



# Annual Report and Financial Statements

FOR THE YEAR ENDED 31 JULY 2015

ROYAL ACADEMY OF  
**DANCE**

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# AT A GLANCE

## Financial highlights

	Unrestricted funds		Restricted and designated funds	
	2015 £000	2014 £000	2015 £000	2014 £000
<b>Statement of financial activities</b>				
Total incoming resources	18,821	19,683	905	780
Net incoming resources before transfers and other recognised gains and losses	449	502	230	16
Net incoming resources after transfers but before other recognised gains and losses	449	496	230	22
Gain on revaluation of assets and investments	2,906	1,088	5	2
Movement on exchange arising from the consolidation of branches and subsidiaries	(403)	(275)	(8)	(21)
Net movement in funds	2,952	1,309	227	3
<b>Balance sheet</b>				
Group readily realisable reserves	2,152	1,625	-	-
Cash and other liquid assets <sup>1</sup>	4,019	4,336	1,182	955

## Statistics

	2015	2014
Members	14,021	13,777
Students enrolled on education programmes	1,272	1,206
Candidates taking examinations, solo performance awards, class awards, presentation classes and demonstration classes	224,140	229,192

## Calendar

Annual General Meeting 2016      28 April 2016      Royal Academy of Dance, London

<sup>1</sup> Made up of cash held at bank less any bank overdrafts and loans shown in Note 25 and Note 26

## PATRON, PRESIDENT AND OFFICERS

### Patron

HM Queen Elizabeth II

### President

Darcey Bussell CBE

### Chair of the Trustees

Guy Perricone

### Chief Executive

Luke Rittner

### Vice Presidents

David Bintley CBE

Li Cunxin

Dame Beryl Grey DBE DMus DLitt DEd FRSA

Dr Ivor Guest MA DUNIV FRAD

Dame Gillian Lynne DBE

David McAllister OAM

Wayne Sleep OBE

Sir Peter Wright CBE DMus DLitt FBSM

### Advisory Council

Joy W Brown

Barbara Fewster OBE FISTD

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

Lady Porter

Sir Roy Strong DLitt PhD FRSA FRSL

## President and Vice Presidents

The Royal Academy of Dance (RAD) currently has eight elected Vice Presidents. The President and Vice President may not be Full Members of the RAD at the time of election but are deemed to become a Full Member following election. Candidates for the office of President and up to nine Vice-President can be nominated by Full Members of the RAD or recommended by the Board of Trustees and are elected by members at the Annual General Meeting. 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.

# REPORT OF THE TRUSTEES

The Trustees of the Royal Academy of Dance present their Report and audited Financial Statements for the year ended 31 July 2015. 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 (2005).

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

This Report contains information about the Group and Charity. The RAD's head office and registered office is 36 Battersea Square, London SW11 3RA. The RAD has a number of branches, representative offices and subsidiary companies, in which it holds, either in trust or outright, 100% of the issued share capital in 32 countries. 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.

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 UK and its branches for the year to 31 July 2015. The breakdown of the Group and the Charity is shown on page 42.

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

As an Alternative Provider with Specific Course Designation, the RAD is subject to review by the Quality Assurance Agency for Higher Education (QAA) under the Department for Business, Innovation and Skills' requirements for courses designated for student loan purposes.

It is required to report any safeguarding incidents to the Charity Commission; to Ofqual where an event which could have an Adverse Effect in leading to a loss of standards, integrity or public confidence in qualifications and Ofsted according to the circumstances.

## Principal activities

The Royal Academy of Dance, more often referred to as the RAD, provides dance training, dance teacher education, and dance assessment services to students and teachers. The RAD

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

Its services can be accessed through the main website [www.rad.org.uk](http://www.rad.org.uk) and through local websites internationally.

## 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 aims set out in our charter to elevate and advance the art of dance by promoting the correct tuition of dance 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.

## 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.

Kerry Rubie stepped down as chairman and Guy Perricone was appointed his successor at the Annual General Meeting in May 2015.

### The Board of Trustees

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

Candidates for the office of trustee can be nominated by Full Members of the Royal Academy of Dance or recommended by the board of trustees and are elected by members at the Annual General Meeting. 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.

There are currently seventeen elected trustees on the Board.

#### List A trustees (Dance)

Thérèse Cantine ARAD Dip PDTTC RTS  
Sarah Dickinson ARAD Adv Tch Dip RTS  
Louise Murray ARAD RTS  
Lynne Reucroft-Croome BA(Hons) MA LRAD  
Helen Taylor RAD RTS  
Penny Parks RAD RTS  
Deborah Coultish Adv Tch Dip RTS

#### List B trustees (Business)

Guy Perricone (Chair) (appointed May 2015)  
Julia Bond  
Brian Brodie  
Leigh Collins  
Anders Ivarson Al Chor  
Aliceson Robinson  
Kathryn Wade ARAD  
Catherine Weate BA DipEd LSDA FRSA Hon FLAM  
Professor Michael Day  
Joanna Binder  
Kerry Rubie (resigned May 2015)

## Meetings

The board holds four regular scheduled meetings in a year. Comprehensive papers, including minutes of previous meetings, are presented to the board which facilitates debate on the performance and direction of the company.

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

## 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 agreed strategy by the board. The chief executive is supported by six directors.

## Performance

All trustees are provided with a Trustees' 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 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 four trustees in their capacity as examiners, tutors or mentors. Further detail can be found in Note 15 of the financial statements.

## Independence

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

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

## Indemnities and insurance

In accordance with Article 6(h) of the RAD's Charter, the RAD takes out indemnity insurance as part of its global policy to indemnify it 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.

## Board committees

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 committee members and those in attendance.

## Audit Committee

The Audit Committee's key function is to support the board in fulfilling its responsibilities in reviewing the effectiveness of the RAD's financial reporting, internal controls and risk management.

Membership is drawn from the trustees:

### Members

Leigh Collins (Chair)	Chair of the Finance Subcommittee
Guy Perricone	Chair of the Board of Trustees
Joanna Binder	Chair of the Board of Directors of Royal Academy of Dance Enterprises Ltd
Julia Bond	Trustee

## Nominations Committee

The Nominations Committee has a dual function; to consider the recipient(s) of the Queen Elizabeth II Coronation Award, Fellowships of the Royal Academy of Dance, and President's Awards; and to ensure that there is a formal and appropriate procedure for the appointment of key trustees and key staff at the RAD.

Membership is drawn from the Chairs of the respective subcommittees:

### Members

Guy Perricone (Chair)	Chair of the Board of Trustees
Leigh Collins	Chair of the Finance Subcommittee
Joanna Binder	Chair of the Board of Directors of Royal Academy of Dance Enterprises Ltd
Catherine Weate	Chair of the Artistic and Examinations Subcommittee
Kathryn Wade ARAD	Chair of the Benesh Subcommittee
Professor Michael Day	Chair of the Education Subcommittee
Aliceson Robinson	Chair of the Membership Subcommittee
Penny Parks RAD RTS	Chair of the Regional 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 senior management team attend these committees. The chairman of the board of trustees is an ex-officio member of each subcommittee.

## Finance Subcommittee

The Finance Subcommittee 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.

### Trustee members

Leigh Collins (Chair)  
Guy Perricone (appointed May 2015)  
Julia Bond  
Kerry Rubie (resigned May 2015)

### Co-opted members

None

### Director

Director of Finance and Administration

It acts as a Remuneration Committee when considering the annual budgets, and the salary policy to apply throughout the Group. Members of the subcommittee may also consider the remuneration of senior members of the RAD's staff.

It discharges these responsibilities by meeting four times a year and advises the board of trustees on all financial matters.

## 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 more broadly. 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

Catherine Weate (Chair) BA DipEd LSDA FRSA Hon FLAM  
Thérèse Cantine ARAD Dip PDTC RTS  
Kathryn Wade ARAD

### Co-opted members

Norman Gealy MA CPsychol FCIPD FCIEA  
Caroline Jenkins ARAD RTS  
Moirá McCormack ARAD PDTC Dip (RAD London)  
David Nixon  
Stirling Wood

### Co-opted October 2015

Iain Mackay

### Directors

Artistic Director  
Director of Examinations

## Benesh Subcommittee

The Benesh Subcommittee advises and supports the director of the Benesh Institute in seeking to extend the use of Benesh Movement Notation (BMN) in all aspects of dance both in education and performance, amateur and professional, including the continuation of a Professional Notators Course; the continuing development of the notation to meet the needs of emerging dance practice; as an authoritative record for choreographic works and maintaining the RAD's status as the professional centre for qualified Benesh notators.

### Trustee members

Kathryn Wade ARAD (Chair)  
Anders Ivarson AI Chor

### Co-opted members

Co-opted members  
Elizabeth Ferguson  
Gary Harris AI Chor  
Christopher Hampson  
Jeanetta Lawrence OBE  
Lady MacMillan

### Director

Elizabeth Cunliffe – Director of the Benesh Institute  
Amanda Eyles FI Chor



## 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 more broadly. The subcommittee seeks to ensure that all programmes of study are fully accountable, developed and maintained to the highest standards; and financially viable.

### Trustee members

Professor Michael Day (Chair)  
Lynne Reucroft-Croome BA(Hons) PGCE LRAD

### Student representatives

Dr Trish Melton (Postgraduate)  
Megan Clayton (Undergraduate)

### Co-opted members

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

### Co-opted March 2015

Julie Crofts

### Director

Director of Education

### Resigned October 2015

Sarah Dickinson

## Marketing and Membership Subcommittee

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

### Trustee members

Aliceson Robinson (Chair)  
Julia Bond

### Co-opted members

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

### Director

Director of Marketing Communication and Membership

### Co-opted March 2015

David Grint

## Regional Subcommittee

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

### Chair and Trustee

Penny Parks RAD RTS (South East England)

### Director

Director of Fundraising and Development

### Co-opted members

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

## Board of the Royal Academy of Dance Enterprises Ltd Enterprises Subcommittee

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

Royal Academy of Dance Enterprises Ltd is a separately constituted private limited company owned by the RAD. The company 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 media 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 Royal Academy of Dance Enterprises Ltd 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  
Ian Pogue

### Trustee members

Guy Perricone  
Helen Taylor RAD RTS

The board and subcommittee discharges these responsibilities by meeting four times a year and advises the Finance subcommittee and the RAD's Board of Trustees on all matters pertaining to Royal Academy of Dance Enterprises Ltd.

## Strategic aims

All of the RAD's seven main strategic aims have been met in 2014/15 through work programmes, projects and initiatives across the organisation.

### Aim 1: To be the leading national authority on dance teacher education and training

- The Certificate in Ballet Teaching Studies and Professional Dancers' Teaching Diploma was launched in China.
- 460 graduates across nine Faculty of Education programmes became eligible RAD Registered Teacher status.
- The 'Dance for Lifelong Wellbeing' outreach initiative attracted funding of £20,000 from Garfield Weston Foundation for Phase 2 of the research project.

### Aim 2: To be the preferred professional membership body for teachers of dance around the world

- The second year of the RAD CPD Scheme exceeded targets in terms of membership take-up and of teachers submitting their annual declaration or engaging with the audit of CPD compliance. A final report will be available in early 2016 and we expect to reach our target of being able to account for 92% of teachers.

### Aim 3: To retain a strong, loyal and engaged international membership

- In March 2015, satisfaction survey was sent to 6,556 members in 71 countries, with 2,092 members (31.9%) from 62 different countries responding.
- In response to the survey, in May we launched a new Members' Area on the RAD website, designed to be easier for members to access and navigate. The new Members' Area has had more than 50,000 views from members accessing *Dance Gazette*, JSI and competitions.

### Aim 4: To maintain recognition as a leader in the provision of ballet examinations nationally and internationally, and review the possibilities and practicalities of expanding provision

- The Exams Board supported the Creative Panel in developing the new Advanced 1 & 2 male syllabus. A 'virtual launch' took place online in May, and was viewed live by around 1,000 individuals from 59 countries; rising to 2,500 after one month.
- The new Grades 4–5, Advanced Foundation (male and female) and Advanced 1 and 2 (female) syllabi were examined for the first time in January 2015.
- The Exams Board placed all its regulated qualifications on the Ofqual register, including formal recognition for the Primary in Dance exam, solo performance awards at Grades 1–5, and the Solo Seal.
- RAD Enterprises continued with the release of DVD syllabus titles for the mobile app.
- The new Advanced 1 male & female and Advanced 2 male syllabus was successfully launched.
- Research into e-books was conducted with a view to releasing the full suite of syllabi in the next financial year.

### **Aim 5: To provide a wide range of opportunities for training and performance for the wider community internationally**

- 9 summer schools took place worldwide as well as 3 International Intensive Examination Syllabus Courses.
- GCSE and A Level Dance students once again achieved excellent results with a 100% pass rate A\*-C at GCSE, 87.5% pass rate A-C for the AS Level and 91% pass rate A-C for the A2 Level students.
- 49 candidates took part in the Genée Dance Challenge 2015 at RAD headquarters, with the Jean Bedells Choreographic Award awarded for the first time.
- Step into Dance continued to provide high quality dance training to 200 schools across London and Essex. The programme is fully inclusive and so welcomes young people from all backgrounds and abilities.

### **Aim 6: To ensure consistent messaging and brand image worldwide; maximise every opportunity to promote the RAD's services and events and to raise the profile of the RAD and its members**

- A new Canadian microsite was created, ensuring that RAD Canada is able to deliver content with a visual brand and functionality consistent with the corporate website.
- New corporate brand guidelines were devised and delivered for internal consultation and will be rolled out within the next financial year.
- The RAD reached 100,000 Facebook likes in January 2015.
- Moving North was established as a key event in the north of England. The competition met all entry objectives and sales targets, and reached beyond the RAD membership as it was open to all.
- An exhibition was held as part of the national 'Explore your Archive' campaign in November. 'Past Presidents of the RAD' was sponsored by the former 'Guild of Licentiate' of the RAD, and featured on the campaign website. Other exhibitions and displays have also been mounted this year in support of the Jean Bedells Celebration, and Victoria Tennant and Zoe Anderson's book launches.

### **Aim 7: To ensure the RAD's future as a well-managed, well-funded and well-governed organisation**

- Designed to minimise risk, we implemented corporate policies on: Anti-Corruption, Criminal Record Screening, Whistleblowing, and Recruitment and Selection. The criminal record screening and recruitment and selection policies are particularly important in allowing the RAD to operate safe recruitment practices essential to protect children and vulnerable adults.
- A Data Protection Committee was instituted and, in close liaison with a consultant, a new Data Protection Policy was published in December 2014. A range of procedures are also in the process of being implemented.

## 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 is 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 relevant papers and provide assurance to the board. The trustees review the effectiveness of governance, risk and control through this reporting mechanism as well as management concerns raised by the external auditor through the Audit Committee. As with any such system, the processes are designed to manage rather than eliminate the risk of failure to achieve objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

### Operational Risk Management Committee

The Strategic Planning Group (SPG), which consists of the chief executive, directors of the RAD and senior heads of departments, acts as the Business Continuity Committee in the event of a disaster. It also considers the Corporate and Activity Risk Registers.

### Exposure to risk

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

- **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 and is required to price at the market. Members may for one reason or another no longer wish to retain membership of the RAD or to use our products and services. A change in syllabus can have an adverse effect on the ability of teachers to continue providing candidates for examination at previous levels due to the challenges of acquiring new knowledge and passing it on to the candidate base.

In mitigation of these risks, the RAD has introduced internal Impact Statements to assess risk, and has taken a proactive approach to using the full force of social media to publicise, promote and sell its products and services.

- **Foreign exchange**

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

It is difficult to forecast movement in foreign exchange and therefore it endeavours through the press or other appropriate forum to maintain awareness of movements in currency which might adversely affect its performance.

- **World events**

The RAD, like many international organisations, is potentially vulnerable to pandemics such as SARS or avian bird flu, natural phenomena such as volcanic ash clouds and changes in weather patterns, and to civil war and terrorism, all of which occurrences may impede or prevent travel by both examination candidates and course attendees, and by RAD staff such as examiners and tutors, thereby reducing business and associated income. It has developed policies and procedures to minimise the loss of income caused by such events.

- **Economic climate**

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

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

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

## Financial Risk Management Committee

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

The Audit Committee's key function is to support the board in fulfilling its responsibilities in reviewing the effectiveness of the RAD's financial reporting, internal controls and risk management. As part of this role the committee provides advice to the board on whether these Financial Statements, when taken as a whole are fair, balanced and understandable and provides all the necessary information for members to assess the RAD's performance.

It discharges these responsibilities by meeting the external auditor to receive and consider a report on the audit work carried out by the external auditor and any matters reported therein.

The Group external Auditors require local auditors of other Group entities to report to them, and in addition under international auditing standards for Groups are required to visit Group entities. The Spanish operation was visited and a specific review was undertaken of Australian local audit work. Their final report is provided to the Audit Committee as part of their review of the Audit.

The board recommend to members that a resolution to re-appoint Deloitte LLP be proposed at the 2016 AGM.

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

- **Quality and integrity of personnel**

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

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

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

- **Operating unit financial controls**

A Controls Manual, which is updated annually, sets out the key disciplines expected of staff in managing their role, responsibility, operation or entity. The Controls 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. Management ensures that qualified finance professionals are appointed to positions of financial responsibility. The trustees will continue to consider whether the growth of the RAD warrants the appointment of an internal audit function, resources permitting.

- **Information and computer systems**

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

## Corporate and social responsibility

### Public benefit

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

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

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

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

The RAD provides dance training, dance teacher education and dance assessment in a range of programmes and portfolios available not only in the UK but also globally. Costs vary across the range of provision. At the top end access funds are available for students to apply for assistance to meet tuition fees for our education programmes, while at the bottom end there are schemes in place such as Boys Only! or Step into Dance, the former providing subsidised places for boys to enjoy dance and the latter grant-aided classes in secondary schools.

Through its registration scheme for teachers including the requirement for continuing professional development, the RAD is able to demonstrate to the public the competency of its teachers within a framework which is referenced to external standards; and through its examinations it is able to offer progression to further and higher education and employment opportunities.

The RAD adds further public value by delivering a series of additional services to its customers including open days, impartial information and advice, public briefings, printed and electronic resources and where required statistical information to support wider analyses of dance and dance related activities in the economy.

The RAD's member services provide an additional indirect public benefit through briefings on artistic, musical, legal and financial issues which allow members – particularly those in business as teachers, whether as owners, employers or employees – to update their knowledge and apply it where appropriate.

The RAD is committed to providing accessible web presences including social networking sites, giving all members of the public access to information and services. For those members of the public who do not have such access printed information is available.

The trustees believe that this report demonstrates that the public benefit requirement has been satisfied.

### Social responsibility fund

The Trustees acknowledged their responsibility to not only manage the RAD's positive impact on society and the environment through its operations, products and services and its interaction with key stakeholders such as members, employees, customers, and suppliers, but also to maintain a well-managed and well-governed organisation, and to contribute to the growth and cultural strength of the communities that it serves and in which it operates by setting up a Social Responsibility Fund in 2011.

This fund is derived from 2% of the pre-tax post discount price of all goods purchased from Royal Academy of Dance Enterprises Ltd or RAD retail outlets.

A total of £103,000 has been placed into the Social Responsibility Fund, held in five countries. These funds are intended to aid the development of bursaries, scholarships, awards and special activities with the aim of creating opportunities where otherwise opportunities would not exist. The purpose of these funds will vary according to the specific needs of each country or community. During 2015-16 the Trustees will consider how best to make awards.

## Financial review

### Overview

#### UNRESTRICTED ACTIVITIES

The worldwide Group reported a surplus, before transfers and other recognised gains and losses, of **£449,000** against a surplus of **£502,000** last year. After significant losses in 2012/13, there have now been two years of steady recovery, with overall examination numbers this year up **c7%** compared to two years ago.

The value of the RAD's assets increased by **£3,179,000** compared to an increase of **£1,312,000** in the prior year, primarily due to revaluations of property.

36 Battersea Square, London was valued at **£10.3m**, 17 Farrell Avenue, Sydney valued at **AU\$3.4m**, and Bramley, Johannesburg at Rand **2.28m**, a total increase in value of **£2.9m**.

#### RESTRICTED ACTIVITIES

The RAD has a number of funds which have been built up from donations, legacies, trusts, grants, fundraising events and appeals. These are administered in accordance with the accounting policy in Note 1(n) Fund Accounting. The funds are divided into three categories as shown in Note 27 of these Financial Statements. There was a net incoming resource of **£230,000**, before transfers and other recognised gains and losses, for the year to 31 July 2015 (2014: net incoming resource **£16,000**). The main movements were:

##### Project funding

The RAD is in receipt of a three-year funding grant (2011/12 – 2014/15) from the Jack Petchey Foundation to run the Step into Dance programme (a fully inclusive, community dance programme – 200 secondary schools in 32 London boroughs) as well as raising its own funds. All monies received from the Foundation were spent in accordance with the programme's aims.

The RAD also received funding of **£25,000** from the Benesh Institute which was used primarily for development of teaching resources, and **£20,000** from the Garfield Weston Foundation to fund research into Dance for Lifelong Wellbeing, which will be undertaken in 2015/16.

##### Designated funds

**£23,000** (2014: **£27,000**) was designated to the Social Responsibility Fund, set up by the trustees in 2011/12 to meet the RAD's Public Benefit. **£72,000** was designated to the Challengée fund from a major fundraising event, which will be used to fund a variety of bursaries for the Genée competition.

##### Restricted funds

During the year the RAD received **£62,500** in bequests to fund the Phyllis Bedells bursary and the Choreographic Prize for the RAD Dance Challenge, as well as other donations to fund bursaries and scholarships.

Bursaries, awards and scholarships were awarded through various scholarship funds, trusts, jubilee award and regional schemes.

##### By principal activities

Incoming unrestricted resources for the Group fell **c4%** to **£18,821,000** from **£19,683,000**, while unrestricted expenditure fell by **c4%** from **£19,181,000** to **£18,372,000**. As can be seen from Table 1 below, which restates the unrestricted income and expenditure by Principal Activities and support costs, direct expenditure fell by **c9%** partly due to the reduction in turnover, but also due to strong cost control, while governance and support costs rose by **c8%** due primarily to increased staff and related costs.

Table 1: Unrestricted income and expenditure analysed by principal activities and support costs

	Actual for year to 31 July 2015			Prior year to 31 July 2014		
	Incoming resources	Outgoing resources	Net	Incoming resources	Outgoing resources	Net
	£000	£000	£000	£000	£000	£000
Membership income and administration	1,135	(415)	720	1,143	(523)	620
Examinations	10,084	(6,043)	4,041	10,164	(6,512)	3,652
Faculty of Education	3,331	(2,392)	939	2,955	(2,408)	547
CPD courses inc new work	789	(565)	224	1,386	(1,016)	370
Student events and activities	1,817	(1,808)	9	1,935	(1,696)	239
Trading and licensing	1,440	(921)	519	1,702	(1,109)	593
All other income and expenditure	225	(185)	40	398	(302)	97
	18,821	(12,329)	6,492	19,683	(13,566)	6,117
<b>Governance and support costs</b>						
Salaries and pensions	-	(3,012)	(3,012)	-	(2,734)	(2,734)
Administration	-	(1,293)	(1,293)	-	(1,320)	(1,320)
Governance	-	(363)	(363)	-	(366)	(366)
Information technology	-	(402)	(402)	-	(394)	(394)
Rent and property	-	(500)	(500)	-	(374)	(374)
Depreciation	-	(317)	(317)	-	(295)	(295)
Financing and transaction charges	-	(156)	(156)	-	(132)	(132)
	-	(6,043)	(6,043)	-	(5,615)	(5,615)
<b>Net outgoing resources</b>	<b>18,821</b>	<b>(18,372)</b>	<b>449</b>	<b>19,683</b>	<b>(19,181)</b>	<b>502</b>



## Performance by activity

**Membership income** was broadly level with prior year at £1.1m, with the number of Registered Teachers increasing by c1% to 7,777. All other members increased by 4.6% to 6,244. In particular there was strong growth in the Americas, where membership increased by 9.8% to 2,276. The RAD now has members in 86 countries around the world. Direct expenditure has again been reduced, with further digital activities rather than print.

**Examinations income** fell slightly by c1% from £10.2m to £10.1m, while direct expenditure fell by c8% from £6.5m to £6.0m. Total examination entries fell by c2% to 224,140 from 229,192, though this was primarily due to a fall in Grade 5 examinations, as the impact of the launch of new syllabi continues to work its way through the grades.

**Faculty of Education** income rose by c13% from £2,955,000 to £3,331,000 whilst expenditure fell slightly from £2,408,000 to £2,392,000. The number of students on programmes rose from 1,206 to 1,272, with particular growth in the CBTS distance learning programme of 65 students to 759.

The Certificate in Ballet Teaching Studies which can be studied in the country of the student accounts for 56% of all programme income (2014: 57%).

Incoming resources from **continuing professional development** courses fell 43% from £1,386,000 to £789,000, due primarily to the one-off benefit in 2013/14 of members taking courses in the newly launched syllabi. Net margin improved slightly to c28% (£224,000) compared to c27% (£370,000) in the previous year.

Incoming resources from **student events and activities** fell c6% from £1,935,000 to £1,817,000, with a lower number of participants at Dance School courses. Net income fell severely to £9,000 from £239,000 as the cost based increased by c7% to c£1.8m, reflecting pressure on direct costs and the stepped nature of the cost base, with minimum costs no matter how many participants.

**Primary purpose trading and licensing income** fell from £1,702,000 to £1,440,000. This was due to the launch in 2013/14 of the new Grades 4-5 and Advanced level products. However Royal Academy of Dance Enterprises continued to see strong demand for the apps across the range of RAD syllabi for both Apple and Google Android products. Trading revenues accounted for £1,193,000 (2014 £1,498,000) and licensing income £248,000 (2014 £204,000). Net margins increased from 35% to 36%.

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

**Support costs** rose overall by c8% – with a c10% increase in salaries and pensions, c4% in administration and c34% in rent and property (primarily reflecting spend on professional advisers in relation to the planned move of the UK headquarters). Governance and information technology costs were broadly held level, and depreciation costs fell by c19%. Due to the nature of the organisation, ranging from offices with staff dedicated to individual activities, to offices with staff undertaking all the activities, support costs includes those costs that in a larger business might normally fall into direct or activity based costs. In addition the requirement of the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005) to allocate costs across functional areas can lead to inconsistencies in charges from one year to the next, if some functional activity is not held, with the result of additional costs being allocated across the remaining functional areas; and the translation of the effect of exchange movements can also have the effect of increasing or decreasing cost.

## Operating cash flows and capital expenditure

The Group's overall net cash and loans position was **£5,201,000** compared to **£5,291,000** last year.

There was a net cash inflow from operations of **£1,002,000** compared to an inflow of **£1,653,000** the year before. Capital expenditure decreased from **£252,000** to **£250,000**.

The RAD's main banker in the UK and in some overseas territories is HSBC Bank Plc. HSBC Bank Plc renewed the RAD's grouped overdraft facility of **£700,000**; and Royal Academy of Dance Enterprises Limited's overdraft facility of **£300,000** for a further year in July 2015.

## Net assets and net debt

Group net assets increased from **£12,230,000** to **£15,409,000** reflecting the net incoming resources for the year, the change in working capital, and the revaluation of the accumulated funds and revaluation reserve at the end of the financial year. Net current assets rose from **£2,572,000** to **£3,421,000**. This primarily reflects the overall change in the mix of working capital.

## Finance charges

Finance charges rose to **£156,000** (2014: £131,000). These charges are a mixture of financing costs for the RAD's overdraft and loan facilities in the UK, and charges for international transactions, credit cards and other forms of monetary transactions. Whilst benefitting from an improvement in the RAD's overdraft facility in the UK, the increase primarily relates to an increasing use of debit and credit cards for payment by customers.

## Taxation

The RAD is required to pay corporation and income tax on the surpluses earned by incorporated subsidiaries within the group. These subsidiaries are not regarded as charitable. The tax charge for the year was **£163,000** (2014: £169,000) and reflects the profitability of the RAD's subsidiaries. As the RAD is exempt from corporation tax in the UK, it cannot take advantage of double taxation agreements.

## Reserves policy

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 the RAD's core activities can be covered from pressure on income and expenditure such as unforeseen emergencies, unforeseen day-to-day operational costs, income that has fallen below expectations, or planned commitments that cannot be met by future income alone.

As of 31 July 2015 group readily realisable reserves stood at **£2,152,000** (2014: £1,625,000), with readily realisable reserves in the UK of **£648,000** (2014: £187,000).

The RAD has a current Reserves Policy based on three months costs. This would require free Group Reserves of £2,811,000 (UK £1,809,000). This will continue to take some time to rebuild, but the Trustees at the same time will continue to ensure that available reserves are used where needed most.



Ian Pogue  
Director of Finance and Administration  
22 March 2016

## Key performance indicators

Table 2: No. of Registered Teachers and all other members

Members	UK	Europe	Asia & Middle East	Americas	Africa	Australia NZ	Total
No. of countries	1	30	22	22	9	2	86
Registered Teachers	1,990	1,755	1,093	1,433	360	1,146	7,777
All other members	2,025	681	589	843	236	1,870	6,244
<b>2014/15 Actual</b>	<b>4,015</b>	<b>2,436</b>	<b>1,682</b>	<b>2,276</b>	<b>596</b>	<b>3,016</b>	<b>14,021</b>
Growth by region	-1.2%	-1.4%	0.8%	9.8%	-1.2%	-3.9%	1.8%
No. of countries	1	28	21	22	8	2	82
Registered Teachers	2,101	1,801	1,069	1,288	366	1,181	7,806
All other members	1,961	669	599	784	237	1,721	5,971
<b>2013/14 Prior year</b>	<b>4,062</b>	<b>2,470</b>	<b>1,668</b>	<b>2,072</b>	<b>603</b>	<b>2,902</b>	<b>13,777</b>

Table 3: No. of candidates taking examinations, solo performance awards, class awards, presentation and demonstration classes

Examinations	UK	Europe	Asia & Middle East	Americas	Africa	Australia NZ	Total
No. of countries	1	21	18	20	7	2	69
Graded	51,049	33,876	53,261	29,769	8,232	21,322	197,509
Vocational	4,098	5,509	4,877	5,779	1,057	5,311	26,631
<b>2014/15 Actual</b>	<b>55,147</b>	<b>39,385</b>	<b>58,138</b>	<b>35,548</b>	<b>9,289</b>	<b>26,633</b>	<b>224,140</b>
Growth by region	-4.4%	-8.6%	1.8%	0.2%	-2.4%	1.3%	-2.2%
No. of countries	1	21	18	20	7	2	69
Graded	54,118	37,618	52,131	29,811	8,437	20,979	203,094
Vocational	3,586	5,484	4,965	5,673	1,077	5,313	26,098
<b>2013/14 Prior year</b>	<b>57,704</b>	<b>43,102</b>	<b>57,096</b>	<b>35,484</b>	<b>9,514</b>	<b>26,292</b>	<b>229,192</b>

## Going concern and future outlook

The trustees recognise that the Royal Academy of Dance must be a well-managed, well-funded and well-governed organisation to achieve its strategic objectives. They firmly 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.

After significant losses suffered in 2012/13, the RAD has now seen two years of recovery, with net incoming resources before other recognised gains and losses from unrestricted funds of c£0.5m in each year. Whilst the overall number of examinations has fallen by c2% this year, it is still c7% up on 2012/13.

Whilst readily realisable reserves are not yet in line with current policy of three months costs, they are being rebuilt and the position has improved significantly since last year.

In the prior year, both RAD Enterprises Ltd and Continuing Professional Development benefitted significantly from the launch of the new syllabi, with very strong sales of new syllabus materials and professional courses. Overall net income has been broadly maintained despite this one off impact, demonstrating a more diversified spread of income and strong cost control. In particular, revenue from Asian markets has been very strong, including China where previous focus and investment has resulted in good growth.

The trustees are confident that the RAD will meet its targets for 2015/16, and will be targeting further growth in net income in 2016/17, via continued recovery in examination numbers and income in core markets, growth in overseas markets in both membership and examinations, and introduction of new services. They therefore conclude that there are no material uncertainties as of the date of this report which may cast doubt about the charity and group's ability to continue as a going concern.

After some years of search, a suitable new headquarters has been found close to the current premises. This would provide significantly more space and a building that is fit for purpose for the RAD as it heads towards its centenary in 2020. In addition, it is intended that work will begin on the Global Database, an integrated CRM system, with many parts of this going live in 2016/17.

In the year ahead the challenge will be to maintain the ongoing recovery in core operations, to conclude contracts and financing for the move by 2020, and manage the Global Database project. We will also look to launch a number of new initiatives that will help to diversify and grow the RAD's revenue.

The RAD is an international organisation. It operates in many jurisdictions and in a competitive, complex and demanding environment. The trustees will continue to ensure that the RAD minimises risks and uncertainties to enable it to deliver high-quality services to its customers and to ensure the ongoing development of its students, examiners, teachers and staff.

The dedication of its staff and its members, together with the support of the RAD's President, Vice-Presidents, Advisory Council, Trustees and its subcommittee members, examiners, tutors, teachers, students and parents make the RAD a powerful force in delivering its mission to improve the practice, teaching and understanding of dance internationally. Together, we would again like to pay tribute to and thank all those without whose support and dedication that task would be impossible.



Guy Perricone  
Trustee, Board of Trustees



Luke Rittner  
Chief Executive

22 March 2016

## 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 in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England requires the trustees to prepare financial statements for each year, which give a true and fair view of the state of affairs of the charity and the Group and of the incoming resources and application of resources of the charity and the group 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 group and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and 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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

We have audited the financial statements of Royal Academy of Dance for the year ended 31 July 2015 which comprise the group Statement of Financial Activities, the group and parent charity Balance Sheets, the group Cash Flow Statement and notes 1 to 6 of the group Cash Flow Statement and the related notes 1 to 31. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

## Respective responsibilities of the trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group and parent charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's and the group's affairs as at 31 July 2015, 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, and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements, 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.



Deloitte LLP  
Chartered Accountants and Statutory Auditor  
LONDON UK  
22 March 2016

Deloitte LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006 and consequently to act as the auditor of a registered charity.

# GROUP STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 July 2015

## Notes

	2015			2014			
	Unrestricted funds £000	Restricted and designated funds £000	Total funds £000	Unrestricted funds £000	Restricted and designated funds £000	Total funds £000	
<b>Incoming resources</b>							
<b>Incoming resources from generated funds</b>							
2	Voluntary income	32	2	34	16	10	26
3	Activities for generating funds	301	250	551	253	116	369
4	Trading	1,193	-	1,193	1,498	-	1,498
5	Investment income	46	1	47	48	-	48
<b>Incoming resources from charitable activities</b>							
6	Examination fees	10,084	-	10,084	10,164	-	10,164
7	Education and training fees	5,937	652	6,589	6,276	654	6,930
	Subscription income	1,135	-	1,135	1,143	-	1,143
8	Other incoming resources	93	-	93	285	-	285
	<b>Total incoming resources</b>	<b>18,821</b>	<b>905</b>	<b>19,726</b>	<b>19,683</b>	<b>780</b>	<b>20,463</b>
<b>Resources expended</b>							
9	Costs of generating voluntary income	-	-	-	-	(8)	(8)
10	Costs of generating funds	(1,293)	-	(1,293)	(1,416)	(120)	(1,536)
11	Costs of charitable activities	(16,006)	(674)	(16,680)	(16,292)	(635)	(16,927)
12	Governance costs	(889)	(1)	(890)	(1,233)	(1)	(1,234)
13	Other resources expended	(184)	-	(184)	(240)	-	(240)
	<b>Total resources expended</b>	<b>(18,372)</b>	<b>(675)</b>	<b>(19,047)</b>	<b>(19,181)</b>	<b>(764)</b>	<b>(19,945)</b>
	<b>Net incoming resources before transfers</b>	<b>449</b>	<b>230</b>	<b>679</b>	<b>502</b>	<b>16</b>	<b>518</b>
	Transfers between funds	-	-	-	(6)	6	-
	<b>Net incoming resources before recognised gains and losses</b>	<b>449</b>	<b>230</b>	<b>679</b>	<b>496</b>	<b>22</b>	<b>518</b>
<b>Other recognised gains and losses</b>							
On investments held for investment purposes							
	Realised losses	(18)	-	(18)	(29)	-	(29)
	Unrealised gains	-	5	5	-	2	2
	On revaluation of tangible fixed assets	2,924	-	2,924	1,117	-	1,117
	Movement on exchange arising from the consolidation of branches and subsidiaries	(403)	(8)	(411)	(275)	(21)	(296)
	<b>Total other recognised gains and losses</b>	<b>2,503</b>	<b>(3)</b>	<b>2,500</b>	<b>813</b>	<b>(19)</b>	<b>794</b>
	Net movement in funds	2,952	227	3,179	1,309	3	1,312
	Fund balances brought forward at 1 August	11,275	955	12,230	9,966	952	10,918
	<b>Total funds carried forward at 31 July</b>	<b>14,227</b>	<b>1,182</b>	<b>15,409</b>	<b>11,275</b>	<b>955</b>	<b>12,230</b>

# GROUP AND CHARITY BALANCE SHEETS

Year ended 31 July 2015

## Notes

	Group		Charity	
	2015 £000	2014 £000	2015 £000	2014 £000
<b>Fixed assets</b>				
20 Intangible assets	14	6	4	1
21 Tangible assets held for charitable use	12,349	9,824	12,193	9,661
22 Investments	45	52	160	167
	<b>12,408</b>	<b>9,882</b>	<b>12,357</b>	<b>9,829</b>
<b>Current assets</b>				
23 Stocks	444	439	194	184
24 Debtors	1,160	1,163	2,042	1,978
Cash at bank and in hand	6,715	6,750	4,069	4,127
	<b>8,319</b>	<b>8,352</b>	<b>6,305</b>	<b>6,289</b>
25 Creditors – amounts falling due within one year	(4,898)	(5,780)	(4,289)	(4,952)
<b>Net current assets</b>	<b>3,421</b>	<b>2,572</b>	<b>2,016</b>	<b>1,337</b>
26 Creditors – amounts falling due after more than one year	(420)	(224)	(420)	(221)
<b>Net assets</b>	<b>15,409</b>	<b>12,230</b>	<b>13,953</b>	<b>10,945</b>
<b>FUNDS</b>				
27 Restricted and designated funds	1,182	955	1,175	949
28 Unrestricted funds				
Accumulated funds	3,965	3,937	2,604	2,746
Revaluation reserves	10,262	7,338	10,174	7,250
<b>Total funds</b>	<b>15,409</b>	<b>12,230</b>	<b>13,953</b>	<b>10,945</b>

These financial statements were approved and signed on behalf of the Board of Trustees on 22 March 2016 by:



Guy Perricone  
Trustee, Board of Trustees



Leigh Collins  
Trustee, Board of Trustees



# GROUP CASH FLOW STATEMENT

Year ended 31 July 2015

	2015	2014
Restricted and unrestricted funds	£000	£000
<b>Net cash inflow from operating activities (note 2)</b>	<b>1,002</b>	<b>1,653</b>
Returns on investments and servicing of financing (note 3)	(109)	(83)
Overseas taxation	(163)	(169)
Capital expenditure (note 4)	(250)	(252)
<b>Net cash inflow before financing</b>	<b>480</b>	<b>1,149</b>
Management of financing (note 5)	192	(26)
<b>Increase in cash in the year</b>	<b>672</b>	<b>1,123</b>

## Notes to the Group Cash Flow Statement

### 1 Reconciliation of net flows to movement in net funds

Increase in cash in the year	672	1,123
Cash (inflow) outflow from management of financing	(192)	7
Change in net funds resulting from cash flows	480	1,130
Effect of foreign exchange rates	(552)	(349)
Movement in net funds in the year	(72)	781
Net funds at 1st August	5,273	4,492
<b>Net funds at 31st July (note 6)</b>	<b>5,201</b>	<b>5,273</b>

### 2 Reconciliation of net incoming resources to net cash inflow from operating activities

Net incoming resources before transfers	679	518
Impairment on investment	(18)	(29)
Interest receivable	(47)	(48)
Interest payable	156	131
Taxation payable	163	169
Depreciation – tangible fixed assets	317	294
Depreciation – intangible fixed assets	-	1
(Loss) gain on disposal of investments	-	(27)
(Increase) decrease in stocks	(5)	175
Decrease (increase) in debtors	3	(209)
(Decrease)/increase in creditors	(657)	302
Effect of foreign exchange rates on net assets	411	376
<b>Net cash inflow from operating activities</b>	<b>1,002</b>	<b>1,653</b>

### 3 Returns on investments and servicing of financing

Interest receivable	47	48
Interest payable	(156)	(131)
<b>Net cash outflow from returns on investment and servicing of finance</b>	<b>(109)</b>	<b>(83)</b>

### 4 Capital expenditure

Purchase of tangible fixed assets and work-in-progress	(244)	(224)
Investment in joint venture	(6)	(28)
<b>Net cash outflow from capital expenditure</b>	<b>(250)</b>	<b>(252)</b>

### 5 Management of financing

Amounts borrowed (repaid) from banks	210	(17)
Amounts (repaid) on finance leases	(18)	(9)
<b>Net cash inflow (outflow) from management of financing</b>	<b>192</b>	<b>(26)</b>

# GROUP CASH FLOW STATEMENT (continued)

Year ended 31 July 2015

## Notes to the Group Cash Flow Statement (continued)

	At 31st July 2014 £000	Cash flows £000	Exchange movements £000	At 31st July 2015 £000
<b>6 Analysis of movement in net funds</b>				
Bank balances and cash in hand held overseas	6,750	517	(552)	6,715
Bank overdraft borne in the UK	(1,237)	155	-	(1,082)
	5,513	672	(552)	5,633
<i>Amounts due after more than one year</i>				
Bank loans	(203)	(217)	-	(420)
<i>Amounts falling due within one year</i>				
Bank loans	(19)	7	-	(12)
Obligations under finance leases	(18)	18	-	-
	(240)	(192)	-	(432)
	5,273	480	(552)	5,201

# ACCOUNTING POLICIES

Year ended 31 July 2015

## Notes

### 1(a) Basis of accounting

These accounts have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) and accounting standards; the Charities Act; and the historic cost basis of accounting except for investments and fixed assets which have been included at revalued amounts.

### 1(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. Page 18 of this report and statements discusses these uncertainties and the trustees conclude that there are no material uncertainties as of the date of this report which may cast doubt about the charity and Group's ability to continue as a going concern.

### 1(c) Basis of consolidation

The charity accounts include the audited accounts of the Royal Academy of Dance in the UK and its branches for the year to 31 July 2015, and the Consolidated Group accounts include the audited accounts of the charity and its subsidiaries. All activities derive from continuing operations.

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

Stocks of goods for resale are stated at the lower of cost and net realisable value. Costs relating to the development of examination syllabi and teaching aids are treated as work-in-progress until the product is ready for sale.

### 1(e) Tangible fixed assets

All tangible fixed assets, other than freehold land, are stated at cost net of depreciation and any provision for impairment. Freehold land is stated at valuation. 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% pa	Furniture and office equipment	10% pa
Computer equipment	33% pa	Motor vehicles	25% pa

### 1(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.

### 1(g) Leases

Assets held under hire purchase contracts, which confer rights and obligations, similar to those attached to owned assets, are capitalised as fixed assets and are depreciated over their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the SOFA over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding.

### 1(h) Investments

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

### 1(i) Revaluation of assets

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

### 1(j) Overseas currencies

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

# ACCOUNTING POLICIES

Year ended 31 July 2015

## Notes

### I(k) Recognition of income

Income is recognised in the statement of financial activities on a receivable basis. This is when the RAD has entitlement, reasonable certainty of receipt and the amount can be 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 incoming resources 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 incoming resources.

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

### I(l) Recognition of expenditure

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

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

### I(m) Pension costs

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

### I(n) Fund accounting

Restricted income and expenditure is recognised on a receipts and payments basis. Funds can be classified as Designated or Restricted. They arise from a number of sources, which include:

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

### I(o) Regional advisory committees

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

### I(p) Treatment of VAT

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

# NOTES TO THE ACCOUNTS

Year ended 31 July 2015

## Notes

	2015			2014		
	Unrestricted funds £000	Restricted funds £000	Total funds £000	Unrestricted funds £000	Restricted funds £000	Total funds £000
<b>2 Voluntary income</b>						
Donations, gifts and legacies	32	2	34	16	2	18
Grants	-	-	-	-	8	8
	<b>32</b>	<b>2</b>	<b>34</b>	<b>16</b>	<b>10</b>	<b>26</b>
<b>3 Activities for generating funds</b>						
Fundraising activities	-	250	250	-	116	116
Licensing and royalty income	248	-	248	204	-	204
Property and studio hire	53	-	53	49	-	49
	<b>301</b>	<b>250</b>	<b>551</b>	<b>253</b>	<b>116</b>	<b>369</b>
<b>4 Trading</b>						
Trading consists of sales made by Royal Academy of Dance Enterprises Limited and branch outlets of the Royal Academy of Dance. The company acts as the publishing and distribution arm for the Royal Academy of Dance Examinations Board; publishing and selling its syllabi and related teaching resources, in addition to other dance related products. Its products are sold and distributed through its website, catalogues, a shop outlet located within Royal Academy of Dance in Battersea, branch outlets and selected stockists.						
	<b>2015</b>	<b>2014</b>				
	<b>£000</b>	<b>£000</b>				
Turnover net of taxes and discounts	1,193	1,498				
Cost of sales and other costs	(921)	(1,109)				
<b>Net income from trading</b>	<b>272</b>	<b>389</b>				
Additional income is generated from licensing fees which are disclosed in note 3, as a result of which Royal Academy of Dance Enterprises Limited was able to make a Gift Aid payment of <b>£339,000</b> (2014: £499,000) to its parent company.						
<b>5 Investment income</b>						
Interest received	46	1	47	48	-	48
	<b>46</b>	<b>1</b>	<b>47</b>	<b>48</b>	<b>-</b>	<b>48</b>
<b>6 Examination fees</b>						
RAD examinations	10,080	-	10,080	10,161	-	10,161
Benesh examinations	4	-	4	3	-	3
	<b>10,084</b>	<b>-</b>	<b>10,084</b>	<b>10,164</b>	<b>-</b>	<b>10,164</b>
<b>7 Education and training fees</b>						
<b>Initial education</b>						
University validated programmes	1,059	-	1,059	1,010	-	1,010
RAD validated programmes	2,272	-	2,272	1,945	-	1,945
	<b>3,331</b>	<b>-</b>	<b>3,331</b>	<b>2,955</b>	<b>-</b>	<b>2,955</b>
<b>Continuing education</b>						
CPD courses	789	-	789	1,386	-	1,386
Student events and activities	1,817	-	1,817	1,935	-	1,935
	<b>2,606</b>	<b>-</b>	<b>2,606</b>	<b>3,321</b>	<b>-</b>	<b>3,321</b>
Step into Dance project	-	652	652	-	654	654
	<b>5,937</b>	<b>652</b>	<b>6,589</b>	<b>6,276</b>	<b>654</b>	<b>6,930</b>

# NOTES TO THE ACCOUNTS

Year ended 31 July 2015

## Notes

	2015			2014		
	Unrestricted funds £000	Restricted funds £000	Total funds £000	Unrestricted funds £000	Restricted funds £000	Total funds £000
<b>8 Other incoming resources</b>						
Advertising income	51	-	51	46	-	46
All other income	42	-	42	239	-	239
	<b>93</b>	<b>-</b>	<b>93</b>	<b>285</b>	<b>-</b>	<b>285</b>
<b>Resources expended</b>						
<b>9 Costs of generating voluntary income</b>						
Grants	-	-	-	-	(8)	(8)
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8)</b>	<b>(8)</b>
<b>10 Costs of generating funds</b>						
Fundraising activities	(121)	-	(121)	(60)	(120)	(180)
Property and studio hire	(1)	-	(1)	(2)	-	(2)
Trading	(1,171)	-	(1,171)	(1,354)	-	(1,354)
	<b>(1,293)</b>	<b>-</b>	<b>(1,293)</b>	<b>(1,416)</b>	<b>(120)</b>	<b>(1,536)</b>

In considering the classification of income and costs associated with charitable activities, the trustees have reclassified trading activities from charitable activities to generating funds, which they consider is a better reflection of the requirements of the SORP.

# NOTES TO THE ACCOUNTS

Year ended 31 July 2015

## Notes

	2015			2014		
	Unrestricted funds £000	Restricted funds £000	Total funds £000	Unrestricted funds £000	Restricted funds £000	Total funds £000
<b>II Costs of charitable activities</b>						
<b>a Examinations</b>						
RAD examinations	(6,043)	-	(6,043)	(6,512)	-	(6,512)
Indirect support costs (note 14)	(2,435)	-	(2,435)	(1,994)	-	(1,994)
	<b>(8,478)</b>	<b>-</b>	<b>(8,478)</b>	<b>(8,506)</b>	<b>-</b>	<b>(8,506)</b>
<b>b Education and training fees</b>						
<b>Initial education</b>						
University validated programmes	(853)	-	(853)	(916)	-	(916)
RAD validated programmes	(1,126)	-	(1,126)	(1,016)	-	(1,016)
Administrative costs	(414)	-	(414)	(477)	-	(477)
Indirect support costs (note 14)	(1,277)	-	(1,277)	(823)	-	(823)
	<b>(3,670)</b>	<b>-</b>	<b>(3,670)</b>	<b>(3,232)</b>	<b>-</b>	<b>(3,232)</b>
<b>Continuing education</b>						
CPD courses	(565)	-	(565)	(1,016)	-	(1,016)
Student events and activities	(1,481)	-	(1,481)	(1,506)	-	(1,506)
Administrative costs	(205)	-	(205)	(189)	-	(189)
Indirect support costs (note 14)	(746)	-	(746)	(759)	-	(759)
	<b>(2,997)</b>	<b>-</b>	<b>(2,997)</b>	<b>(3,470)</b>	<b>-</b>	<b>(3,470)</b>
Step into Dance project	-	(674)	(674)	-	(635)	(635)
	<b>(6,667)</b>	<b>(674)</b>	<b>(7,341)</b>	<b>(6,702)</b>	<b>(635)</b>	<b>(7,337)</b>
<b>c Subscription</b>						
Administration	(286)	-	(286)	(348)	-	(348)
Publications	(129)	-	(129)	(175)	-	(175)
Indirect support costs (note 14)	(446)	-	(446)	(561)	-	(561)
	<b>(861)</b>	<b>-</b>	<b>(861)</b>	<b>(1,084)</b>	<b>-</b>	<b>(1,084)</b>
<b>Total costs of charitable activities</b>	<b>(16,006)</b>	<b>(674)</b>	<b>(16,680)</b>	<b>(16,292)</b>	<b>(635)</b>	<b>(16,927)</b>

# NOTES TO THE ACCOUNTS

Year ended 31 July 2015

## Notes

	2015			2014		
	Unrestricted funds £000	Restricted funds £000	Total funds £000	Unrestricted funds £000	Restricted funds £000	Total funds £000
<b>12 Governance costs</b>						
Audit and accountancy fees	(251)	(1)	(252)	(243)	-	(243)
Legal fees	(4)	-	(4)	(6)	-	(6)
All other costs	(108)	-	(108)	(117)	-	(117)
Indirect support costs (note 14)	(526)	(1)	(527)	(867)	(1)	(868)
	<b>(889)</b>	<b>(2)</b>	<b>(891)</b>	<b>(1,233)</b>	<b>(2)</b>	<b>(1,234)</b>

### Fees payable to the charity's auditor and its associates for the audit of the charity's annual accounts

Audit fees	(98)	-	(98)	(95)	-	(95)
Other services	(12)	-	(12)	(6)	-	(6)

### Fees payable to the charity's auditor and its associates for the audit of the charity's subsidiaries

Audit fees	(42)	(1)	(43)	(45)	(1)	(46)
Other services	-	-	-	-	-	-

### Fees payable to other auditors for the audit of the charity's branches and subsidiaries

Fees	(98)	-	(98)	(103)	-	(103)
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## 13 Other resources expended

Loss on asset disposals	(26)	-	(26)	-	-	-
Exchange gains/(losses)	5	-	5	(71)	-	(71)
Taxation	(163)	-	(163)	(169)	-	(169)
	<b>(184)</b>	<b>-</b>	<b>(184)</b>	<b>(240)</b>	<b>-</b>	<b>(240)</b>

## 14 Analysis of indirect support costs<sup>2</sup>

### Unrestricted funds 2015

	Exams	Education	Training	Membership	Total Charitable Activities	Trading	Total Governance	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and pensions	(1,310)	(673)	(387)	(227)	(2,597)	(118)	(297)	(3,012)
General administration	(574)	(276)	(171)	(111)	(1,132)	(81)	(80)	(1,293)
Information technology	(125)	(98)	(53)	(37)	(313)	(17)	(72)	(402)
Financing charges	(59)	(38)	(21)	(16)	(134)	(6)	(16)	(156)
Depreciation	(140)	(66)	(42)	(28)	(276)	(13)	(28)	(317)
Rent and property	(227)	(126)	(72)	(27)	(452)	(15)	(33)	(500)
	<b>(2,435)</b>	<b>(1,277)</b>	<b>(746)</b>	<b>(446)</b>	<b>(4,904)</b>	<b>(250)</b>	<b>(526)</b>	<b>(5,680)</b>

## 14 Analysis of indirect support costs

### Unrestricted funds 2014

	Exams	Education	Training	Membership	Total Charitable Activities	Trading	Total Governance	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and pensions	(1,155)	(423)	(420)	(184)	(2,182)	(124)	(428)	(2,734)
General administration	(428)	(121)	(146)	(237)	(932)	(56)	(332)	(1,320)
Information technology	(133)	(111)	(39)	(76)	(359)	(20)	(15)	(394)
Financing charges	(45)	(23)	(21)	(15)	(104)	(7)	(21)	(132)
Depreciation	(108)	(63)	(45)	(29)	(245)	(20)	(30)	(295)
Rent and property	(125)	(82)	(88)	(20)	(315)	(18)	(41)	(374)
	<b>(1,994)</b>	<b>(823)</b>	<b>(759)</b>	<b>(561)</b>	<b>(4,137)</b>	<b>(245)</b>	<b>(867)</b>	<b>(5,249)</b>

<sup>2</sup> The basis of allocation of support costs are disclosed in Note 1(j)(d). Restricted funds indirect support costs for 2015 and 2014 are shown in notes 11 and 12 only and represent audit, financing and property costs respectively



# NOTES TO THE ACCOUNTS

Year ended 31 July 2015

## Notes

### 15 Related party transactions

Four trustees (2014: four) who are also examiners, tutors or mentors received **£38,248** in related fees and also expenses including travel costs for attending trustee meetings, and a further **£6,546** was paid to seven trustees for travel and other expenses to attend board meetings (2014: £2,502; four), and **£3,944** to one trustee for consulting work (2014: £Nil). Payments to Trustees who are also examiners, tutors and mentors are in accordance with Articles 6.5, and 10 of the Charter. £52,989 was paid in 2014.

The following related party transactions took place during the year:

Related party: Louise Murray (Trustee) as owner of Monument Performing Arts School

Transaction: Hire of studios to the Royal Academy of Dance in Scotland for examinations and courses

Cost of transaction: : £1,520 (2014: £1,440)

Amount due at 31 July 2015: £nil (2014: £nil)

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

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

Cost of transaction: £88,573 (¥16,101,773) (2014: £94,171 (¥16,293,966))

Amount due at 31 July 2014: £23,184 (¥4,493,240) (2014: £33,827 (¥5,852,883))

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

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

Cost of transaction: £12,177 (Rupiah 240,000,000) (2014: £10,301 (Rupiah 202,500,000))

Amount due at 31 July 2015: £Nil (Rupiah Nil) (2014: £Nil (Rupiah Nil))

Related party: Mr Lume (husband of National Director – South Africa) as owner of Lumeco Graphics and Media

Transaction: Design and website management services

Cost of transaction: £4,251 (R76,968) (2014: £Nil (RNil))

Amount due at 31 July 2015: £Nil (RNil) (2014: Nil (RNil))

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

Transaction: Administration services for Royal Academy of Dance gGmbH

Cost of transaction: £543 (€720) (2014: £Nil (€ Nil))

Amount due at 31 July 2015: £Nil (€ Nil) (2014: £Nil (€ Nil))

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

Transaction: Website management services

Cost of transaction: £2,240 (US\$3,500) (2014: £Nil (US\$Nil))

Amount due at 31 July 2015: £Nil (US\$Nil) (2014: £Nil (US\$Nil))

All transactions were at arm's length. The RAD has taken advantage of the option conferred by Financial Reporting Standard No. 8 Related Party Disclosures that allows it not to disclose transactions with subsidiaries.

### 16 Indemnity insurance

Indemnity insurance was included as part of the RAD's global policy to indemnify it 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 2015 was **£5,800** (2014: £5,800).

### 17 Costs of employees

The RAD employed 203 (2014: 191) administrative staff and 40 (2014: 48) commission-based staff worldwide, as well as contracting the services of examiners, teachers, tutors and musicians. Employment costs account for 54% (2014: 52%) of total resources expended (excluding other resources expended):

# NOTES TO THE ACCOUNTS

Year ended 31 July 2015

## Notes

	2015 Total staff costs £000	2014 Total staff costs £000
Employee gross salaries	(8,867)	(8,883)
Employee payroll taxes	(504)	(506)
Employer pension contribution	(284)	(266)
Employees on commission	(571)	(614)
<b>Total employment costs</b>	<b>(10,226)</b>	<b>(10,269)</b>

The RAD has a number of Regional Advisory Committees (RACs) in Australia, Greece, South Africa and the UK. These 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.

## 18 Pension costs

The pension charge for the year to 31 July 2015 was **£284,000** (2014: £266,000).

In the UK the RAD currently operates two schemes, representing in total 141 employees (2014: 82), 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 47 (2014: 33) employees in nine (2014: nine) countries

Provider	Country	Type of scheme	Number of staff
CARE Super	Australia	Superannuation fund	14
Registered Retirement Savings Plan (RRSP)	Canada	Defined contribution scheme	13
Migdal	Israel	Defined contribution scheme	1
Pensplan and Labrifond	Italy	Defined contribution schemes	4
AXA	New Zealand	Superannuation fund	4
Seguranca Social	Portugal	Defined contribution scheme	1
Liberty Pension Scheme	South Africa	Defined contribution scheme	6
BBVA	Spain	Plan de Jubilacion	3
Aegon Life	Thailand	Defined contribution scheme	1

In other countries companies contribute to the state scheme. As of 31 July 2015 there were accrued employer pension contributions of £10,738 which were paid in August 2015 (2014: £15,379).

	2015	2014
<b>Number of Group employees earning:</b>		
Between £100,001 – £110,000	1	-
Pension contributions	£11,339	-
between £90,001 – £100,000	1	1
Pension contributions	£5,375	£11,062
between £70,001 – £80,000	1	4
Pension contributions	£2,180	£20,635
between £60,001 – £70,000	5	4
Pension contributions	£27,812	£22,932

# NOTES TO THE ACCOUNTS

Year ended 31 July 2015

## Notes

### 19 Taxation

The RAD is a charitable organisation and is entitled to UK tax exemptions available to charities under Chapter 3 of Part II to the Corporation Tax Act 2010 and Section 256 TCGA 1992. Accordingly, provision for UK taxation has only been made in respect of the profits of the Royal Academy of Dance Enterprises Limited. Subject to the availability of similar charitable exemption overseas, provision has been made for overseas taxation on the profits of overseas subsidiaries and branches.

### 20 Intangible assets

These consist of computer software and telephone subscription rights of subsidiary companies that are recorded at cost and written off over a number of years.

### 21 Tangible fixed assets held for charitable use

Group	Freehold land and buildings £000	Furniture and office equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
<b>Cost or Valuation</b>					
At 1 August 2014	9,399	603	1,221	46	11,269
Exchange movements	(299)	(36)	(85)	(4)	(424)
Revaluation	2,924	-	-	-	2,924
Additions	8	62	164	10	244
Disposals	-	(21)	(43)	(8)	(72)
<b>At 31 July 2015</b>	<b>12,032</b>	<b>608</b>	<b>1,257</b>	<b>44</b>	<b>13,941</b>
<b>Accumulated depreciation</b>					
At 1 August 2014	23	440	950	32	1,445
Exchange movements	-	(16)	(80)	(3)	(99)
Charge for the year	10	39	260	8	317
Eliminated on disposals	-	(20)	(43)	(8)	(71)
<b>At 31 July 2015</b>	<b>33</b>	<b>443</b>	<b>1,087</b>	<b>29</b>	<b>1,592</b>
<b>Net book value</b>					
<b>At 31 July 2015</b>	<b>11,999</b>	<b>165</b>	<b>169</b>	<b>15</b>	<b>12,349</b>
At 31 July 2014	9,376	163	271	14	9,824
<b>Charity</b>					
<b>Cost or valuation</b>					
At 1 August 2014	9,271	527	1,148	46	10,992
Exchange movements	(288)	(19)	(87)	(4)	(398)
Revaluation	2,924	-	-	-	2,924
Additions	8	48	156	10	222
Disposals	-	(8)	(43)	(8)	(59)
<b>At 31 July 2015</b>	<b>11,915</b>	<b>548</b>	<b>1,174</b>	<b>44</b>	<b>13,681</b>
<b>Accumulated depreciation</b>					
At 1 August 2014	22	393	884	32	1,331
Exchange movements	(1)	(10)	(75)	(3)	(89)
Charge for the year	10	34	253	8	305
Eliminated on disposals	-	(8)	(43)	(8)	(59)
<b>At 31 July 2015</b>	<b>31</b>	<b>409</b>	<b>1,019</b>	<b>29</b>	<b>1,488</b>
<b>Net book value</b>					
<b>At 31 July 2015</b>	<b>11,884</b>	<b>139</b>	<b>155</b>	<b>15</b>	<b>12,193</b>
At 31 July 2014	9,249	134	264	14	9,661

# NOTES TO THE ACCOUNTS

Year ended 31 July 2015

## Notes

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

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

	Value at 1 August 2014	Charge for the year	Additions to freehold	Increase (decrease) in valuation	Value at 31 July 2015	Net historical cost
UK £'000	7,500	-	-	2,795	10,295	1,910
Australia AU\$'000	3,159	(20)	14	247	3,400	470
South Africa Rand'000	2,280	-	-	-	2,280	654

  

	Value at 1 August 2014 £'000	Exchange movement £'000	Charge for the Year £'000	Additions to freehold £'000	Increase in valuation £'000	Value at 31 July 2015 £'000
UK	7,500	-	-	-	2,795	10,295
Australia	1,749	(287)	(10)	8	129	1,589
South Africa	127	(12)	-	-	-	115
<b>Total</b>	<b>9,376</b>	<b>(299)</b>	<b>(10)</b>	<b>8</b>	<b>2,924</b>	<b>11,999</b>

The freehold property in the UK was valued on 31 July 2015 in accordance with the requirements of the RICS Valuation – Professional Standards (7th edition) and FRS15. The Valuer's opinion of value was primarily derived using comparable recent market transactions.

The freehold property in Australia was valued on 31 July 2015 at fair value; assuming the land component would be of interest to a developer rather than as part of the continuing business.

These valuations were carried out by:

Property in London, UK            Daniel Watney LLP, Chartered Surveyors  
 Property in Sydney, Australia    Egan National Valuers (NSW)

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

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 its contribution to knowledge and culture.

# NOTES TO THE ACCOUNTS

Year ended 31 July 2015

## Notes

	Group		Charity	
	2015	2014	2015	2014
	£000	£000	£000	£000
<b>22 Investments</b>				
<b>Quoted investments</b>				
Market value at 1 August	37	37	33	31
Exchange movements	-	(2)	-	-
Net realised / unrealised gains	5	2	5	2
<b>Market value at 31 July</b>	<b>42</b>	<b>37</b>	<b>38</b>	<b>33</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> as at 1 August	15	16	15	16
Investment during the year	6	28	6	28
less impairment during year	(18)	(29)	(18)	(29)
<b>As at 31 July</b>	<b>3</b>	<b>15</b>	<b>3</b>	<b>15</b>
<b>Investments in subsidiaries</b>				
Balance at 1 August	-	-	119	135
Exchange movements	-	-	-	(16)
Additions	-	-	-	-
<b>As at 31 July</b>	<b>-</b>	<b>-</b>	<b>119</b>	<b>119</b>
<b>Total investments at 31 July</b>	<b>45</b>	<b>52</b>	<b>160</b>	<b>167</b>
<i>Quoted investments</i>				
Held in the UK	38	33	38	33
Held outside the UK	4	4	-	-

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

The charity owns 100% of the issued capital of the subsidiary companies on page 42, whose aims and objectives mirror those of the RAD, with the exception of Royal Academy of Dance S/C Ltda, a company registered in Brazil, and Royal Academy of Dance de Mexico AC, a company registered in Mexico whose issued share capitals are held 100% in trust on behalf of the Royal Academy of Dance; and RAD Dancing (Thailand) Co Ltd where the RAD holds 49% of the issued share capital, but has effective control.

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

<sup>3</sup> Celebration of Dance Festival Ltd.; a joint venture between the Imperial Society of Teachers of Dancing (ISTD), the International Dance Teachers' Association (IDTA) and RAD

# NOTES TO THE ACCOUNTS

Year ended 31 July 2015

## Notes

### 22 Investments in subsidiaries

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

	Group		Charity	
	2015	2014	2015	2014
	£000	£000	£000	£000
<b>23 Stocks</b>				
Finished goods and goods for resale	444	425	194	184
Work-in-progress	-	14	-	-
<b>Balance at 31 July</b>	<b>444</b>	<b>439</b>	<b>194</b>	<b>184</b>

<b>24 Debtors</b>				
Trade debtors	375	593	278	472
Amounts due from subsidiaries	-	-	1,176	1,045
Other debtors	233	232	143	150
Prepayments and accrued income	552	338	445	311
<b>Balance at 31 July</b>	<b>1,160</b>	<b>1,163</b>	<b>2,042</b>	<b>1,978</b>

	Group		Charity	
	2015	2014	2015	2014
	£000	£000	£000	£000
<b>25 Creditors: amounts falling due within one year</b>				
Bank overdrafts	(1,082)	(1,237)	(1,082)	(1,207)
Bank loans	(12)	(19)	(12)	(18)
Trade creditors	(1,161)	(1,358)	(922)	(1,111)
Taxation and social security	(254)	(293)	(140)	(160)
Accruals and deferred income	(2,389)	(2,873)	(2,133)	(2,456)
<b>Balance at 31 July</b>	<b>(4,898)</b>	<b>(5,780)</b>	<b>(4,289)</b>	<b>(4,952)</b>

# NOTES TO THE ACCOUNTS

Year ended 31 July 2015

## Notes

### Bank overdrafts

**£1,082,022** (2014: £1,236,949) is offset for grouping purposes against other balances held by the Royal Academy of Dance in the UK with HSBC Bank Plc and attracts interest at 2% on so much as is covered by cleared credit balances, and 1.9% over base rate (2014: 1.6%) on the remainder of it within the limit. It is subject to normal terms and conditions including repayment on demand.

As at 31 July the Royal Academy of Dance in the UK had not utilised any of the £700,000 available in the grouped overdraft facility (2014: £82,753).

HSBC Bank Plc renewed the RAD's facilities for a further year in July 2015. 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. None was utilised at year end.

	Group		Charity	
	2015 £000	2014 £000	2015 £000	2014 £000
<b>26 Creditors: amounts falling due after more than one year</b>				
Provision for long-service award	-	(3)	-	-
Obligations under finance leases	-	(18)	-	(18)
Bank loans	(420)	(203)	(420)	(203)
<b>Balance at 31 July</b>	<b>(420)</b>	<b>(224)</b>	<b>(420)</b>	<b>(221)</b>

### Bank loans

A Bank loan of total **£182,262** (2014: £221,520) with £170,000 falling due after more than one year, relates to bank bill business loan of A\$400,000 utilised in March 2012 to complete building works on 20 Farrell Avenue, Sydney. The loan is interest and fees for the first 3 years; then principal, interest and fees for the remaining period of 12 years, expiring 2027. The current interest rate is 6.455%. The change in total liability is due to exchange movements and A\$10,000 repayment. The loan is secured on that property.

A Base rate loan facility of £250,000, secured on the property at 36 Battersea Square, London, was made available by HSBC Plc in July 2014 to assist in the payment of professional fees related to the change of planning use on that property. The facility crystallised on draw down in November 2014 and is repayable in November 2016. It attracts interest at 3.4% over the Bank of England Base Rate. At year end £97,978 had been utilised.

# NOTES TO THE ACCOUNTS

Year ended 31 July 2015

## Notes

### 27 Movement in other funds

Type of Fund			Balance at 1 August 2014	Exchange Movement	Revalued balance at 1 August 2014	Movement in resources		Net movement	Gains on investments realised and unrealised	Transfers from unrestricted funds	Balance at 31 July 2015
			£000	£000	£000	£000	£000	£000	£000	£000	£000
Step into Dance programme	UK	Restricted	24	-	24	646	(641)	5	-	-	29
CLIF programme	UK	Restricted	-	-	-	27	(10)	17	-	-	17
Benesh Projects	UK	Restricted	-	-	-	25	(13)	12	-	-	12
Genée Legacy Funds	Singapore	Designated	24	-	24	-	-	-	-	-	24
Genée Legacy Funds	UK	Designated	7	-	7	10	-	10	-	-	17
Challengenée Funds	UK	Designated	21	-	21	77	-	77	-	-	98
Social Responsibility Fund	Group	Designated	80	1	81	23	-	23	-	-	104
Evans Legacy	USA	Designated	48	(3)	45	-	-	-	-	-	45
Scholarship / bursary funds	UK	Restricted	523	-	523	76	(5)	71	3	-	597
Boys Only! funds	UK	Restricted	62	-	62	5	(3)	2	-	-	64
Iris Truscott fund	UK	Restricted	27	-	27	1	(1)	-	2	-	29
Regional Scholarship funds	UK	Restricted	43	-	43	13	(1)	12	-	-	55
Jubilee Awards 2012	UK	Restricted	18	-	18	-	-	-	-	-	18
Christel Addison Funds	Sth Africa	Restricted	71	(6)	65	-	-	-	-	-	65
Scholarship fund	Israel	Restricted	1	-	1	-	-	-	-	-	1
<b>Total Charity</b>			<b>949</b>	<b>(8)</b>	<b>941</b>	<b>903</b>	<b>(674)</b>	<b>229</b>	<b>5</b>	<b>-</b>	<b>1,175</b>
Building fund	S Africa	Restricted	6	-	6	2	(1)	1	-	-	7
<b>Total Group</b>			<b>955</b>	<b>(8)</b>	<b>947</b>	<b>905</b>	<b>(675)</b>	<b>230</b>	<b>5</b>	<b>-</b>	<b>1,182</b>
<b>Total Group – prior year</b>			<b>952</b>	<b>(21)</b>	<b>931</b>	<b>780</b>	<b>(764)</b>	<b>16</b>	<b>2</b>	<b>6</b>	<b>955</b>



# NOTES TO THE ACCOUNTS

Year ended 31 July 2015

## Notes

### Restricted funds

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. In 2015 the programme ran in 200 secondary schools (2014: 200) in 32 London boroughs (2014: 32).

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

### Designated funds

Designated funds form part of unrestricted reserves:

**Genée Legacy funds (Singapore and UK):** Funds raised from the Genée International Ballet Competition. No payments were made from these funds.

**Challengée funds:** Funds raised to support the Genée International Ballet Competition and bursaries. A further £77,000 was raised in 2014/15 to fund future bursaries.

**Social Responsibility fund:** This was set up in 2011 by the Trustees to meet its Public Benefit responsibility through Royal Academy of Dance Enterprises Ltd and branch retail outlets in Australia, Canada, New Zealand, South Africa and the USA gift-aiding or transferring, as appropriate, 2% of their sales turnover after tax and discounts. A total of £23,000 (2014: £28,232) was raised during the year from sales, with £nil (2014: £892) in costs. No awards will be made until the fund has built up over a period of five years.

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

### Restricted funds

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

**Scholarship/bursary funds:** To provide grants to students attending teacher education and notation programmes at the RAD. During the year £62,500 was received in bequests to fund the Phyllis Bedells bursary and the Choreographic Prize for the RAD Dance Challenge, as well as other donations. Awards totalling £5,000 were made in this financial year (2014: £29,000).

**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.

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

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

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

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

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

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

# NOTES TO THE ACCOUNTS

Year ended 31 July 2015

## Notes

### 28 Movement in unrestricted funds

	Balance at 1 August 2014	Exchange movements	Net incoming resources	Other recognised (losses) gains	Transfers between funds	Balance at 31 July 2015
	£000	£000	£000	£000	£000	£000
<b>Charity</b>						
Accumulated funds	2,746	(335)	219	(26)	-	2,604
Revaluation reserve	7,250	-	-	2,924	-	10,174
	<b>9,996</b>	<b>(335)</b>	<b>219</b>	<b>2,898</b>	<b>-</b>	<b>12,778</b>
<b>Group</b>						
Accumulated funds	3,937	(395)	449	(26)	-	3,965
Revaluation reserve	7,338	-	-	2,924	-	10,262
	<b>11,275</b>	<b>(395)</b>	<b>449</b>	<b>2,898</b>	<b>-</b>	<b>14,227</b>

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

	Unrestricted funds £000	Restricted funds £000	Total funds £000
<b>29 Analysis of group net assets between funds</b>			
Tangible fixed assets	12,349	-	12,349
Intangible fixed assets and investments	17	42	59
Current assets	7,137	1,182	8,319
Current liabilities	(4,898)	-	(4,898)
Amounts falling due after more than one year	(420)	-	(420)
<b>Total net assets</b>	<b>14,185</b>	<b>1,224</b>	<b>15,409</b>

### 30 Parent Charity

The parent charity in the United Kingdom had net incoming resources before consolidation adjustments, transfers between funds, and other recognised gains and losses of £490,000 (2014: net incoming resources £210,000).

	Incoming resources	Resources expended	2015 Net incoming (outgoing) resources	Incoming resources	Resources expended	2014 Net incoming (outgoing) resources
	£000	£000	£000	£000	£000	£000
Unrestricted funds	14,454	(14,197)	257	14,696	(14,502)	194
Restricted and designated funds	907	(674)	233	778	(762)	16
<b>For the year to 31 July</b>	<b>15,361</b>	<b>(14,871)</b>	<b>490</b>	<b>15,474</b>	<b>(15,264)</b>	<b>210</b>

# NOTES TO THE ACCOUNTS

Year ended 31 July 2015

## Notes

### 31 Net incoming resources

Net incoming resources on the Group Consolidated Statement of Financial Activities represent the operating results of the RAD and its branches and subsidiaries, which are shown below after taxation, management charges, dividends and consolidation adjustments but before transfers between funds and other recognised gains and losses:

	Incoming resources	Resources expended	2015 Net incoming (outgoing) resources	Incoming resources	Resources expended	2014 Net incoming (outgoing) resources
	£000	£000	£000	£000	£000	£000
<b>Unrestricted funds</b>						
UK Group <sup>4</sup>	9,129	(8,890)	239	9,376	(9,388)	(12)
Australia	2,040	(2,025)	15	2,136	(2,035)	101
Canada	1,274	(1,261)	13	1,287	(1,315)	(28)
Israel	46	(49)	(3)	65	(57)	8
Japan	284	(313)	(29)	310	(314)	(4)
New Zealand	389	(335)	54	396	(364)	32
Portugal	183	(213)	(30)	284	(218)	66
Southern Africa	365	(374)	(9)	360	(335)	25
United States of America	463	(455)	8	482	(447)	35
RAD Enterprises	909	(909)	-	1,093	(1,093)	-
RAD Brazil S/C Ltda	366	(338)	28	349	(353)	(4)
RAD Germany gGmbH	508	(489)	19	488	(461)	27
Yayasan RAD Indonesia	132	(147)	(15)	145	(159)	(14)
Royal Academy of Dance Srl	693	(729)	(36)	800	(760)	40
RAD Dance asbl	72	(87)	(15)	111	(106)	5
RAD Dancing (Malaysia) Sdn Bhd	468	(401)	67	453	(395)	58
RAD Mexico de AC	313	(321)	(8)	329	(282)	47
RAD Singapore Pte Ltd	588	(451)	137	579	(525)	54
RAD Dancing (Thailand) Co Ltd	149	(147)	2	139	(142)	(3)
Royal Academy of Dance SL	450	(438)	12	501	(432)	69
<b>For the year to 31 July</b>	<b>18,821</b>	<b>(18,372)</b>	<b>449</b>	<b>19,683</b>	<b>(19,181)</b>	<b>502</b>
<b>Restricted and designated funds</b>						
UK Group	892	(674)	218	770	(762)	8
Australia	2	-	2	4	-	4
Canada	1	-	1	2	(1)	2
New Zealand	1	-	1	1	-	1
Southern Africa	1	-	1	1	-	1
Royal Academy of Dance s2l South Africa	2	(1)	1	2	(2)	-
United States of America	6	-	6	-	-	-
<b>For the year to 31 July</b>	<b>905</b>	<b>(675)</b>	<b>230</b>	<b>780</b>	<b>(764)</b>	<b>16</b>

<sup>4</sup> Includes consolidation adjustments of £(61,337) (2014: £20,955)

## GROUP

The results of the 12 subsidiary companies below are consolidated with the results of the charity (branch offices and UK group) to form the worldwide group:

### Subsidiary offices

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, 38100 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, Rua Dr Francisco A Tozzi, 180 Estância Suiçal3930 000 Serra Negra-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 branches 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, 1201 Sheppard Avenue East, 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 5 Outwide House, Taranaki 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	Marian Center for Nonprofits, 3211 South Lake Drive, Suite R317, St. Francis, WI 53235

### UK group

The results of the 14 representative offices below are included in the results of the UK to form the UK group:

### Representative offices

Caribbean	PO Box 1433, Constant Spring Post Office, 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	Holly Lodge, Pidgeon House Lane, Julianstown, Co. Meath
Malta	8 Guze Ellul Mercer Street, Sliema SLM1281
Philippines	British Council, 10F Taipan Building, Ortigas Jn Road, Ortigas Center, Pasig City 1605
Scandinavia	Fagerheim Alle 85b, 7040 Trondheim, Norway
South Asia	40a Lake Gardens, off Lake Drive, Rajagiriya 10100, Sri Lanka
South Korea	1703 Artnouveau Palace, 7-1 Songpa Dong, Songpa Gu, Seoul 138-848
Taiwan	5f, No 122, Sect 7 Chung Shan N. Road, Taipei
Turkey	British Council, Maya Akar Center, No 100-101 Buyudere Cad, Esentepe 80280, Istanbul
UAE & Qatar	British Council, Academic City, Dubai English Speaking College campus, PO Box 2002, Dubai

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

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<b>Indonesia</b>	KAP Ekna Masni, Bustaman & Rekan	Sentra Kramat B-18, JL Kramat Raya 7-9, Jakarta 10450
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<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
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