determination to deliver on their responsibilities to the many thousands of young people taking our exams. In the UK, I have been supported by a wonderful team. Again, their absolute commitment to the Academy and its ideals have been a true source of inspiration to me, both on a personal and a professional level. I have also been lucky enough to work with two distinguished Presidents, Dame Antoinette Sibley and Dame Darcey Bussell, and three Chairs, Roger Harrison, Kerry Rubie and Guy Perricone. Together with the Trustees, they have guided me and the Academy with kindness and with wisdom and as a team we have brought the organisation to its current position as a respected global leader in dance education and training. I am of course especially grateful to my senior team, to Gerard Charles, Michelle Groves, Esther McLaughlin, Melanie Murphy, Ian Pogue and James Stockdale and I also want to pay tribute to my Assistant of 29 years, Helen Pottle. Anything I have achieved; I have only achieved with the generous support of all these colleagues.

But for the pandemic, the Academy's financial situation would be stronger than it probably has ever been in its 100-year history, but I have no doubt that financial security will return in the future. It is now time for me to pass the torch. To be able to do so, as we move into our brand-new purpose-built Headquarters, and as the Academy embarks on its second century, the timing feels right. The future of the Academy, in spite of the ravages of the pandemic, looks to me to be a bright one. The principles of our founders remain as pertinent today as they were 100 years ago. The arts, and dance in particular, are if anything even more important than they have ever been. The Academy's mission does nothing less than empower generations of young people and so its very purpose is about the future and there can be no more compelling purpose than that. I have been blessed to be able to serve the Academy and I thank everyone for the part they have played in making it such a rewarding, enjoyable and at times inspiring experience. It has for me been the journey of a lifetime.



Luke Rittner CBE  
Chief Executive

# PATRON, PRESIDENT AND OFFICERS

## Patron

HM Queen Elizabeth II

## Vice Patron

HRH The Duchess of Cornwall GCVO CSM PC (appointed April 2020)

## President

Dame Darcey Bussell DBE

## Chair of the Trustees

Guy Perricone

## Key Management (Executive Board)

Chief Executive

Luke Rittner CBE

Artistic Director

Gerard Charles

Director of Education

Dr Michelle Groves EdD MA BSc (Hons) BPhil (Hons)

Director of Development and Fundraising

Esther McLaughlin MInstF

Director of Marketing and Communications

Melanie Murphy Dip IPR MICPR

Director of Finance and Operations

Ian Pogue BA (Hons) ACA

Director of Examinations

James Stockdale

## Vice Presidents

David Bintley CBE

Li Cunxin AO

Dame Beryl Grey DBE DMus DLitt DEd FRSA CH

Dame Monica Mason DBE

David McAllister OAM

Wayne Sleep OBE

Sir Peter Wright CBE DMus DLitt FBSM

## Advisory Council

Joy W Brown

Barbara Fewster OBE FISTD

Dr Stanley Ho OBE GrOIH Chev Leg d'Hon DSoc Sc CStJ (died May 2020)

Lady Porter

Sir Roy Strong DLitt PhD FRSA FRSL CH

# 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 2020. 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 (2019) and Financial Reporting Standard FRS 102.

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 2020. The entities comprising the group and the charity are shown on page 11.

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

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

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

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

## Principal activities

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

- a registration organisation for dance teachers, providing opportunities for the education and training of young people and adults in dance, and employment opportunities for dance teachers,
- a higher education provider – providing programmes of study and associated qualifications for aspiring dance teachers,
- an awarding organisation – devising and administering a portfolio of examinations in dance which form part of the assessment process of courses of study, delivered by teachers, leading to proficiency in dance at high level, and
- the owner of Benesh Movement Notation and a provider of programmes of study and qualifications for dance notators, and
- an organisation that delivers projects for specifically targeted groups, as well as offering a global programme of activities, events, competitions, awards, bursaries and scholarships aimed at engaging local communities.

Its services can be accessed via [www.royalacademyofdance.org](http://www.royalacademyofdance.org) and through local websites internationally.

## PUBLIC BENEFIT

The RAD is a charity registered in England and Wales. Trustees are required to ensure that they carry out the charity's aims for the public benefit whenever the exercise of any powers or duties may be relevant. As such, the trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aim and objectives of the RAD and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives which are set.

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

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

The trustees have reviewed these aims and consider that the activities of the RAD meet the two main principles of public benefit

- that the benefits are identifiable and are related to the aims of the RAD,
- that the public are the beneficiaries, and that there is no significant exclusion as to who can benefit.

# STRATEGIC AIMS

## Vision

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

## Mission

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

## Aims

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

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

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



# HIGHLIGHTS

While there have been many significant achievements during the year, the second half was hugely challenging to the organisation around the world. This was due mainly to the impact of the pandemic, with face-to-face activities having to cease. Our immediate and ongoing priority was to ensure the health and safety of all those involved in our activities, which meant closure of our headquarters and many of our offices around the world. Although face-to-face classes and exams stopped primarily as a result of lockdowns, we were able to rapidly move our Faculty of Education, and other teaching, online, developing the use of existing platforms, resulting in minimal disruption to our student programmes. We also developed protocols and processes for assessment of exams via video, so that when lockdowns ended, students could return to studios to take their exams. In some countries, such as Australia and New Zealand, we were able to resume face-to-face exams.

Despite these developments, lockdowns and restrictions around the world, combined with the time needed for students to receive teaching and to prepare for exams, meant that exam income was significantly reduced by around 45% (though many exams entered for but not held in the year to 31 July 2020 have been delivered in the current year). Our development of video assessment processes, however, is allowing us to deliver exams around the world where we cannot provide an examiner in person due to travel restrictions.

We have worked hard during this period to support our members around the world with guidance, free online materials, and financial help in the current year, with a reduction in membership fees, and access to hardship programmes. The majority of our staff continue to work from home, though our UK headquarters has been open for limited activities that can only be carried out on site since late summer 2020.

During the whole period of the pandemic, construction of our new headquarters in London has continued. We anticipate, and look forward to, moving in by the late summer of 2021.

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

### Achievements and Performance

#### Faculty of Education (Initial Education)

- The Institutional Agreement and Programme Memoranda between the RAD and University of Bath were signed. This will take effect for three years as of the 20/21 academic year.
- In October 2019, the Professional Dancers' Teaching Diploma underwent a successful periodic review, valid for five years.
- At the Independent Higher Education awards ceremony in London in November 2019, the RAD was awarded as Leaders in Student Outreach and for Advancing International Education as well as receiving an Honourable Mention for Excellence in Student Collaboration.
- Recruitment to Faculty of Education programmes continues to operate in an increasingly competitive market. However, January 2020 saw 407 students begin the Certificate in Ballet Teaching Studies programme, with a first ever cohort in Peru.
- 98% of final year students across university-validated programmes of study graduated in July 2020 with 66% of undergraduate students being awarded 1st class or 2:1 degrees.
- In November 2019, 310 students from 20 different country cohorts graduated from the Certificate in Ballet Teaching Studies. 11 students graduated from the Diploma in Dance Teaching Studies, with 19 students successfully completing the Professional Dancers' Teaching Diploma in China.
- Despite restrictions as a result of the Covid-19 pandemic, all but one Faculty of Education programme (Professional Dancers' Teaching Diploma, London) continued to be delivered online during 2020. Students did return on site for the autumn 2020 term, but the new lockdown in early 2021 has meant a resumption of online delivery.
- Innovative delivery practices for online, blended and hybrid learning, and teaching were implemented through the use of digital technologies. The Faculty of Education was also instrumental in setting up Covid-19-secure teaching spaces, supporting RAD staff in the use of new equipment, and sharing best practice in teaching online.

#### Continuing Professional Development (Continuing Education)

- Zoom cloud-based video conferencing for CPD activities was introduced during 2020.
- From March 2020 onwards, the majority of CPD activities internationally moved from face-to-face to online or virtual modes of delivery to mitigate Covid-19 restrictions.
- In July 2020, CPD UK presented the first fully interactive online summer event. Participation exceeded expectations, helping to mitigate financial losses as a result of postponement and cancellation of face-to-face activities, though overall levels of activity were lower than would be the case in a more standard year (combined with pricing being lower for online courses).
- To mark the RAD's 2020 centenary the following CPD activities were delivered: The Karsavina Heritage workshop, and Pioneers of the RAD webinars: Focus on Tamara Karsavina, Focus on Phyllis Bedells, Focus on Felix Demery and Ruth French, and Focus on Keith Lester.

## Library and Archive

- Throughout lockdown the Library and Archive continued to provide remote support to RAD staff, members, and students on RAD academic programmes with advice, research assistance and access to resources, with only a 30% drop in enquiries from the previous year.
- The Library and Archive increased and promoted the number of digital resources available online to students on Faculty of Education programmes to support digital delivery when teaching moved online due to Covid-19.
- In 2019-20, the Library and Archive changed its opening hours to be open every Saturday, not just during RAD term time, giving members of the public more opportunity to visit. During lockdown periods, however, we have had to close the Library and Archive.
- The online library catalogue continues to be enhanced through interactive features and access to a self-renewal function for library members. Over 60% of library loan renewals now take place via the online catalogue or via the newly introduced library mobile app.
- The RAD archives and special collections were featured in February's Dance Gazette, which published an interview with the RAD Archives and Records Manager, Eleanor Fitzpatrick, and other curators of the V&A's 'On Point' display. Eleanor also wrote an article for the April issue of Dancing Times, previewing the display.

## Benesh International

- Seven new students enrolled on the Professional Award in Benesh Movement Notation.
- Three students graduated from the Professional Award in Benesh Movement Notation, two graduating with distinction and going onto to postgraduate notation study.
- In February 2020 – the first student started the newly re-designed Postgraduate Diploma in Benesh Movement Notation (previous equivalent was the Diploma for Professional Benesh Notators).

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

## Achievements and Performance

### Membership (Subscriptions)

- In August 2019 Membership revised their non-professional membership categories. The Affiliate Member category – renamed RAD Member – was opened up to anyone with an interest and passion in dance or the RAD. This meant they were able to discontinue Friends scheme and move subscribers into the membership scheme. The eligibility criteria for Full Members were also changed from a minimum RAD Advanced I to RAD Intermediate Foundation to recognise and reward members earlier. It was also renamed to 'RAD Member Plus'.
- In September 2019 membership started offering new and increased concessionary rates of 50% for RAD Members and RAD Members Plus who fall in to one of the following categories: Under 18, Over 65, In Full Time Education, and Unemployed. The aim was to increase accessibility and support our wide membership demographic at all stages of their RAD journey.
- The Members' Area was rolled out to Australia, Canada, New Zealand, South Africa and USA. Now all members globally can access their benefits online and 11,017 members (92%) have now registered. The Members' Area was featured as a success story at Association Congress in December 2019. Also, in the Members' Area, JobSearch International was renamed 'Global Jobs' and 'For Sale Board'. By using new software, we improved the functionality by including filters to make it more dynamic, and an interactive layout to make it more user friendly for the hundreds of adverts posted each year.
- We continued to provide a wealth of support to all members throughout the pandemic including Covid-19 updates, business guidance and resources including information for online and in-person classes, as well as enhancements to insurance and financial support. Mental health featured heavily in the content we provided for members and their students.
- In April 2020 we launched the Youth Hub section of the Members' Area with content aimed at 7 to 14-year-olds to entertain, educate and inspire.
- With the launch of the new RAD website, teaching members can now update their details in the Members' Area and see them published automatically on the Find a Teacher map. Teachers can also include links to their social media pages alongside website and e-mail address. In May 2020 we provided new functionality enabling teachers to highlight and promote their online classes. During the year under review the map had 92,924 views.
- Despite the pandemic, we were able to run the annual Photo Competition between April and May 2020 with the theme of dancing at home with Nafisah Baba as our guest judge. We did, however, see a significant drop in entries compared to previous years (46 in 2020 compared to 179 in 2019).

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

### Achievements and Performance

#### Examinations

- Rapid and successful implementation of video assessment procedures and processes were introduced, enabling upwards of 17,000 learners to undertake examinations, worldwide, during the Covid-19 pandemic.
- Successful operation of in-house examinations was facilitated at headquarters by the Examinations Department following Covid-19 safe measures.
- 119,815 examinations, class awards, solo performance awards, presentation and demonstration classes took place around the world – a decrease of 53% on the previous year due to Covid-19. This is still an achievement given the global disruption caused by the pandemic.
- RAD Online Exams were fully rolled out internationally, with overseas offices and their teaching membership adopting the system as of January 2020.
- Successful transition took place to webinar-based models for training, standardisation of examiners and updates, including training on the new marking application, and involvement in CPD courses.

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

### Achievements and Performance

#### Marketing & Communications

- The Genée International Ballet Competition in Toronto garnered over 60 pieces of press coverage, including 36 interviews. Media coverage spanned national and regional press coverage in Canada, including a number of TV features, as well as international and key industry media outlets. An event was also hosted for local influencers, offering them the opportunity to try ballet with a RAD teacher and to meet some of the local candidates.
- In September 2019, Silver Swans Licensee and RAD member, Linda Hesselden, was selected for the inaugural Lucozade Sport's Movers List, recognising and celebrating the unsung people who inspire others to move. The final list was chosen by boxer Anthony Joshua and resulted in coverage in national and regional press.
- In October 2019, we awarded 100-year-old Genée alumna, Henry Danton, his long-awaited silver medal which he won during World War II. Due to a metal shortage at the time, he never received his award. This story attracted 36 pieces of broadcast coverage on both national and regional news, as well as regional radio coverage.
- The same month, the RAD again took part in World Ballet Day – this time also live streaming on YouTube. The stream reached 3,075,457 people, received 443,641 engagements and 690,322 video views.
- In December 2019, we were granted access to film an interview with Genée alumna Francesca Hayward as part of her press activity surrounding the release of the film *Cats*. This partnership gave an insight into the release of this new film to our members and followers with exclusive content for our channels.
- Due to the Covid-19 pandemic, RAD@Home was launched, focusing on online Silver Swans classes for over 55s. To raise the profile of the classes, Silver Swans Ambassador, Angela Rippon CBE, fronted a campaign, which achieved a record-breaking total of 715 pieces of press coverage, including 500 features and 90 pieces of broadcast coverage. The day the campaign launched, there was a record number of visitors (over 10,000) to the RAD website. Across social media channels, we gained a total of 17,413 new followers in April, with 1.1 million video views on Facebook. We were able to convert people who engaged with the videos into e-news subscribers via Facebook advertising, contributing to approximately 2,000 new subscribers, and our social media posts earned over 12.1 million total impressions in the same month.
- In April, we hosted a special Zoom call with HRH The Duchess of Cornwall, Angela Rippon and President Dame Darcey Bussell, which we released to announce The Duchess as RAD's new Vice Patron. HRH revealed that she was a Silver Swan before discussing the benefits she had received from dance, particularly during lockdown. This garnered over 300 pieces of press coverage with a reach of 20.90m, as well as good engagement on social media.

#### RAD Enterprises Ltd

- RAD Enterprises met its target for the year and finished with a surplus of £454,083 compared to £450,245 (2019). The syllabus app was a vital resource during the Covid-19 pandemic and finished the year 24% up on the previous year. We also saw a successful rollout of our 'click and collect' service. This result was a significant achievement given the closure of our shop at Battersea Square during the first UK lockdown.
- We also released a centenary book in 2020 to celebrate 100 years of the Royal Academy of Dance, which went on sale via book shops and online retailers worldwide, as well as the V&A shop. In addition, we developed a range of gift merchandise to be sold in-store and via selected RAD branches.
- The pandemic has slowed the development of a new sales and inventory system and the upgrading of our website platform which will continue to be developed in 2021. Social media and e-newsletter subscriptions remain a key focus in order to drive sales globally.

### **RAD Dance School**

- 2020 Summer Schools in the UK, Italy, Norway and China were unable to go ahead due to Covid-19 restrictions. However, SunDance in Canada was delivered online to 40 students.

### **Step Into Dance**

- During the initial Covid-19 lockdown we held online classes in Street (beginners & improvers), Contemporary (beginners & improvers), Creative Dance (SEND), and Battle Prep. 949 young people signed up to these classes.
- Prior to lockdown classes took place in 138 schools (34 of which were SEND/PRU), in 29 boroughs in London and 8 schools in Essex. This saw 193 sessions a week in schools, reaching 3,304 students.

# RAD corporate structure

All entities below form the Group (the RAD)

## RAD

### Subsidiary companies

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

RAD Singapore  
Pte Ltd  
Singapore

RAD gGmbH  
Germany

Yayasan RAD  
Indonesia

RAD Srl  
Italy

RAD Dancing  
(Malaysia) Sdn Bhd

RAD de Mexico AC  
Mexico

RAD Asbl  
Benelux & France

RAD s2I Company  
South Africa

RAD Brasil Ltda  
South America

RAD SL  
Spain, Andorra  
& Gibraltar

RAD Dancing  
(Thailand) Co Ltd  
Thailand

RAD Enterprises Ltd  
United Kingdom

## Charity

### RAD

### Branch offices

Australia

Canada

Israel

Japan

New Zealand

Portugal

Southern Africa &  
Mauritius

United States

### Representative offices

Caribbean

China

Cyprus

Greece

Hong Kong

Ireland

Malta

Philippines

Scandinavia

South Asia

South Korea

Taiwan

Turkey

UAE & Qatar

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

# CORPORATE GOVERNANCE

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

## President and Vice Presidents

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

## Advisory Council

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

## International Advisers

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

## The Board of Trustees

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

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

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

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

There are currently sixteen elected trustees on the board.

### List A Trustees (Dance)

Thérèse Cantine ARAD (dip PDTC) RTS

Hilary Clark ARAD (dip PDTC) RTS

Deborah Coultish Adv Tch Dip RTS

Sarah Dickinson ARAD Adv Tch Dip RTS

Imogen Knight ARAD BA (Hons) Dip RAD DDE RTS

Darren Parish RAD PDTPDiploma BMN Diploma RAD RTS and Diploma Arts and Dance NFSH

Penny Parks RAD RTS

### List B Trustees

Guy Perricone (Chair)

Joanna Binder

Julia Bond OBE

Peter Flew

Ida Levine BA Juris Doctor JD

Andrew McIntee

David Nixon OBE

Kevin O'Hare CBE

Aliceson Robinson MBA

## Meetings

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

## Constitution

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

The chief executive is responsible for the executive leadership and day-to-day management of the RAD to ensure the delivery of the strategy agreed by the board. The chief executive is supported by six directors as listed on page 3.

## Induction

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 9 trustees in their capacity as examiners, tutors or mentors and rental paid on property used for RAD business. Further detail can be found in note 13 to the financial statements.

## Independence

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

Trustees are required to disclose any third-party interests annually and to disclose any gifts received. These are disclosed in note 13 on page 39.

## 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 Subcommittees

The board operates nine subcommittees, created under bye-law 40 of the RAD's charter. All subcommittees have formal Terms of Reference and Standing Orders which are reviewed annually.

All subcommittees have regular scheduled and unscheduled meetings, and papers are made available to all subcommittee members and those in attendance.

### Finance and Audit Subcommittee

In its capacity as a Finance and Audit Subcommittee, its key function is to support the board in fulfilling its responsibilities in reviewing the effectiveness of the RAD's financial reporting, internal controls and risk management. In addition, the subcommittee 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 subcommittee provides advice to the board on whether these financial statements are fair, balanced and understandable, and provides all the necessary information for members to assess the RAD's performance.

The group's external auditors require certain local auditors of other group entities to report to them, and in addition under international auditing standards are required to consider if they should visit these entities. The German operation was reviewed remotely (given limitations on travel due to the pandemic) by the external auditors in November. Their final report is provided to the Finance and Audit Subcommittee as part of their review of the audit.

The board is currently undertaking a tender process for the audit of the group and will make a recommendation to members at the 2021 AGM.

The Finance Subcommittee also 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 subcommittee also assesses the risks to which the RAD is exposed, and considers any other matters of a legal, statutory or financial nature brought to its attention.

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

#### Trustee members

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

#### Co-opted members

James Cane FCA  
Michelle McGrath (appointed Sept 2020)  
Sandra McAlister (appointed Feb 2021)

#### Director

Director of Finance and Operations

## Nominations and Remuneration Subcommittee

The Nominations and Remuneration Subcommittee 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 subcommittees:

#### Members

|                       |   |
|-----------------------|---|
| Guy Perricone (Chair) | Chairman of Board of Trustees   |
| Julia Bond            | Chair of Finance and Audit Subcommittee                               |
| Joanna Binder         | Chair of Board of Directors of Royal Academy of Dance Enterprises Ltd |
| Peter Flew            | Chair of Education Subcommittee                                       |
| Penny Parks           | Chair of Regional Subcommittee  |
| Ida Levine            | Chair of Fundraising and Development Subcommittee                     |
| Aliceson Robinson     | Chair of Global Membership and Marketing Subcommittee                 |
| Sarah Dickinson       | Chair of Artistic and Examinations Subcommittee                       |
| Andrew McIntee        | Chair of New Headquarters Subcommittee                                |

The seven remaining subcommittees represent the main activities or functions of the RAD. Membership of subcommittees is made up of trustees and co-opted members recruited for their relevant skills and experience. Each of the subcommittees 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 subcommittees. The chairman of the board of trustees is an ex-officio member of each subcommittee.



## Artistic and Examinations Subcommittee

The Artistic and Examinations Subcommittee 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 subcommittee 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

Sarah Dickinson (Chair)  
Hilary Clark ARAD (dip PDTC) RTS  
Thérèse Cantine ARAD (dip PDTC) RTS  
Deborah Coultish Adv Tch Dip RTS  
Penny Parks RAD RTS

### Co-opted members

Iain Mackay  
Louise Norman  
Tim Arnold  
Amanda Eyles  
Bawren Tavasiva

### Directors

Artistic Director  
Director of Examinations

## Education Subcommittee

The Education Subcommittee 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 subcommittee seeks to ensure that all programmes of study are fully accountable, developed and maintained to the highest standards; and are financially viable. It also seeks to ensure that the RAD, as a provider of higher education, upholds its public interest governance principles including, but not limited to, the principles of freedom of speech and academic freedom. The RAD complies with its duties under Section 29 of the Counter-Terrorism and Security Act 2015 (Prevent Duty).

### Trustee members

Peter Flew (Chair)  
Hilary Clark ARAD (dip PDTC) RTS  
Imogen Knight ARAD BA (Hons) Dip RAD DDE RTS

### Student representatives

Nikki Bonett (Undergraduate Student Rep/CBTS) (appointed Nov 2020)  
Bronwyn Young (Postgraduate Student Rep/MAE) (appointed Nov 2020)

### Co-opted members

Maria Clutterbuck (University of Bath representative)  
Dr Joanne Cliffe PhD MSc BEd (Hons)  
Professor Tina Chen FISTD MA Dip RBS TTC ARAD  
Judith Hemery AB (Hons)  
Fiona Sheehan MA BA  
Paula Scales MTD BA(Hons) PGCE RTS  
Professor (Emeritus) Prue Huddleston  
Lynne Reucroft-Croome  
Mandy Donaldson (appointed Nov 2020)  
Calvin Robinson (appointed Nov 2020)  
Shelly Yacopetti (appointed Nov 2020)

### Director

Director of Education

## Global Membership and Marketing Subcommittee

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

### Trustee members

Aliceson Robinson MBA (Chair)

Imogen Knight ARAD BA (Hons) Dip RAD DDE RTS (Vice Chair)

### Co-opted members

Vikki Allport de Orbe Tch Dip RTS

Karen Harris Tch Cert RTS

Shelley Isaac-Clarke Tch Dip RTS

Carol Marlow

Lloyd Stringer

Verity Batchelder

Josh Tuifua

### Director

Director of Marketing and Communications

## Regional Subcommittee

The Regional Subcommittee facilitates feedback from the Regional Ambassadors of the UK and Ireland (who are teaching Members of the RAD) to the Executive Board on all relevant UK and Ireland regional matters. Additionally, the Regional Ambassadors receive updates from the Executive Board on projects and initiatives to share with their regional membership, enhancing member engagement. The subcommittee seeks to ensure that the RAD is fully accountable to its members in the UK and Ireland and maintains the highest standards in all areas of its work. The terms of reference of the subcommittee determine that the incumbent chair is put forward to the board of trustees on initial election as a co-opted trustee and subsequently recommended for election at the AGM.

### Chair and Trustee

Penny Parks RAD RTS (South East England)

### Co-opted members

Reena Bhattacharjee (London & Middlesex) (resigned Dec 2020)

Caitriona Brocklebank (Ireland)

Caroline Peters (Midlands & East of England)

Dawn Edgar-Ulivi (Scotland) (appointed Dec 2020)

Lisa McCourt (Northern Region) (appointed Dec 2020)

Shelley Isaac-Clarke (South West, Wales & Channel Islands) (appointed Dec 2020)

### Director

Chief Executive

## **Board of the Royal Academy of Dance Enterprises Ltd (RADE) Enterprises Subcommittee**

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

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

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

### **Company Directors**

Joanna Binder (Chair)  
Luke Rittner CBE  
Ian Pogue BA (Hons) ACA  
Sue Bacchus

### **Trustee members**

Guy Perricone

### **Co-opted members**

Mark Richardson

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

## **New Headquarters Project Subcommittee**

The New Headquarters Project Subcommittee oversees, on behalf of the trustees, all relevant aspects of the construction, design and fit-out of the Academy's new headquarters on York Road, with the move currently expected in late summer 2021. The subcommittee supports the Chief Executive and Executive Board in ensuring the successful delivery of the project on time and on budget. The subcommittee seeks to uphold the aims and objectives laid down in the Academy's Royal Charter and bye-laws.

### **Trustee members**

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

### **Co-opted members**

Russell Middleton  
Tina Wolder  
James Cane FCA

### **Director**

Chief Executive

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

## Fundraising and Development Subcommittee

The Fundraising and Development Subcommittee drives fundraising and development efforts that support the charitable purposes of the Academy, such as social benefits to the wider community. The subcommittee also advises and supports the Director of Fundraising and Development on matters relating to the development of fundable programmes, fundraising tactics, and the Academy's worldwide events programme.

### Trustee members

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

### Co-opted members

David Banks  
Phil Dolling  
Joanne Muller  
Christopher Nourse  
Jane Karczewski  
Tristan Davies (appointed March 2020)  
Georgina Robbins (appointed Sept 2020)  
James Cane FCA (appointed March 2021)

### Director

Director of Development and Fundraising

Membership comprises trustees and members co-opted from the wider arts, business and philanthropy sectors, and meets four times a year.

## Fundraising

The Development and Fundraising Department follows the rules of the Fundraising Regulator's Code of Fundraising Practice, the Chartered Institute of Fundraising guidance and the Charities Commission guidance on Charitable Law including fundraising.

The objectives of the department include raising funds for the organisation and its charitable purposes through individual gifts, trusts and foundations grants and corporate sponsorship. In the future 'Legacy' fundraising and a 'Patrons' scheme will be developed.

Research and vetting is a key part of fundraising and the processing and storing of information is necessary. All Development staff are GDPR trained, and we follow a strict procedure for storing and maintaining such data. In line with GDPR, the data is stored and protected with limited and only appropriate access to details allowed within the wider team. Briefing of Chief Executive and appropriate trustees is also strictly controlled by the team.

We develop strong personal relationships with our funders and listen to their preferences and requirements. The Department seeks to encourage donations and does not engage in pressurising potential donors. For Trusts and Foundations, there are strict guidelines for applying to and reporting on grants. Personal correspondence, relationship management and donor engagement helps us to build trust with our supporters.

We follow an ethical policy which seeks to ensure we do not accept gifts or support from organisations or individuals where we do not know the donor or where the donor has profited from, or was associated with illegal or criminal activity. We also seek to ensure we do not accept gifts or donations from organisations or individuals where to do so would be a conflict of interest, a reputational risk, or would impact adversely on the ability of the organisation to fulfil its duties.

We do not engage external fundraisers apart from and on occasion, consultants who are vetted, selected and contracted to deliver specific strategies for the organisation following due diligence and conflict of interest guidelines. We do not engage in face-to-face solicitation through third parties.

The department is a team of three professional fundraisers, two of who are members of the Chartered Institute of Fundraising, and report directly to the chief executive and also to the Fundraising and Development Subcommittee and the Board of Trustees.

There have been no complaints to date, but all complaints will be handled swiftly and interrogated thoroughly with reference to the chief executive. We will also respond to any requests for information from individuals or other entities.

## 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, subcommittees, 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 subcommittees receive papers and provide assurance to the board. The trustees review the effectiveness of governance, risk and control through this reporting mechanism as well as management concerns raised by the external auditor through the Finance and Audit Subcommittee. 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

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

### Exposure to risk

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

- **Marketplace and products**

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

In mitigation of these risks, the RAD uses internal impact statements to assess risk, and using the full force of social media to publicise, promote and sell its products and services. We engage with members on an ongoing basis to ensure product relevance and help shape future initiatives.

- **Foreign exchange**

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

It is difficult to forecast movement in foreign exchange, 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**

As shown in the past year, the RAD, like many international organisations, is potentially vulnerable to events such as pandemics, natural phenomena and changes in weather patterns, and to civil war and terrorism. All of these may impede or prevent travel by examination candidates, course attendees, and RAD staff such as examiners and tutors, thereby reducing business and associated income. The RAD has developed policies and procedures to minimise the loss of income caused by such events, and to ensure the safety of staff and examiners. The RAD's response to the Covid-19 pandemic is set out in more detail within the Financial Review.

- **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 can 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 lack of oversight, 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, as well as using external professionals where appropriate, and works with regulatory or statutory authorities to ensure compliance by obtaining guidance and instruction and implementing these as appropriate.

- **People**

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

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

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

It is the RAD's policy to invest in the right people needed to support its operations. We provide training for our staff, including courses applicable to all staff, and external training where relevant to specialisms. The RAD has a performance review process which is linked to our strategic goals and outcomes, which identifies and addresses development needs. It has developed a series of Human Resource policies, the most important of which are Equality and Diversity, Health and Safety, Information Management and Safeguarding, so that employees can strive to improve fairness and safety both in the workplace and for the RAD's customers, ensure compliance with legal responsibilities and to respect one another.

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

All policies and procedures are reviewed and approved annually by the trustees and changes are brought to the attention of employees.

- **Headquarters move**

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

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

A number of measures and initiatives have been or will be put in place:

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

These risks and uncertainties are included in the Corporate and Activity Risk Registers, which are reviewed by relevant subcommittees and Board of Trustees, 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 Management

The RAD does not have a separate Financial Risk Management Committee. This function is assumed by the Finance and Audit Subcommittee. In controlling and underpinning financial risk, the following are considered to be key control procedures:

- **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 (though these have had to be curtailed during the pandemic). Management ensures that qualified finance professionals are appointed to senior positions of financial responsibility. Given the pandemic, it is planned to perform more internal audit work internationally via local professional firms, as carried out in Australia in the last year.

- **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 about integrity, duplication, security and other data issues. A disaster recovery centre operates in the UK. Back-up systems are installed in major international offices. In December 2020 the RAD moved its servers from onsite at headquarters into a hosted data centre, providing additional resilience.

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

# FINANCIAL REVIEW

## Overview

The financial statements have been prepared in accordance with the Charities SORP (FRS 102), applicable from 2019.

## Unrestricted activities

The activities of the group were severely impacted in the year under review by the global Covid-19 pandemic, leading to the cessation of primarily examinations but also other activities around the world from January onwards. The worldwide group reported net expenditure, before transfers and other recognised gains and losses, of £3,507,000 against net income of £142,000 last year restated. Overall examination numbers fell to 119,815 compared to 252,661 in the prior year.

Unrestricted income for the group decreased by 31% to £15,887,000 from £23,123,000, while overall expenditure decreased by around 14% to £19,394,000 from £22,988,000.

The value of the RAD's assets decreased from £23,940,000 to £20,875,000. There was a gain on revaluation of tangible fixed assets of £68,000 (2019: £192,000), and an exchange loss of £144,000 (2019: £143,000 gain) on consolidation. The RAD's headquarters were revalued in the prior year from the previously based education use to its market value based on agreed sale of headquarters building. Please see Note 27 for explanation.

## 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 (m) Fund Accounting. There was net income of £521,000 before transfers and other recognised gains and losses, for the year to 31 July 2020 (2019: net income £71,000) (Note 24).

The RAD is in receipt of a funding grant through to 2020/21 from the Jack Petchey Foundation to run the Step into Dance programme (a fully inclusive, community dance programme in every London borough, and in some Essex schools) as well as using its own funds. All monies received from the Foundation were spent in accordance with the programme's aims.

Bursaries, awards and scholarships were awarded through various Scholarship Funds, Trusts, Jubilee Award and Regional schemes.

## Performance by activity

Our targets for 2019/20 were to:

- Increase worldwide membership to c17,900 including the Youth Membership scheme planned to be launched. Due to the pandemic, the Youth Membership scheme did not launch, and actual membership numbers were 12,222.
- Deliver 254,000 dance examinations. Again, due to the pandemic and cessation of exams for around six months, only 119,815 exams were delivered.
- Generate an unrestricted net income of £750,000 including net fundraising income of £0.3m. The pandemic meant that this was impossible to achieve. The loss of income was partially mitigated by natural reduction in direct costs related to activity, aggressive cutting of discretionary costs, use of government furlough schemes (income received in the year was £529,535 in the UK) and other similar schemes around the world, and reduction in staff working hours for a period.

Our targets for 2020/21 are to:

- deliver 210,000 dance examinations (this will include examinations held over from 2019/20). Given further country lockdowns, particularly in our biggest marketplace of the UK, it is unlikely that we will achieve this target set ahead of the new financial year starting 1 August 2020.
- achieve worldwide membership of 14,457, and
- improve unrestricted net income to net expenditure of £200,000. Again, given further country lockdowns, it will be challenging to achieve this target.

**Subscription income** decreased by 11% to £1,176,000, with net income, not including indirect costs, down 5% at £702,000. The number of Registered Teachers increased slightly from 7,833 to 8,037. All other members decreased slightly from 5,320 to 4,185.

**Examination fees income** decreased by 45% from £13,370,000 to £7,402,000, with direct expenditure decreasing broadly in line by 40% from £7,875,000 to £4,812,000. This resulted in a significant decrease in net income from £5,495,000 to £2,590,000. Total examination entries decreased by around 53% to 119,815 (2019: 252,661). In response to the pandemic, we introduced robust processes for assessment via video submissions, which allowed examinations to resume to some degree within the year, and has provided a model for the new financial year.

Within Education and training fees income, **Initial Education income** was down just £81,000 on prior year at £3,846,000, with overall net income increasing from £788,000 to £1,027,000. During the pandemic we were able to successfully move teaching online to continue to support our students. The number of students on programmes in the year decreased slightly from 1,244 to 1,238, mainly due to starting at a later date as a result of the pandemic. Income from **Continuing Education** fell from £3,596,000 to £1,797,000, as we were unable to deliver face-to-face courses, with overall net expenditure of £445,000 (2019: 315,000 net income).



**Trading income**, together with **Licensing and royalty income**, was approximately in line with prior year at £1,141,000, with no significant product launches. Overall net income increased slightly to £641,000 (2019: £517,000).

**Other income** is derived from advertising, rental from studios, the furlough scheme resulting from government support due to the pandemic, sundry income, gains on exchange, with associated expenditure and taxation on subsidiary company profits.

**Support costs** rose from £7,598,000 to £8,109,000, driven mainly by £676,000 increase in non-cash depreciation and increases in pensions costs due to an increase in the Teachers' Pension contribution rate (£200,000), with net reduction in other areas.

## Operating cash flows and capital expenditure

The group's overall net cash and loans position was **£5,406,000** compared to **£7,291,000** last year restated.

There was a net cash outflow from operations of **£1,567,000** compared to an inflow of £832,000 the year before as restated. Capital expenditure decreased from **£469,000** to **£249,000** with spend primarily on ongoing development of the RADius CRM system prior to the pandemic, and design work for the new headquarters.

## Net assets and reserves policy

The group net assets decreased from **£23,940,000** to **£20,875,000**.

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

As at 31 July 2020 Group readily realisable reserves (net assets excluding fixed assets and restricted funds) stood at £321,000 (2019: £3,156,000). There were no readily realisable reserves in the UK (2019: £430,000), though the UK cash position has improved significantly during 2021 as more operations were able to resume.

The RAD has a long-term overall group reserves policy based on three months' costs. The planned move of the headquarters in the summer of 2021 will require significant additional funding to cover tax liabilities, loose fit-out costs and professional fees. A major capital campaign is ongoing, but it is still anticipated that the major costs noted above will be funded by a combination of long-term financing, fundraising and repatriation of funds from overseas offices. Agreement in principle (subject to credit committee approval) is in place to fund the total via long-term financing if this is required, separate to any financing facilities required for working capital in light of the pandemic. The move will impact the achievement of long-term reserves policies ahead of and in the short-term after the move, depending on how the mix of funding is distributed. The long-term policy would require free group reserves of £2,831,000 (UK £1,890,000).

## Going concern

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

There was a net cash outflow for the group of £1,930,000 in 2019/20, compared to an inflow of £223,000 in prior year, reflecting the impact of the pandemic on activities, with an outflow from operating activities of £1,567,000 (2019: £832,000 inflow). After revaluation due to exchange rates, this resulted in cash and cash equivalents of £5,406,000 at year end (18/19: £7,291,000).

As for many organisations, the last year has been incredibly challenging due to the impact of the Covid-19 pandemic, resulting in overall net expenditure of £2,982,000. However, cashflow impact was significantly less than this, as in many countries around the world cash had been received for examinations that had to be postponed but have subsequently been held after the end of the financial year.

We have adapted our delivery mechanisms, moving teaching online and introducing video assessments for examinations, to enable our activities to continue. While total lockdowns in individual countries remain disruptive for examinations, in many of our key markets such as Asia and Australasia more normal activity has resumed. In all countries, vaccination programmes should hopefully provide a route back to allowing more normal operations within the calendar year.

HSBC Bank Plc renewed the RAD's grouping facility of £700,000 for a further year in June 2020. In addition, in light of the pandemic, an extension of £800,000 to the RAD's grouping facility was agreed in April 2020 (providing an overall facility of £1.5m), which ran to 31 January 2021. Royal Academy of Dance Enterprises Limited's overdraft facility (used during the year to make gift aid payments within the time limits) of £300,000 was renewed for a further year in June 2020.

An application for a CBILS government backed loan of £800,000, repayable over five years, has been approved by HSBC and was drawn down in March 2021, which in effect replaces the temporary RAD overdraft extension with more secure, long-term borrowing. In addition, the RAD was awarded a government cultural recovery fund grant of £606,000 post year end, which provides some mitigation against lower examination activity in the UK as a result of lockdowns. In reviewing the going-concern assumptions, it has been assumed that the overdraft facilities in the UK will be extended for another year. In addition, the RAD is in advanced discussions with HSBC to provide a £2.5m term loan initially secured on the current headquarters but that will be, upon

acquisition, secured on the new HQ building. This new facility, which has HSBC credit committee approval and is subject only to a valuation of the property prior to the loan being drawn down, is expected, when combined with the anticipated proceeds from the capital campaign fundraising currently underway, to more than cover the financing required over the next twelve months for the transfer of the RAD's headquarters to its new location.

Achievement of the RAD's targets for 2020/21 is dependent on the ongoing impact of the pandemic but results to date have been broadly in line with targets. Forecasts have been reviewed for the twelve-month period from date of signing the accounts, including downside scenario planning (particularly further disruption to examinations and shortfall in capital fundraising) and mitigating actions against these. Possible mitigating actions include cost reductions that can be implemented, funds that can be repatriated from overseas and, given the relatively low level of borrowings compared to the valuation of the headquarters and overseas properties, opportunity to raise additional financing if required. Given the additional financing agreed since the year end, and in final stages of agreement referred to above, the trustees have concluded that even with further disruption to activities, including reasonable downside scenarios. The RAD will have sufficient resources available to meet its liabilities as they fall for the twelve-month period from the date of signing the accounts and for this reason have prepared the accounts on a going-concern basis.

## Future outlook

While the last year has been one of the most challenging in the Academy's hundred year history, it has also been a year that has highlighted the incredible dedication of all those involved with the organisation around the world: staff, president, vice-presidents, advisory council, trustees and its subcommittee members, examiners, tutors, teachers, students and parents.

We have worked hard to adapt our ways of operating, particularly in terms of digital and online systems, which has not only allowed us to continue activities during the pandemic, but will provide benefits and efficiencies in the future. While the current year continues to be difficult, the rollout of vaccinations provides hope that we will be able to return to more normal operations relatively soon, having learned from this period. Our targets for the year are set out in the Performance by Activity section.

We are anticipating that we will move into our new purpose-built headquarters in the summer of 2021. This will be a landmark moment for the RAD, and therefore whilst we acknowledge the difficulties of current times and thank everyone involved with the RAD for their incredible efforts, we are excited by our move and the opportunities that it will bring.



Guy Perricone  
Trustee, Board of Trustees



Luke Rittner  
Chief Executive

31 March 2021

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

# STATEMENT OF THE BOARD OF TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, 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, Royal Charter and Bye Laws. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

## Report on the audit of the financial statements

### Opinion

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

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 July 2020 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the Charities Act 2011.

We have audited the financial statements which comprise:

- the group consolidated statement of financial activities;
- the group and parent charity balance sheets;
- the group cash flow statement; and
- the related notes 1 to 27.

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

### Basis for opinion

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

We are independent of the group and of the parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

## Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Office for Students (OfS) "Regulatory Advice 9: Accounts Direction"

No funds have been provided to the company by the OfS and Research England. In our opinion, in all material respects, the requirements of the OfS's accounts direction applicable to entities that are not in receipt of funds by the OfS and Research England have been met.

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

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

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

We have nothing to report in respect of these matters.

## Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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

Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
31 March 2021

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

# GROUP CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year to 31 July 2020

## Notes

|   | 2020                          |                             |                        | 2019 (restated) <sup>1</sup>  |                             |                        |
|---|-------------------------------|-----------------------------|------------------------|-------------------------------|-----------------------------|------------------------|
|   | Unrestricted<br>funds<br>£000 | Restricted<br>funds<br>£000 | Total<br>funds<br>£000 | Unrestricted<br>funds<br>£000 | Restricted<br>funds<br>£000 | Total<br>funds<br>£000 |
| <b>Income and endowments from</b>   |                               |                             |                        |                               |                             |                        |
| 2 Donations and legacies  | 382                           | -                           | 382                    | 48                            | -                           | 48                     |
| 3 Trading   | 814                           | -                           | 814                    | 890                           | -                           | 890                    |
| 4 Other trading activities  | 359                           | -                           | 359                    | 331                           | 118                         | 449                    |
| 5 Investment income   | 28                            | -                           | 28                     | 32                            | -                           | 32                     |
| Income from charitable activities   |                               |                             |                        |                               |                             |                        |
| Examination fees  | 7,402                         | -                           | 7,402                  | 13,370                        | -                           | 13,370                 |
| 6 Education and training fees   | 5,109                         | 534                         | 5,643                  | 6,834                         | 689                         | 7,523                  |
| Subscription income   | 1,176                         | -                           | 1,176                  | 1,323                         | -                           | 1,323                  |
| 7 Other income  | 617                           | 530                         | 1,147                  | 295                           | -                           | 295                    |
| <b>Total income and endowments</b>  | <b>15,887</b>                 | <b>1,064</b>                | <b>16,951</b>          | <b>23,123</b>                 | <b>807</b>                  | <b>23,930</b>          |
| <b>Expenditure</b>  |                               |                             |                        |                               |                             |                        |
| 8 Expenditure on raising funds  | (1,458)                       | -                           | (1,458)                | (1,336)                       | -                           | (1,336)                |
| 9 Expenditure on charitable activities  | (17,409)                      | (543)                       | (17,952)               | (21,301)                      | (736)                       | (22,037)               |
| 11 Other expenditure  | (527)                         | -                           | (527)                  | (351)                         | -                           | (351)                  |
| <b>Total expenditure</b>  | <b>(19,394)</b>               | <b>(543)</b>                | <b>(19,937)</b>        | <b>(22,988)</b>               | <b>(736)</b>                | <b>(23,724)</b>        |
| <b>Net (expenditure) / income before investment gains and losses</b>                                  | <b>(3,507)</b>                | <b>521</b>                  | <b>(2,986)</b>         | <b>135</b>                    | <b>71</b>                   | <b>206</b>             |
| Investments held for investment purposes  |                               |                             |                        |                               |                             |                        |
| Realised losses   | -                             | -                           | -                      | 7                             | -                           | 7                      |
| Unrealised gains  | -                             | 4                           | 4                      | -                             | -                           | -                      |
| <b>Net (expenditure)/ income before transfers between funds and other recognised gains and losses</b> | <b>(3,507)</b>                | <b>525</b>                  | <b>(2,982)</b>         | <b>142</b>                    | <b>71</b>                   | <b>213</b>             |
| <b>Transfers</b>  |                               |                             |                        |                               |                             |                        |
| Transfers between funds   | 530                           | (530)                       | -                      | -                             | -                           | -                      |
| <b>Other recognised gains and losses</b>  |                               |                             |                        |                               |                             |                        |
| On revaluation of tangible fixed assets   | 68                            | -                           | 68                     | 192                           | -                           | 192                    |
| Movement on exchange arising from the consolidation of branches and subsidiaries                      | (144)                         | (7)                         | (151)                  | 143                           | (6)                         | 137                    |
| <b>Net movement in funds</b>  | <b>(3,053)</b>                | <b>(12)</b>                 | <b>(3,065)</b>         | <b>477</b>                    | <b>65</b>                   | <b>542</b>             |
| Fund balances brought forward   | 23,009                        | 931                         | 23,940                 | 22,532                        | 866                         | 23,398                 |
| <b>Total funds carried forward</b>  | <b>19,956</b>                 | <b>919</b>                  | <b>20,875</b>          | <b>23,009</b>                 | <b>931</b>                  | <b>23,940</b>          |

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

<sup>1</sup> See Note 27.

|  |             |
|--|-------------|
| <b>RECONCILIATION OF FUNDS:</b>                        | <b>£000</b> |
| Total funds brought forward as at 01 August 2019       | 17,842      |
| Adjustments to prior year retained funds – see Note 27 | 6,098       |
| Restated total funds brought forward                   | 23,940      |
| Net movement in funds for the year                     | (3,065)     |
| Total funds carried forward                            | 20,875      |

# GROUP AND CHARITY BALANCE SHEETS

As at 31 July 2020

## Notes

|   | Group         |                         | Charity       |                         |
|---|---------------|-------------------------|---------------|-------------------------|
|   | 2020          | 2019                    | 2020          | 2019                    |
|   | £000          | (restated) <sup>1</sup> | £000          | (restated) <sup>1</sup> |
|   |               | £000                    |               | £000                    |
| <b>Fixed assets</b>   |               |                         |               |                         |
| Intangible assets   | 16            | 14                      | 2             | 3                       |
| 18 Tangible assets held for charitable use                  | 19,564        | 19,789                  | 19,394        | 19,594                  |
| 19 Investments  | 55            | 50                      | 268           | 190                     |
|   | <b>19,635</b> | <b>19,853</b>           | <b>19,664</b> | <b>19,787</b>           |
| <b>Current assets</b>                                       |               |                         |               |                         |
| 20 Stocks   | 560           | 552                     | 298           | 318                     |
| 21 Debtors  | 2,250         | 3,173                   | 2,641         | 3,480                   |
| Cash at bank and in hand                                    | 7,021         | 8,087                   | 3,759         | 5,142                   |
|   | <b>9,831</b>  | <b>11,812</b>           | <b>6,698</b>  | <b>8,940</b>            |
| 22 Creditors – amounts falling due within one year          | (8,494)       | (7,605)                 | (7,444)       | (6,672)                 |
| <b>Net current assets</b>                                   | <b>1,337</b>  | <b>4,207</b>            | <b>(746)</b>  | <b>2,268</b>            |
| <b>Total assets less current liabilities</b>                | <b>20,972</b> | <b>24,060</b>           | <b>18,918</b> | <b>22,055</b>           |
| 23 Creditors – amounts falling due after more than one year | (97)          | (120)                   | (97)          | (120)                   |
| <b>Net assets</b>   | <b>20,875</b> | <b>23,940</b>           | <b>18,821</b> | <b>21,935</b>           |
| <b>FUNDS</b>  |               |                         |               |                         |
| 24 Restricted Funds   | 919           | 931                     | 913           | 925                     |
| Unrestricted funds  |               |                         |               |                         |
| 25 Accumulated funds  | 3,409         | 6,530                   | 1,487         | 4,657                   |
| Revaluation reserves  | 16,547        | 16,479                  | 16,421        | 16,353                  |
| <b>Total funds</b>  | <b>20,875</b> | <b>23,940</b>           | <b>18,821</b> | <b>21,935</b>           |

The accompanying notes form part of these accounts.

These financial statements were approved and signed on behalf of the Board of Trustees on 31 March 2021 by:



Guy Perricone  
Chair, Board of Trustees



Julia Bond OBE  
Trustee, Board of Trustees



Luke Rittner CBE  
Chief Executive

<sup>1</sup> See Note 27.



# GROUP CASH FLOW STATEMENT

For the year to 31 July 2020

|   |       | 2020    | 2019<br>(restated) <sup>1</sup><br>£000 |
|---|-------|---------|---|
| Restricted and unrestricted funds   | Notes |         |   |
| a. STATEMENT OF CASH FLOWS  |       |         |   |
| Cash flows from operating activities:   |       |         |   |
| Net cash (used in) / provided by operating activities   | b.    | (1,567) | 832                                     |
| Cash flows from investing activities:   |       |         |   |
| Interest receivable   |       | 28      | 32                                      |
| Interest payable  |       | (134)   | (142)                                   |
| Purchase of tangible fixed assets and construction-in-progress                                    |       | (249)   | (469)                                   |
| Net cash used in investing activities   |       | (355)   | (579)                                   |
| Cash flows from financing activities:   |       |         |   |
| Amounts borrowed (repaid) from the banks  |       | (8)     | (30)                                    |
| Net cash (used in) financing activities   |       | (8)     | (30)                                    |
| Change in cash and cash equivalents in the reporting period                                       |       | (1,930) | 223                                     |
| Cash and cash equivalents at the beginning of the reporting period                                | c.    | 7,291   | 7,015                                   |
| Change in cash and cash equivalents due to exchange rate movements                                |       | 45      | 53                                      |
| Cash and cash equivalents at the end of the reporting period                                      | c.    | 5,406   | 7,291                                   |
| b. Reconciliation of net (expenditure)/income to net cash flow from operating activities          |       |         |   |
| Net (expenditure)/ income for the reporting period (as per the statement of financial activities) |       | (2,982) | 213                                     |
| Adjustments for:  |       |         |   |
| (Reversal of impairment)/Impairment on investment   |       | (4)     | 39                                      |
| Interest receivable   |       | (28)    | (32)                                    |
| Interest payable  |       | 134     | 142                                     |
| Amortisation of intangible fixed assets   |       | 1       | -                                       |
| Overseas tax paid   |       | (15)    | -                                       |
| Depreciation – tangible fixed assets  |       | 480     | 421                                     |
| Increase in stocks  |       | (8)     | (69)                                    |
| Decrease in debtors   |       | 923     | 289                                     |
| Increase/(decrease) in creditors  |       | 55      | (302)                                   |
| Effect of foreign exchange on net assets  |       | (123)   | 131                                     |
| Net cash (used in)/provided by operating activities   |       | (1,567) | 832                                     |
| c. Analysis of cash and cash equivalents  |       |         |   |
| Cash in hand  |       | 7,021   | 8,087                                   |
| Overdraft facility repayable on demand  |       | (1,615) | (796)                                   |
| Total cash and cash equivalents   |       | 5,406   | 7,291                                   |

|  | 2019<br>£000 | Cash flow<br>movement<br>£000 | 2020<br>£000 |
|--|--------------|-------------------------------|--------------|
| Analysis of changes in net debt        |              |                               |              |
| Cash at bank and in hand               | 8,087        | (1,066)                       | 7,021        |
| Overdraft facility repayable on demand | (796)        | (819)                         | (1,615)      |
| Total cash and cash equivalents        | 7,291        | (1,885)                       | 5,406        |
| Debt due within one year               | (13)         | (22)                          | (35)         |
| Debt due after one year                | (103)        | 30                            | (73)         |
| Total                                  | 7,175        | (1,877)                       | 5,298        |

<sup>1</sup> See Note 27.

# ACCOUNTING POLICIES

Year ended 31 July 2020

## Notes

### I(a) Basis of accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2019)". 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 certain fixed assets which have been included at revalued amounts. The Charity meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemption available to it in respect of its separate financial statements in relation to presentation of a cash flow statement. The RAD was incorporated by Royal Charter (RC000436) on 31 December 1936.

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

### I(b) Going concern

These accounts have been prepared on the going concern basis. In common with other charities, the RAD faces uncertainties arising from current economic conditions. As explained in the report of the trustees, the planning process, including financial projections, has taken into consideration the current economic climate as a result of Covid-19 and its potential impact on the various sources of income and planned expenditure, including downside scenarios as well as availability of finance. Page 23 of this report and statements discusses these uncertainties and the trustees conclude that there are no material uncertainties as at the date of this report which may cast doubt about the charity and group's ability to continue as a going concern.

### I(c) Basis of consolidation

The charity accounts include the audited accounts of the Royal Academy of Dance in the United Kingdom and its branches for the year to 31 July 2020, and the consolidated group accounts include the audited accounts of the charity and its subsidiaries. All activities derive from continuing operations.

### I(d) Stocks and work-in-progress

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

### I(e) Tangible fixed assets

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

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

### I(f) Intangible fixed assets

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

### I(g) Investments

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

### I(h) Revaluation of assets

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

### I(i) Overseas currencies

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

# ACCOUNTING POLICIES

Year ended 31 July 2020

## Notes

### I(j) Recognition of income

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

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

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

Government grant income has been included within "Other income". This grant income relates to the UK government job retention scheme as a result of Covid-19. The grant is classified as a revenue-based grant as per the FRS102 accrual model and stipulates that the revenue must be recognised in income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate.

### I(k) Recognition of expenditure

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

- Costs of raising funds: costs of raising funds include expenditure related to support departments and staff members engaged in or contributing to those activities.
- 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.
- 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 2019.
- 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
  - Finance charges: income to cost ratio

### I(l) Pension costs

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

### I(m) Fund accounting

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

- 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.
- Grants, sponsorship and project money awarded to the RAD and its branches and subsidiaries where conditions are related to their expenditure.
- Fundraising events and appeals for monies for specific purposes set up by the RAD and its branches and subsidiaries.
- Funds from unrestricted activities set aside by Trustees to fund particular activities. These are classified as Designated Funds.
- Income and expenditure is treated as per notes I(j) and I(k). All expenditure in pursuance of the conditions is shown as restricted fund expenditure.
- Scholarships and bursaries are paid at the time when the activity for which the award is made requires payment.
- 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 2020

## Notes

### I(n) Regional advisory committees

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

### I(o) Treatment of VAT

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

### I(p) Financial instruments

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

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

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

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

### Critical judgements in applying the Group's accounting policies

The trustees consider that there is a critical judgement relating to land and buildings where the value is attributable to the land rather than the building and therefore no depreciation has been charged in the current year, on the basis that the building has been valued at the agreed resale value which includes plans for the purchaser to redevelop the site.

In reviewing the going-concern assumptions, based on the latest discussions with our bankers, the trustees have assumed that the overdraft facilities in the UK will be extended for another year when they fall due for renewal. Additionally, the trustees are in advanced discussions with HSBC to provide a £2.5m term loan initially secured on the current headquarters but that will be, upon acquisition, secured on the new HQ building. This new facility, which has HSBC credit committee approval and is subject only to valuation of the property prior to the loan being drawn down, is expected, when combined with the anticipated proceeds from the capital campaign fundraising currently underway, to more than cover the financing required over the next twelve months for the transfer of the RAD's headquarters to its new location. In concluding that the Charity and the group are going concerns, the trustees have assumed that these facilities will be available as needed throughout the period of twelve months from the date of signing the accounts.

### Key sources of estimation uncertainty

In the opinion of the trustees there are no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

# NOTES TO THE ACCOUNTS

Year ended 31 July 2020

## Notes

|   | 2020                       |                          |                     | 2019                       |                          |                     |
|---|----------------------------|--------------------------|---------------------|----------------------------|--------------------------|---------------------|
|   | Unrestricted funds<br>£000 | Restricted funds<br>£000 | Total funds<br>£000 | Unrestricted funds<br>£000 | Restricted funds<br>£000 | Total funds<br>£000 |
| <b>2 Income endowments from:</b>  |                            |                          |                     |                            |                          |                     |
| Donations, gifts and legacies   | 382                        | -                        | 382                 | 48                         | -                        | 48                  |
|   | <b>382</b>                 | <b>-</b>                 | <b>382</b>          | <b>48</b>                  | <b>-</b>                 | <b>48</b>           |
| <b>3 Trading</b>  |                            |                          |                     |                            |                          |                     |
| Trading consists of sales made by Royal Academy of Dance Enterprises Limited and branch outlets of the RAD. |                            |                          |                     |                            |                          |                     |
|   |                            |                          |                     | 2020<br>£000               | 2019<br>£000             |                     |
| Turnover net of taxes and discounts   |                            |                          |                     | 814                        | 890                      |                     |
| Cost of sales and other costs   |                            |                          |                     | (500)                      | (631)                    |                     |
| <b>Net income from trading</b>  |                            |                          |                     | <b>314</b>                 | <b>259</b>               |                     |
|   |                            |                          |                     |                            |                          |                     |
|   | 2020                       |                          |                     | 2019                       |                          |                     |
|   | Unrestricted funds<br>£000 | Restricted funds<br>£000 | Total funds<br>£000 | Unrestricted funds<br>£000 | Restricted funds<br>£000 | Total funds<br>£000 |
| <b>4 Other trading activities</b>   |                            |                          |                     |                            |                          |                     |
| Fundraising activities  | -                          | -                        | -                   | -                          | 118                      | 118                 |
| Licensing and royalty income  | 327                        | -                        | 327                 | 258                        | -                        | 258                 |
| Property and studio hire  | 32                         | -                        | 32                  | 73                         | -                        | 73                  |
|   | <b>359</b>                 | <b>-</b>                 | <b>359</b>          | <b>331</b>                 | <b>118</b>               | <b>449</b>          |
| <b>5 Investment income</b>  |                            |                          |                     |                            |                          |                     |
| Interest received   | 28                         | -                        | 28                  | 32                         | -                        | 32                  |
|   | <b>28</b>                  | <b>-</b>                 | <b>28</b>           | <b>32</b>                  | <b>-</b>                 | <b>32</b>           |
| <b>6 Education and training fees</b>  |                            |                          |                     |                            |                          |                     |
| Initial Education   | 3846                       | -                        | 3,846               | 3927                       | -                        | 3,927               |
| Continuing Education  | 1,263                      | 534                      | 1,797               | 2907                       | 689                      | 3,596               |
|   | <b>5,109</b>               | <b>534</b>               | <b>5,643</b>        | <b>6,834</b>               | <b>689</b>               | <b>7,523</b>        |
| <b>7 Other income</b>   |                            |                          |                     |                            |                          |                     |
| Advertising income  | 218                        | -                        | 218                 | 93                         | -                        | 93                  |
| Furlough income*  | -                          | 530                      | 530                 | -                          | -                        | -                   |
| All other income  | 399                        | -                        | 399                 | 202                        | -                        | 202                 |
|   | <b>617</b>                 | <b>530</b>               | <b>1,147</b>        | <b>295</b>                 | <b>-</b>                 | <b>295</b>          |

\*Furlough income relates to income received as a result of the UK government Coronavirus Job Retention Scheme (CJRS). The amount received during the year was £530,000 and 155 staff have been furloughed or part furloughed since March 2020. The grant is accounted for on a revenue basis and therefore there are no unfulfilled conditions or other contingencies attached.

# NOTES TO THE ACCOUNTS

Year ended 31 July 2020

## Notes

Within income we have received £425,770 (excluding UK) as part of the global government assistance scheme. Below is a breakdown of this income.

| Country                  | £              |
|--------------------------|----------------|
| Australia                | 240,527        |
| Canada                   | 95,239         |
| New Zealand              | 23,860         |
| South Africa & Mauritius | 5,308          |
| Germany                  | 8,848          |
| Israel                   | 852            |
| Italy                    | 29,007         |
| Japan                    | 7,349          |
| Singapore                | 12,667         |
| Scandinavia              | 2,113          |
| Total                    | <u>425,770</u> |

# NOTES TO THE ACCOUNTS

Year ended 31 July 2020

## Notes

|   | 2020               |                   |               |               | 2019               |                   |               |               |
|---|--------------------|-------------------|---------------|---------------|--------------------|-------------------|---------------|---------------|
|   | Unrestricted funds | Restricted funds  | Support costs | Total funds   | Unrestricted funds | Restricted funds  | Support costs | Total funds   |
|   | Direct costs £000  | Direct costs £000 | costs £000    | £000          | Direct costs £000  | Direct costs £000 | costs £000    | £000          |
| <b>Expenditure</b>                      |                    |                   |               |               |                    |                   |               |               |
| <b>8 Costs of raising funds</b>         |                    |                   |               |               |                    |                   |               |               |
| Fundraising activities                  | 454                | -                 | 54            | 508           | 318                | -                 | -             | 318           |
| Trading                                 | 500                | -                 | 450           | 950           | 631                | -                 | 387           | 1,018         |
|   | <b>954</b>         | <b>-</b>          | <b>504</b>    | <b>1,458</b>  | <b>949</b>         | <b>-</b>          | <b>387</b>    | <b>1,336</b>  |
| <b>9 Costs of charitable activities</b> |                    |                   |               |               |                    |                   |               |               |
| Examinations                            | 4,812              | -                 | 3,609         | 8,421         | 7,875              | -                 | 3,689         | 11,564        |
| Initial Education                       | 2,819              | -                 | 2,370         | 5,189         | 3,139              | -                 | 1,744         | 4,883         |
| Continuing Education                    | 1,699              | 543               | 1,048         | 3,290         | 2,545              | 736               | 1,197         | 4,478         |
| Subscription                            | 474                | -                 | 578           | 1,052         | 531                | -                 | 581           | 1,112         |
|   | <b>9,804</b>       | <b>543</b>        | <b>7,605</b>  | <b>17,952</b> | <b>14,090</b>      | <b>736</b>        | <b>7,211</b>  | <b>22,037</b> |

|  | 2020                          |                             |                        | 2019                          |                             |                        |
|--|-------------------------------|-----------------------------|------------------------|-------------------------------|-----------------------------|------------------------|
|  | Unrestricted<br>funds<br>£000 | Restricted<br>funds<br>£000 | Total<br>funds<br>£000 | Unrestricted<br>funds<br>£000 | Restricted<br>funds<br>£000 | Total<br>funds<br>£000 |
| <hr/>  |                               |                             |                        |                               |                             |                        |
| <b>10 Auditor fees payable</b>   |                               |                             |                        |                               |                             |                        |
| <b>Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts</b> |                               |                             |                        |                               |                             |                        |
| Audit fees   |                               |                             |                        |                               |                             |                        |
| 2019-20  | 125                           | -                           | 125                    | 108                           | -                           | 108                    |
| 2018-19 additional fees  | 37                            | -                           | 37                     | -                             | -                           | -                      |
| Other services   | 13                            | -                           | 13                     | 3                             | -                           | 3                      |
| <b>Fees payable to the Group's auditor and its associates for the audit of the Group's subsidiaries</b>    |                               |                             |                        |                               |                             |                        |
| Audit fees   | 48                            | -                           | 48                     | 46                            | -                           | 46                     |
| Other services   | 2                             | -                           | 2                      | 11                            | -                           | 11                     |
| <b>Fees payable to other auditors for the audit of the Group's branches and subsidiaries</b>               |                               |                             |                        |                               |                             |                        |
| Fees   | 75                            | -                           | 75                     | 54                            | -                           | 54                     |
| <b>11 Other expenditure</b>  |                               |                             |                        |                               |                             |                        |
| Exchange gains   | -                             | -                           | -                      | 71                            | -                           | 71                     |
| All other expenditure***   | 401                           | -                           | 401                    | -                             | -                           | -                      |
| Taxation   | 126                           | -                           | 126                    | 280                           | -                           | 280                    |
|  | <b>527</b>                    | <b>-</b>                    | <b>527</b>             | <b>351</b>                    | <b>-</b>                    | <b>351</b>             |

\*\*\* All other expenditures relates mostly to write-offs of balances not deemed recoverable in the year.

# NOTES TO THE ACCOUNTS

Year ended 31 July 2020

## Notes

### 12 Analysis of indirect support costs<sup>2</sup> Unrestricted funds 2020

|                        | Examinations | Initial<br>Education | Continuing<br>Education | Subscription | Trading    | Fundraising<br>activities | Total        |
|------------------------|--------------|----------------------|-------------------------|--------------|------------|---------------------------|--------------|
|                        | £000         | £000                 | £000                    | £000         | £000       | £000                      | £000         |
| Salaries and pensions  | 1,844        | 985                  | 425                     | 278          | 222        | 29                        | 3,783        |
| General administration | 677          | 536                  | 254                     | 149          | 71         | 16                        | 1,703        |
| Information technology | 164          | 139                  | 57                      | 38           | 35         | 3                         | 436          |
| Financing charges      | 60           | 42                   | 17                      | 8            | 5          | 1                         | 133          |
| Depreciation           | 317          | 318                  | 142                     | 44           | 41         | 3                         | 865          |
| Rent and property      | 300          | 219                  | 97                      | 32           | 29         | 1                         | 678          |
| Governance             | 247          | 131                  | 56                      | 29           | 47         | 1                         | 511          |
|                        | <b>3,609</b> | <b>2,370</b>         | <b>1,048</b>            | <b>578</b>   | <b>450</b> | <b>54</b>                 | <b>8,109</b> |

### Unrestricted funds 2019

|                        | Examinations | Initial<br>Education | Continuing<br>Education | Subscription | Trading    | Fundraising<br>activities | Total        |
|------------------------|--------------|----------------------|-------------------------|--------------|------------|---------------------------|--------------|
|                        | £000         | £000                 | £000                    | £000         | £000       | £000                      | £000         |
| Salaries and pensions  | 1,752        | 836                  | 537                     | 275          | 192        | -                         | 3,592        |
| General administration | 927          | 429                  | 299                     | 157          | 62         | -                         | 1,874        |
| Information technology | 219          | 140                  | 80                      | 50           | 33         | -                         | 522          |
| Financing charges      | 72           | 34                   | 20                      | 10           | 5          | -                         | 141          |
| Depreciation           | 199          | 94                   | 84                      | 31           | 17         | -                         | 425          |
| Rent and property      | 321          | 159                  | 104                     | 34           | 25         | -                         | 643          |
| Governance             | 199          | 52                   | 73                      | 24           | 53         | -                         | 401          |
|                        | <b>3,689</b> | <b>1,744</b>         | <b>1,197</b>            | <b>581</b>   | <b>387</b> | <b>-</b>                  | <b>7,598</b> |

<sup>2</sup> The basis of allocation of support costs are disclosed in note 1(k)



# NOTES TO THE ACCOUNTS

Year ended 31 July 2020

## Notes

### 13 Related party transactions

Nine trustees (2019: ten) who are also examiners, tutors or mentors received a total of £32,442 (2018: £53,644) in relation to fees and expenses including travel costs for attending Trustee meetings. 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. Two donations (£35,000) were received from trustees during the year (2019: £Nil)

The following related party transactions took place during the year:

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

Transaction: Hire of dance studios, office space and seconded staff for examinations, courses, summer school and administration

Cost of transaction: £95,001 ¥12,926, 956 (2019: £94,805 (¥14,092,836))

Amount due at 31 July 2020: £20,670 (¥2,849,524) (2019: £14,085 (¥2,093,740))

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

Transaction: Organiser commission and office rental

Cost of transaction: £14,822 (Rupiah 273,305,539) (2019: £13,016 (Rupiah 240,000,000))

Amount due at 31 July 2020: £5,094 (Rupiah 97,963, 651) (2019: £13,016 (Rupiah 240,000,000))

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

Transaction: Credit for advance expenses

Cost of transaction: £Nil (€Nil) (2019: £5,830 (€ 6,581))

Amount due at 31 July 2020: £Nil (€Nil) (2019: £5,830 (€ 6,581))

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

Transaction: Annual office rent for RAD.

Cost of transaction: £14,822 (Rupiah 273,305,539) (2019: £13,016 (Rupiah 240,000,000))

Amount due at 31 July 2020: £Nil (€Nil) (2019: £5,634 (€6,360))

Related party: Mr Lume (Husband of Olivia Lume, National Director –South Africa) as owner of Lumeco Graphics and Media  
Transaction: Layout and design for RAD publications. Overseeing RAD South Africa website and security devices at the premises.

Filming of CBTS ISP assessments and SOLO seal examinations

Cost of transaction: £6,918 (R138,870) (2019: £13,890 (R240,880))

Amount due at 31 July 2020: £ Nil (R Nil) (2019: £ Nil (R Nil))

Related party: Nicole Lume (Daughter of Olivia Lume)

Transaction: Temporary clerical work

Cost of transaction: £1,270 (R25,495) (2019: £1,002 (R17,378))

Amount due at 31 July 2020: £ Nil (R Nil) (2019: £ Nil (R Nil))

Related party: Mitrayaya Developments – Career Hunter (Company owned by daughter in law of RAD SA employee)

Transaction: Placement fees

Cost of transaction: £607 (R12,190) (2019: £Nil (RNil))

Amount due at 31 July 2020: £ Nil (R Nil) (2019: £ Nil (R Nil))

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

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

Cost of transaction: £2,830 (THB 110,893) (2019: £4,361 (THB 190,154))

Amount due at 31 July 2020: £ Nil (THB Nil) ( 2018: £ Nil (THB Nil))

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

Transaction: AC Photography for event photography

Cost of transaction: £754 (AUD\$1,421) (2019: £887 (AUD\$ 1,550))

Amount due at 31 July 2020: £ Nil (AUD\$Nil) (2019: £ Nil (AUD\$Nil))

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

Transaction: Administration services for Royal Academy of Dance gGmbH

Cost of transaction: £637 (€ 720) (2019: £Nil (€Nil))

Amount due at 31 July 2020: £ Nil (€ Nil) (2019: £ Nil (€ Nil))

Related party: Verdant Capital China (Chief Representative's husband is Non-Executive director of Verdant Capital China)

Transaction: Annual office rent for RAD.

Cost of transaction: £11,255 (CNY 100,000) (2019: £Nil (CNY Nil))

Amount due at 31 July 2020: £Nil (CNY Nil) (2019: £ Nil (CNY Nil))

# NOTES TO THE ACCOUNTS

Year ended 31 July 2020

## Notes

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

Transaction: Website management services

Cost of transaction: £4,789 (US\$6,035) (2019: £2,957 (US\$3,979))

Amount due at 31 July 2020: £Nil (US\$Nil) (2019: £Nil (US\$ Nil))

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

Cost of transaction: £7,471 (US\$ 9,414) (2019: £4,345 (US\$5,848))

Amount due at 31 July 2020: £Nil (US\$ Nil) (2019: £Nil (US\$ Nil))

Related party: Dance Etc (National Director – Portugal)

Transaction: Studio hire for Exams and CPD activities and office hire.

Cost of transaction: £3,185 (€ 3,600) (2019: £Nil (€ Nil))

Amount due at 31 July 2020: £ Nil (€ Nil) (2019: £ Nil (€ Nil))

Transaction: Pilar Monteiro (niece of National Director) as employee of RAD Portugal

Cost of transaction: £16,698 (€ 18,872) (2019: £Nil (€ Nil))

Amount due at 31 July 2020: £Nil (€ Nil) (2019: £Nil (€ Nil))

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

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

## 14 Indemnity insurance

Indemnity insurance was included as part of the Academy's global policy to indemnify the Academy from loss arising from the neglect or default of its trustees, employees or agents and to indemnify the trustees and other officers against the consequence of any neglect or default on their part, in accordance with Article 6(h) of the Charter. The cost for the year to 31 July 2020 was £10,051 (2019: £6,281).

# NOTES TO THE ACCOUNTS

Year ended 31 July 2020

## Notes

### 15 Costs of employees

The RAD employed 230 (2019: 215) administrative staff and 43 (2019: 42) commission-based staff worldwide, as well as contracting the services of examiners, teachers, tutors and musicians. Employment costs account for 57% (2019: 54%) of total expenditure (excluding other expenditure):

|                               | 2020                          |                             |                        | 2019                          |                             |                        |
|-------------------------------|-------------------------------|-----------------------------|------------------------|-------------------------------|-----------------------------|------------------------|
|                               | Unrestricted<br>funds<br>£000 | Restricted<br>funds<br>£000 | Total<br>funds<br>£000 | Unrestricted<br>funds<br>£000 | Restricted<br>funds<br>£000 | Total<br>funds<br>£000 |
| Employee gross salaries       | (9,982)                       | -                           | (9,982)                | (11,163)                      | -                           | (11,163)               |
| Employee payroll taxes        | (665)                         | -                           | (665)                  | (716)                         | -                           | (716)                  |
| Employer pension contribution | (477)                         | -                           | (477)                  | (350)                         | -                           | (350)                  |
| Employees on commission       | (375)                         | -                           | (375)                  | (755)                         | -                           | (755)                  |
| <b>Total employment costs</b> | <b>(11,499)</b>               | <b>-</b>                    | <b>(11,499)</b>        | <b>(12,984)</b>               | <b>-</b>                    | <b>(12,984)</b>        |

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

The total employee benefits in respect of employees of the charity earning in excess of £60,000 annually (excluding employer's pension contributions) were £622,000 (2019: £641,000).

| Basic salary                              | 2020 | 2019 |
|---|------|------|
| <b>Number of group employees earning:</b> |      |      |
| Between £125,000 – £129,999               | 1    | 1    |
| Between £120,000 – £124,999               | -    | -    |
| Between £115,000 – £119,999               | -    | -    |
| Between £110,000 – £114,999               | -    | -    |
| Between £105,000 – £109,999               | -    | -    |
| Between £100,001 – £104,999               | 1    | 1    |
| Between £90,001 – £100,000                | -    | -    |
| Between £80,001 – £90,000                 | -    | -    |
| Between £70,001 – £80,000                 | 6    | 6    |
| Between £60,001 – £70,000                 | 6    | 5    |

### Chief Executive

The Chief Executive is the head of RAD and is remunerated through the UK Group. The Chief Executive is a member of the Executive Board of RAD the Group (the Academy) which sets the strategy and direction of the organisation over the medium and long term. The Chief Executive's remuneration package is based on a number of factors which are kept under review annually. The Nominations and Remuneration Subcommittee considers the remuneration of key management including the Chief Executive's remuneration by reference to the roles performed and market rates for comparable positions within the sector.

The Chief Executive's basic salary is 4 times the average staff pay where the average pay is calculated on an absolute headcount basis for the salaries paid by the organisation to its staff. The Chief Executive's total remuneration is 4 times the average total remuneration of staff, where the average total remuneration is calculated on an absolute headcount basis for the total remuneration by the organisation of its staff.

|  |                |                |
|--|----------------|----------------|
| Basic salary: Average staff salary ratio             | 4:1            | 4:1            |
| Total remuneration: Average staff total remuneration | 4:1            | 4:1            |
| Chief Executive                                      | £              | £              |
| Basic salary   | 127,345        | 124,848        |
| Pension contributions                                | 14,409         | 12,017         |
| Occupational health insurance                        | 5,985          | 6,727          |
| <b>Total remuneration</b>                            | <b>147,739</b> | <b>143,592</b> |

# NOTES TO THE ACCOUNTS

Year ended 31 July 2020

## Notes

### 16 Pension costs

The pension charge for the year to 31 July 2020 was £477,000 (2019: £350,000).

In the UK the Academy currently operates two schemes, representing in total 151 employees (2019: 148), 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 67 (2019: 56) employees in 12 (2019: 11) countries.

### 17 Taxation

The RAD is a charitable organisation and is entitled to UK tax exemptions available to charities under the Corporation Tax Act 2010 (chapters 2 and 3 of part ii, section 466 onwards). The Royal Academy of Dance Enterprises Limited gift aids its "annual profits", as defined by a Deed of Covenant entered into with the RAD. Provision for UK taxation has only been made in respect of any residual profit of the Royal Academy of Dance Enterprises Limited. Subject to the availability of similar charitable exemptions overseas, provision has been made for overseas taxation on the profits of overseas subsidiaries and branches.

# NOTES TO THE ACCOUNTS

Year ended 31 July 2020

## Notes

### 18 Tangible fixed assets held for charitable use

|  | Freehold<br>land and<br>buildings | Furniture<br>and office<br>equipment | Computer<br>equipment | Motor<br>vehicles | Total         |
|--|-----------------------------------|--------------------------------------|-----------------------|-------------------|---------------|
| Group                                    | £000                              | £000                                 | £000                  | £000              | £000          |
| <b>Cost or valuation</b>                 |                                   |                                      |                       |                   |               |
| At 1 August 2019 as previously stated    | 12,730                            | 630                                  | 3,031                 | 52                | 16,443        |
| Land & buildings prior year revaluation* | 5,800                             | -                                    | -                     | -                 | 5,800         |
| At 1 August 2019 restated                | 18,530                            | 630                                  | 3,031                 | 52                | 22,243        |
| Exchange movements                       | (26)                              | 6                                    | (13)                  | (4)               | (37)          |
| Revaluation                              | -                                 | -                                    | -                     | -                 | -             |
| Additions                                | 36                                | 15                                   | 198                   | -                 | 249           |
| Disposals                                | -                                 | (6)                                  | (3)                   | -                 | (9)           |
| <b>At 31 July 2020</b>                   | <b>18,540</b>                     | <b>645</b>                           | <b>3,213</b>          | <b>48</b>         | <b>22,446</b> |
| <b>Accumulated depreciation</b>          |                                   |                                      |                       |                   |               |
| At 1 August 2019                         | -                                 | 569                                  | 1,833                 | 51                | 2,453         |
| Exchange movements                       | -                                 | (12)                                 | (1)                   | (4)               | (17)          |
| Revaluation*                             | (25)                              | -                                    | -                     | -                 | (25)          |
| Charge for the year                      | 25                                | 33                                   | 421                   | 1                 | 480           |
| Eliminated on disposals                  | -                                 | (6)                                  | (3)                   | -                 | (9)           |
| <b>At 31 July 2020</b>                   | <b>-</b>                          | <b>584</b>                           | <b>2,250</b>          | <b>48</b>         | <b>2,882</b>  |
| <b>Net book value</b>                    |                                   |                                      |                       |                   |               |
| <b>At 31 July 2020</b>                   | <b>18,540</b>                     | <b>61</b>                            | <b>963</b>            | <b>-</b>          | <b>19,564</b> |
| At 31 July 2019 (restated)*              | 18,530                            | 60                                   | 1,198                 | 1                 | 19,789        |
| <b>Charity</b>                           | <b>£000</b>                       | <b>£000</b>                          | <b>£000</b>           | <b>£000</b>       | <b>£000</b>   |
| <b>Cost or Valuation</b>                 |                                   |                                      |                       |                   |               |
| At 1 August 2019 as previously stated    | 12,566                            | 547                                  | 2,898                 | 52                | 16,063        |
| Land & buildings prior year revaluation* | 5,800                             | -                                    | -                     | -                 | 5,800         |
| At 1 August 2019 restated                | 18,366                            | 547                                  | 2,898                 | 52                | 21,863        |
| Exchange movements                       | 5                                 | (7)                                  | (19)                  | (4)               | (25)          |
| Revaluation*                             | -                                 | -                                    | -                     | -                 | -             |
| Additions                                | 36                                | 6                                    | 193                   | -                 | 235           |
| Disposals                                | -                                 | -                                    | -                     | -                 | -             |
| <b>At 31 July 2020</b>                   | <b>18,407</b>                     | <b>546</b>                           | <b>3,072</b>          | <b>48</b>         | <b>22,073</b> |
| <b>Accumulated depreciation</b>          |                                   |                                      |                       |                   |               |
| At 1 August 2019                         | (1)                               | 498                                  | 1,722                 | 50                | 2,269         |
| Exchange movements                       | 1                                 | (21)                                 | (3)                   | (4)               | (27)          |
| Revaluation                              | (25)                              | -                                    | -                     | -                 | (25)          |
| Charge for the year                      | 25                                | 26                                   | 410                   | 1                 | 462           |
| Eliminated on disposals                  | -                                 | -                                    | -                     | -                 | -             |
| <b>At 31 July 2020</b>                   | <b>-</b>                          | <b>503</b>                           | <b>2,129</b>          | <b>47</b>         | <b>2,679</b>  |
| <b>Net book value</b>                    |                                   |                                      |                       |                   |               |
| At 31 July 2020                          | 18,407                            | 43                                   | 943                   | 1                 | 19,394        |
| <b>At 31 July 2019 (restated)*</b>       | <b>18,367</b>                     | <b>49</b>                            | <b>1,176</b>          | <b>2</b>          | <b>19,594</b> |

\* Please see Note 27 for explanation relating to land & buildings prior year revaluation.

# NOTES TO THE ACCOUNTS

Year ended 31 July 2020

## Notes

### 18 Tangible fixed assets held for charitable use (continued)

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

|              |          | Value at 1<br>August 2019<br>(restated) | Charge for<br>the year | Additions to<br>freehold | Increase /<br>(decrease) in<br>valuation | Value at 31<br>July 2020 | Net historical<br>cost |
|--------------|----------|---|------------------------|--------------------------|--|--------------------------|------------------------|
| UK           | £'000    | 15,114                                  | -                      | 36                       | -  | 15,150                   | 2,063                  |
| Australia    | A\$000   | 4,700                                   | (46)                   | -                        | 46                                       | 4,700                    | 470                    |
| South Africa | Rand'000 | 2,912                                   | -                      | -                        | (632)                                    | 2,280                    | 654                    |

|              |               | Value at 1<br>August 2019<br>(restated) | Exchange<br>movement | Charge for<br>the year | Additions To<br>freehold | Increase /<br>(decrease) in<br>valuation | Value at 31<br>July 2020 |
|--------------|---------------|---|----------------------|------------------------|--------------------------|--|--------------------------|
|              | £'000         | £'000                                   | £'000                | £'000                  | £'000                    | £'000                                    | £'000                    |
| UK           | 15,114        | -                                       | -                    | 36                     | -                        | 15,150                                   |                          |
| Australia    | 2,663         | -                                       | (25)                 | -                      | 25                       | 2,663                                    |                          |
| South Africa | 170           | -                                       | -                    | -                      | (28)                     | 142                                      |                          |
| <b>Total</b> | <b>17,947</b> | <b>-</b>                                | <b>(25)</b>          | <b>36</b>              | <b>(3)</b>               | <b>17,955</b>                            |                          |

The freehold property in the UK has been value at the contractual sale price – please see Note 27 for explanation relating to land & buildings prior year revaluation.

The freehold property in Australia was valued on 31 July 2020 at fair value. This has been carried out by 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 2020

## Notes

|  | Group     |           | Charity    |            |
|--|-----------|-----------|------------|------------|
|  | 2020      | 2019      | 2020       | 2019       |
|  | £000      | £000      | £000       | £000       |
| <b>19 Investments</b>                    |           |           |            |            |
| <b>Quoted investments</b>                |           |           |            |            |
| Market value at start of year            | 50        | 66        | 45         | 67         |
| Net realised / unrealised gains (losses) | 5         | (16)      | 4          | (22)       |
| <b>Market value at 31 July</b>           | <b>55</b> | <b>50</b> | <b>49</b>  | <b>45</b>  |
| <b>Historical cost at 31 July</b>        | <b>23</b> | <b>23</b> | <b>13</b>  | <b>13</b>  |
| <b>Investment in joint venture</b>       |           |           |            |            |
| Dance Proms <sup>3</sup>                 | -         | 24        | -          | 24         |
| less impairment during year              | -         | (24)      | -          | (24)       |
| <b>As at 31 July</b>                     | <b>-</b>  | <b>-</b>  | <b>-</b>   | <b>-</b>   |
| <b>Investments in subsidiaries</b>       |           |           |            |            |
| Balance at start of year                 | -         | -         | 144        | 120        |
| Exchange differences                     | -         | -         | 75         | 25         |
| <b>As at 31 July</b>                     | <b>-</b>  | <b>-</b>  | <b>219</b> | <b>145</b> |
| <b>Total investments at 31 July</b>      | <b>55</b> | <b>50</b> | <b>268</b> | <b>190</b> |
| <i>Quoted investments</i>                |           |           |            |            |
| Held in the United Kingdom               | 55        | 50        | 49         | 45         |
| Held outside the United Kingdom          | -         | -         | -          | -          |

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

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

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

### 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%                      | 64                       |
| Yayasan Royal Academy of Dance Indonesia | Indonesia                | Yayasan No 138         | 100% control              | -                        |
| Royal Academy of Dance Srl               | Italy                    | TN-0174567             | 99%                       | 8                        |
| Royal Academy of Dance Asbl              | Luxembourg               | RCS FI236              | 100%                      | 3                        |
| Royal Academy of Dance de Mexico AC      | Mexico                   | RFC RAD 011026DT5      | Held in trust             | -                        |
| RAD Dancing (Malaysia) Sdn Bhd           | Malaysia                 | No 282399-X            | 100%                      | -                        |
| Royal Academy of Dance Singapore Pte Ltd | Singapore                | No 02211/1988-M        | 100%                      | -                        |
| Royal Academy of Dance                   | South Africa             | I990/004233/08         | 100% control              | 105                      |
| Royal Academy of Dance SL                | Spain                    | CIF No B-59915330      | 100%                      | 2                        |
| RAD Dancing (Thailand) Sdn Bhd           | Thailand                 |                        | 49%                       | 37                       |
| Royal Academy of Dance Enterprises Ltd   | United Kingdom           | No 2773495             | 100%                      | -                        |
| <b>Balance at 31 July</b>                |                          |                        |                           | <b>219</b>               |

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

# NOTES TO THE ACCOUNTS

Year ended 31 July 2020

## Notes

|  | Group          |                | Charity        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2020           | 2019           | 2020           | 2019           |
|  | £000           | £000           | £000           | £000           |
| <b>20 Stocks</b>   |                |                |                |                |
| Finished goods and goods for resale                      | 560            | 552            | 298            | 318            |
| <b>Balance at 31 July</b>                                | <b>560</b>     | <b>552</b>     | <b>298</b>     | <b>318</b>     |
| <b>21 Debtors: amounts falling due within one year</b>   |                |                |                |                |
| Trade debtors  | 1,143          | 1,194          | 934            | 1,014          |
| Amounts due from subsidiaries                            | -              | -              | 214            | 910            |
| Other debtors  | 353            | 218            | 457            | 95             |
| Prepayments and accrued income                           | 754            | 1,761          | 1,036          | 1,461          |
| <b>Balance at 31 July</b>                                | <b>2,250</b>   | <b>3,173</b>   | <b>2,641</b>   | <b>3,480</b>   |
| <b>22 Creditors: amounts falling due within one year</b> |                |                |                |                |
| Bank overdrafts  | (1,615)        | (796)          | (1,615)        | (796)          |
| Bank loans   | (35)           | (13)           | (35)           | (13)           |
| Trade creditors  | (2,748)        | (2,071)        | (2,189)        | (1,856)        |
| Amounts owed to subsidiaries                             | -              | -              | (433)          | (457)          |
| Taxation and social security                             | (140)          | (287)          | (60)           | (152)          |
| Accruals and deferred income                             | (3,956)        | (4,438)        | (3,112)        | (3,398)        |
| <b>Balance at 31 July</b>                                | <b>(8,494)</b> | <b>(7,605)</b> | <b>(7,444)</b> | <b>(6,672)</b> |



# NOTES TO THE ACCOUNTS

Year ended 31 July 2020

## Notes

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

#### Bank overdrafts

The bank overdraft of £1,615,000 (2019: £796,181) is offset for grouping purposes against other balances held by the RAD in the UK with HSBC Bank Plc and attracts interest at 1% (2019: 1%) on so much as is covered by cleared credit balances, and 1.9% over base rate (2019: 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 2020 the RAD in the UK had utilised the £700,000 available in the grouped overdraft facility and a further £800,000 facility was taken out in April 2020 providing an overall facility of £1,500,000. Other facilities were renewed in June 2020 (2019: £700,000).

HSBC Bank Plc will review the RAD's facilities in June 2021. The facilities are secured on the freehold property at 36 Battersea Square, London SW11 3RA.

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

|  | Group       |              | Charity     |              |
|--|-------------|--------------|-------------|--------------|
|  | 2020        | 2019         | 2020        | 2019         |
|  | £000        | £000         | £000        | £000         |
| 23 Creditors: amounts falling due after more than one year |             |              |             |              |
| Provision for long-service award                           | (24)        | (17)         | (24)        | (17)         |
| Bank loans   | (73)        | (103)        | (73)        | (103)        |
| <b>Balance at 31 July</b>                                  | <b>(97)</b> | <b>(120)</b> | <b>(97)</b> | <b>(120)</b> |

#### Bank loans

A bank loan of £73,348 (2019: £115,737) 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 three 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 2020

## Notes

### 24 Movement in restricted funds

|                             |            |            | Balance at<br>1 August 2019 | Exchange<br>Movement | Income       | Expenditure  | Net<br>movement | Transfers to<br>unrestricted funds | Balance at<br>31 July 2020 |
|-----------------------------|------------|------------|-----------------------------|----------------------|--------------|--------------|-----------------|------------------------------------|----------------------------|
|                             |            |            | £000                        | £000                 | £000         | £000         | £000            | £000                               | £000                       |
| <b>Restricted</b>           |            |            |                             |                      |              |              |                 |                                    |                            |
| Step into Dance programme   | UK         | Project    | 12                          | -                    | 406          | (424)        | (18)            | -                                  | (6)                        |
| CLIF programme              | UK         | Project    | (2)                         | -                    | -            | -            | -               | -                                  | (2)                        |
| Benesh Projects             | UK         | Project    | 86                          | -                    | 12           | -            | 12              | -                                  | 98                         |
| Furlough Scheme             | UK         | Government | -                           | -                    | 530          | -            | 530             | (530)                              | -                          |
| Scholarship / bursary funds | UK         | Restricted | 574                         | -                    | 15           | (20)         | (5)             | -                                  | 569                        |
| Boys Only! funds            | UK         | Restricted | 41                          | -                    | 18           | (6)          | 12              | -                                  | 53                         |
| Iris Truscott fund          | UK         | Restricted | 59                          | -                    | 7            | (35)         | (28)            | -                                  | 31                         |
| Regional Scholarship funds  | UK         | Restricted | 48                          | -                    | 42           | (22)         | 20              | -                                  | 68                         |
| Jubilee Awards 2012         | UK         | Restricted | 18                          | -                    | -            | -            | -               | -                                  | 18                         |
| RADiate                     | UK         | Restricted | 16                          | -                    | 34           | (36)         | (2)             | -                                  | 14                         |
| Christel Addison funds      | Sth Africa | Restricted | 72                          | (3)                  | -            | -            | -               | -                                  | 69                         |
| Scholarship fund            | Israel     | Restricted | 1                           | -                    | -            | -            | -               | -                                  | 1                          |
| <b>Total Charity</b>        |            |            | <b>925</b>                  | <b>(3)</b>           | <b>1,064</b> | <b>(543)</b> | <b>521</b>      | <b>(530)</b>                       | <b>913</b>                 |
| Building fund               | Sth Africa | Restricted | 6                           | -                    | -            | -            | -               | -                                  | 6                          |
| <b>Total Group</b>          |            |            | <b>931</b>                  | <b>(3)</b>           | <b>1,064</b> | <b>(543)</b> | <b>521</b>      | <b>(530)</b>                       | <b>919</b>                 |

# NOTES TO THE ACCOUNTS

Year ended 31 July 2020

## Notes

### 24 Movement in designated and restricted funds (prior year)

|                             |            |            | Balance at<br>1 August 2018 | Exchange Movement | Income     | Expenditure  | Net movement | Transfers from<br>unrestricted funds | Balance at<br>31 July 2019 |
|-----------------------------|------------|------------|-----------------------------|-------------------|------------|--------------|--------------|--------------------------------------|----------------------------|
|                             |            |            | £000                        | £000              | £000       | £000         | £000         | £000                                 | £000                       |
| <b>Restricted</b>           |            |            |                             |                   |            |              |              |                                      |                            |
| Step into Dance programme   | UK         | Project    | (40)                        | -                 | 689        | (637)        | 52           | -                                    | 12                         |
| CLIF programme              | UK         | Project    | (2)                         | -                 | -          | -            | -            | -                                    | (2)                        |
| Benesh Projects             | UK         | Project    | 29                          | -                 | 57         | -            | 57           | -                                    | 86                         |
| Scholarship / bursary funds | UK         | Restricted | 561                         | -                 | 33         | (20)         | 13           | -                                    | 574                        |
| Boys Only! funds            | UK         | Restricted | 51                          | -                 | 5          | (15)         | (10)         | -                                    | 41                         |
| Iris Truscott fund          | UK         | Restricted | 58                          | -                 | 1          | -            | 1            | -                                    | 59                         |
| Regional Scholarship funds  | UK         | Restricted | 58                          | -                 | -          | (10)         | (10)         | -                                    | 48                         |
| Jubilee Awards 2012         | UK         | Restricted | 18                          | -                 | -          | -            | -            | -                                    | 18                         |
| RADiate                     | UK         | Restricted | 48                          | -                 | 22         | (54)         | (32)         | -                                    | 16                         |
| Christel Addison Funds      | Sth Africa | Restricted | 78                          | (6)               | -          | -            | -            | -                                    | 72                         |
| Scholarship fund            | Israel     | Restricted | 1                           | -                 | -          | -            | -            | -                                    | 1                          |
| <b>Total Charity</b>        |            |            | <b>860</b>                  | <b>(6)</b>        | <b>807</b> | <b>(736)</b> | <b>71</b>    | <b>-</b>                             | <b>925</b>                 |
| Building fund               | Sth Africa | Restricted | 6                           | -                 | -          | -            | -            | -                                    | 6                          |
| <b>Total Group</b>          |            |            | <b>866</b>                  | <b>(6)</b>        | <b>807</b> | <b>(736)</b> | <b>71</b>    | <b>-</b>                             | <b>931</b>                 |

# NOTES TO THE ACCOUNTS

Year ended 31 July 2020

## Notes

### 24 Movement in restricted funds (continued)

#### 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 RAD who lead the programme and The Jack Petchey Foundation who fund it.

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

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

Scholarship/bursary funds: To provide grants to students attending teacher education and notation programmes at the Academy. Awards totalling £20,177 were made in this financial year (2019: £20,000).

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 £6,241 in the year (2019: £15,000) to support Project B, created to inspire boys and men of all ages to dance.

Iris Truscott fund: A trust deed registered with the Charity Commissioners to give awards to students wishing to progress from either the CBTS to a Level 2 or 3 teaching qualification validated by the University of Bath and delivered by the Academy; or from BA Ballet Education to LRAD programme.

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

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

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

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

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

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

# NOTES TO THE ACCOUNTS

Year ended 31 July 2020

## Notes

### 25 Movement in unrestricted funds

|                           | Balance as restated <sup>1</sup> at 1 August 2019 | Exchange movements | Net (outgoing) Resources | Other recognised (losses)/gains | transfer between funds | Balance at 31 July 2020 |
|---------------------------|---|--------------------|--------------------------|---------------------------------|------------------------|-------------------------|
|                           | £000  | £000               | £000                     | £000                            | £000                   | £000                    |
| <b>Charity</b>            |   |                    |                          |                                 |                        |                         |
| Designated funds          | 263   | 2                  | 23                       | -                               | -                      | 288                     |
| Unrestricted funds        | 4,394   | (290)              | (3,435)                  | -                               | 530                    | 1,199                   |
| Revaluation reserve       | 16,353  | -                  | -                        | 68                              | -                      | 16,421                  |
| <b>Balance as 31 July</b> | <b>21,010</b>                                     | <b>(288)</b>       | <b>(3,412)</b>           | <b>68</b>                       | <b>530</b>             | <b>17,908</b>           |
| <b>Group</b>              |   |                    |                          |                                 |                        |                         |
| Designated funds          | 263   | 2                  | 23                       | -                               | -                      | 288                     |
| Unrestricted funds        | 6,267   | (146)              | (3,530)                  | -                               | 530                    | 3,121                   |
| Revaluation reserve       | 16,479  | -                  | -                        | 68                              | -                      | 16,547                  |
| <b>Balance as 31 July</b> | <b>23,009</b>                                     | <b>(144)</b>       | <b>(3,507)</b>           | <b>68</b>                       | <b>530</b>             | <b>19,956</b>           |

<sup>1</sup> See Note 27.

# NOTES TO THE ACCOUNTS

Year ended 31 July 2020

## Notes

### Movement in unrestricted funds (prior year)

|   | Balance at<br>1 August<br>2018 | PY<br>adjustments | Adjusted<br>balance at<br>1 August<br>2018<br>£000 | Exchange<br>movements<br>£000 | Net<br>(outgoing)<br>Resources<br>£000 | Other<br>recognised<br>(losses)/<br>gains<br>£000 | Balance<br>at 31 July<br>2019<br>£000 |
|---|--------------------------------|-------------------|--|-------------------------------|--|---|---------------------------------------|
| <b>Charity</b>  |                                |                   |  |                               |  |   |                                       |
| Accumulated funds opening<br>balance as previously stated                         | 3,698                          | -                 | 3,698  | -                             | -                                      | -   | 3,698                                 |
| Freehold land & buildings<br>revaluation adjustment                               | -                              | 392               | 392  | -                             | -                                      | -   | 392                                   |
| China SAA FY 18-19 income<br>expenditure adjustment*                              | -                              | 298               | 298  | -                             | -                                      | -   | 298                                   |
| Accumulated funds adjusted<br>opening balance                                     | 3,698                          | 690               | 4,388  | -                             | -                                      | -   | 4,388                                 |
| Movement in 2019  |                                |                   | -  | 136                           | 126                                    | 7   | 269                                   |
| Accumulated funds closing<br>balance  | 3,698                          | 690               | 4,388  | 136                           | 126                                    | 7   | 4,657                                 |
| Revaluation reserve opening<br>balance as previously stated                       | 10,753                         |                   | 10,753   | -                             | -                                      |   | 10,753                                |
| Freehold land & buildings<br>revaluation adjustment –<br>reversal of depreciation | -                              | (392)             | (392)  | -                             |  | -   | (588)                                 |
| Freehold land & buildings fair<br>value uplift**                                  | -                              | 5,800             | 5,800  | -                             | -                                      | -   | 5,800                                 |
| Revaluation reserve adjusted<br>opening balance                                   | 10,753                         | 5,408             | 16,161   | -                             | -                                      | -   | 16,161                                |
| Movement in 2019  | -                              | -                 | -  | -                             | -                                      | 192   | 192                                   |
| Revaluation reserve closing<br>balance  | 10,753                         | 5,408             | 16,161   | -                             | -                                      | 192   | 16,353                                |
| <b>Balance as 31 July</b>   | <b>14,451</b>                  | <b>6,098</b>      | <b>20,549</b>                                      | <b>136</b>                    | <b>126</b>                             | <b>199</b>  | <b>21,010</b>                         |

# NOTES TO THE ACCOUNTS

Year ended 31 July 2020

## Notes

### Movement in unrestricted funds (prior year)

|   | Balance at<br>1 August<br>2018 | PY<br>adjustments | Adjusted<br>balance at<br>1 August<br>2018<br>£000 | Exchange<br>movements<br>£000 | Net<br>(outgoing)<br>Resources<br>£000 | Other<br>recognised<br>(losses)/<br>gains<br>£000 | Balance<br>at 31 July<br>2019<br>£000 |
|---|--------------------------------|-------------------|--|-------------------------------|--|---|---------------------------------------|
| <b>Group</b>  |                                |                   |  |                               |  |   |                                       |
| Accumulated funds opening<br>balance as previously stated                         | 5,555                          | -                 | 5,555  | -                             | -                                      | -   | 5,555                                 |
| Freehold land & buildings<br>revaluation adjustment                               | -                              | 392               | 392  | -                             | -                                      | -   | 392                                   |
| China SAA FY 18-19 income<br>expenditure adjustment*                              | -                              | 298               | 298  | -                             | -                                      | -   | 298                                   |
| Accumulated funds adjusted<br>opening balance                                     | 5,555                          | 690               | 6,245  | -                             | -                                      | -   | 6,245                                 |
| Movement in 2019  | -                              | -                 | -  | 143                           | 135                                    | 7   | 285                                   |
| Accumulated funds closing<br>balance  | 5,555                          | 690               | 6,245  | 143                           | 135                                    | 7   | 6,530                                 |
| Revaluation reserve opening<br>balance as previously stated                       | 10,879                         | -                 | 10,879   | -                             | -                                      | -   | 10,879                                |
| Freehold land & buildings<br>revaluation adjustment –<br>reversal of depreciation | -                              | (392)             | (392)  | -                             | -                                      | -   | (392)                                 |
| Freehold land & buildings fair<br>value uplift **                                 | -                              | 5,800             | 5,800  | -                             | -                                      | -   | 5,800                                 |
| Revaluation reserve adjusted<br>opening balance                                   | 10,879                         | 5,408             | 16,287   | -                             | -                                      | -   | 16,287                                |
| Movement in 2019  | -                              | -                 | -  | -                             | -                                      | 192   | 192                                   |
| Revaluation reserve closing<br>balance  | 10,879                         | 5,408             | 16,287   | -                             | -                                      | 192   | 16,479                                |
| <b>Balance as 31 July</b>   | <b>16,434</b>                  | <b>6,098</b>      | <b>22,532</b>                                      | <b>143</b>                    | <b>135</b>                             | <b>199</b>  | <b>23,009</b>                         |

\*The adjustment to the Chinese entity (China SAA) is due to the different accounting periods between China SAA and the Group. See Note 27.

\*\* This adjustment is due to the revaluation of property. See Note 27.

# NOTES TO THE ACCOUNTS

Year ended 31 July 2020

## Notes

### Movement in designated funds (Charity and Group)

|                   | Balance at<br>1 August 2019<br>£000 | Exchange<br>movement<br>£000 | Income<br>£000 | Balance at<br>Expenditure<br>£000 | Net<br>movement<br>£000 | Balance at<br>31 July 2020<br>£000 |
|-------------------|-------------------------------------|------------------------------|----------------|-----------------------------------|-------------------------|------------------------------------|
| Designated funds* | 263                                 | 2                            | 82             | (59)                              | 25                      | 288                                |

### Prior year

|                   | Balance at<br>1 August 2018<br>£000 | Exchange<br>movement<br>£000 | Income<br>£000 | Balance at<br>Expenditure<br>£000 | Net<br>movement<br>£000 | Balance at<br>31 July 2019<br>£000 |
|-------------------|-------------------------------------|------------------------------|----------------|-----------------------------------|-------------------------|------------------------------------|
| Designated funds* | 273                                 | 1                            | 6              | (17)                              | (11)                    | 263                                |

\* Designated funds have been ear-marked for specific purposes of the RAD and include support for ballet competitions and student bursaries as well as investment in new project and innovation opportunities as they arise.

|  | 2020 Unrestricted funds<br>£000 | 2020 Restricted Funds<br>£000 | 2020 Total funds<br>£000 |
|--|---------------------------------|-------------------------------|--------------------------|
| <b>26 Analysis of group net assets between funds</b> |                                 |                               |                          |
| Tangible fixed assets                                | 19,564                          | -                             | 19,564                   |
| Intangible fixed assets and investments              | 11                              | 60                            | 71                       |
| Current assets                                       | 8,972                           | 859                           | 9,831                    |
| Current liabilities                                  | (8,494)                         | -                             | (8,494)                  |
| Non-current liabilities                              | (97)                            | -                             | (97)                     |
| <b>Total net assets</b>                              | <b>19,956</b>                   | <b>919</b>                    | <b>20,875</b>            |

|   | 2019 Unrestricted funds<br>£000 | 2019 Restricted Funds<br>£000 | 2019 Total funds<br>£000 |
|---|---------------------------------|-------------------------------|--------------------------|
| <b>Analysis of group net assets between funds</b> |                                 |                               |                          |
| Tangible fixed assets                             | 19,789                          | -                             | 19,789                   |
| Intangible fixed assets and investments           | 58                              | 6                             | 64                       |
| Current assets                                    | 10,887                          | 925                           | 11,812                   |
| Current liabilities                               | (7,605)                         | -                             | (7,605)                  |
| Non-current liabilities                           | (120)                           | -                             | (120)                    |
| <b>Total net assets</b>                           | <b>23,009</b>                   | <b>931</b>                    | <b>23,940</b>            |



# NOTES TO THE ACCOUNTS

Year ended 31 July 2020

## Notes

### 27 Explanation of prior period adjustments

In the prior year accounts, freehold land and property in the UK was valued at £9.8m, which is the value associated with the building assuming that it remained for educational purposes only. Depreciation was charged annually over its expected life of 50 years and the same amount was transferred to reserves as a revaluation surplus. As part of an agreement (signed in 2016) to move to a new head office, the current property will be sold for redevelopment for an estimated value of £15.6m. Therefore, in line with this transaction, the value of the property has been re-instated from 2016 to reflect the agreed sale price. Given that this sale is for redevelopment, the value is attributable to the land use rather than the building and accordingly, the annual depreciation charge has been reversed out from the same period to date.

Secondly, one of the branches of the Chinese representative office carries out exams on behalf of RAD China over the summer but operates on a January to December financial period. This adjustment is to align the financial period of this branch to the rest of the group.

Thirdly, it was identified that accrued expenses was incorrectly recorded as cash payment within the RAD Hong Kong representative in the previous year. An adjustment has been made to the prior year accounts to correct the understatement of cash and accrued expenses balance as at 31 July 2019.

|  | Previously reported | Prior Period Adjustment-Property revaluation | Prior Period Adjustment-Alignment of China rep office year end | Prior Period Adjustment-Reclassification of cash and accruals | Restated |
|--|---------------------|--|--|---|----------|
| <b>Statement of Financial Activities</b>                     |                     |  |  |   |          |
| Expenditure on charitable activities                         | (22,233)            | 196  | -  | -   | (22,037) |
| Total expenditure  | (23,920)            | 196  | -  | -   | (23,724) |
| Net (expenditure) / income                                   | 17                  | 196  | -  | -   | 213      |
| Other gains on revaluation of land                           | 388                 | (196)  | -  | -   | 192      |
| Fund balances brought forward at 1 August                    | 17,300              | 5,800  | 298  | -   | 23,398   |
| Fund balances carried forward at 31 July                     | 17,842              | 5,800  | 298  | -   | 23,940   |
| <b>Balance Sheet</b>   |                     |  |  |   |          |
| Fixed Assets   | 14,053              | 5,800  | -  | -   | 19,853   |
| Current Assets   | 11,115              | -  | 298  | 399   | 11,812   |
| Creditors – amounts falling due within one year              | (7,206)             |  |  | (399)   | (7,605)  |
| Net Assets   | 17,842              | 5,800  | 298  | -   | 23,940   |
| Accumulated funds  | 5,644               | 588  | 298  | -   | 6,530    |
| Revaluation reserve  | 11,267              | 5,212  | -  | -   | 16,479   |
| Total funds  | 17,842              | 5,800  | 298  | -   | 23,940   |
| <b>Statement of Cash Flows</b>                               |                     |  |  |   |          |
| Net cash provided by (used in) operating activities          | 433                 | -  | -  | 399   | 832      |
| Change in cash and cash equivalents in the reporting period  | (176)               | -  | -  | 399   | 223      |
| Cash and cash equivalents at the end of the reporting period | 6,892               | -  | -  | 399   | 7,291    |

## GROUP

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

### Subsidiary companies

|                            |  |
|----------------------------|--|
| Benelux & France           | Royal Academy of Dance Asbl., 8, rue de Beggen, L-1220 Luxembourg.   |
| Germany                    | Royal Academy of Dance gGmbH, Waldenserstrasse 2-4, 10551 Berlin   |
| Indonesia                  | Yayasan RAD Indonesia, Jl. Angur III / no:1 Cipete, Jakarta Selatan 12410  |
| Italy                      | Royal Academy of Dance Srl., Via Vannetti 12, 38122 Trento   |
| Malaysia                   | RAD Dancing (Malaysia) Sdn Bhd., No 16F 1 Sentral, Jalan Stesen, Sentral, Kuala Lumpur 50470                           |
| Mexico & Central America   | Royal Academy of Dance de Mexico AC, Amates 18 Fracc Alconfores, San Mateo, Naucalpan CP 53240, Mexico                 |
| Singapore                  | Royal Academy of Dance Singapore Pte Ltd., Farrer Road Post Office, PO Box 106, Singapore 912804                       |
| South Africa               | Royal Academy of Dance s21 Company, PO Box 200, Bramley 2018, Johannesburg   |
| South America              | Royal Academy of Dance Brasil Ltda, Av. Angelica, 566/86, Santa Cecilia, 01228 000 São Paulo-SP, Brasil                |
| Spain, Andorra & Gibraltar | Royal Academy of Dance SL., Ventura i Gassol, 3, 5è-3a, 43203 Reus, Tarragona, Spain                                   |
| Thailand                   | RAD Dancing (Thailand) Co Ltd, 121/12, Moo 10, Chiangmai-Hangdong Road, Tambon: Pae Dad, Ampur: Muang, Chiangmai 50100 |
| United Kingdom             | 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     | 3 Ravenswood Drive, Solihull, B91 3NL, UK  |
| 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 Art nouveau 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, U.A.E.  |

## ADVISERS

|                             |                 |   |
|-----------------------------|-----------------|---|
| <b>UK Banker</b>            | HSBC Bank Plc   | 31 Holborn Circus, London EC1N 2HR                |
| <b>UK Solicitor</b>         | Fieldfisher LLP | Riverbank House, 2 Swan Lane, London EC4R 3TT     |
| <b>UK and Group Auditor</b> | Deloitte LLP    | Hill House, 1 Little New Street, London, EC4A 3TR |

Deloitte LLP is the auditor of the consolidated group. Group branches and individual subsidiaries are audited or reviewed by the Firms shown below:

|                      |                                       |   |
|----------------------|---------------------------------------|---|
| <b>Brazil</b>        | Liberty Assessoria Contabil S/S Ltda. | Rua Mituto Mizumoto, 56, Liberdade, 01513 040 São Paulo-SP  |
| <b>Canada</b>        | Grant Thornton LLP                    | 15 Allstate Parkway, Suite 200, Markham, Ontario L3R 5B4  |
| <b>Indonesia</b>     | KAP Ekna Masni, Bustaman & Rekan      | Sentra Kramat B-18, JL Kramat Raya 7-9, Jakarta 10450   |
| <b>Israel</b>        | Hannan Gabriel CPA                    | 8 Hayod-Chef Street, Hod Hasharon 45200   |
| <b>Luxembourg</b>    | Alexander J Davies Sàrl               | 24 Rue Jean L'Aveugle, Luxembourg L-1148  |
| <b>Portugal</b>      | CERB                                  | Beloura Office Park, Rua do Centro Empresarial, Edifício EE06 – Escritório 12, Quinta da Beloura, 2710-444 Sintra |
| <b>Spain</b>         | Asesoria Berzosa                      | Donoso Cotres 85, 28015 Madrid  |
| <b>Thailand</b>      | KT&R Business Consultant Co Ltd       | 59/1 Sukhumvit 64 Bangchak, Prakanong, Bangkok 10260  |
| <b>United States</b> | Millner Woodruff CPA                  | 4325 Windsor Centre Trail Suite 400, Flower Mount, TX 75028   |
| <b>South Africa</b>  | Collins Walt Inc.                     | 2nd Floor, The Terrace Building, 3 Easton Terrace, New Redruth, 1449 Alberton, South Africa                       |

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