

ROYAL ACADEMY OF  
**DANCE**

Financial Report and Statements  
for the year ended 31 July 2011

## A Global Brand 2010/11

	No of Members	No of Members who are Registered Teachers	No of Examination, Candidates	No of Faculty of Education Students	No of participants on an IF / I course
United Kingdom	3,792	2,061	59,466	376	517
Australia	1,905	894	21,853	97	388
Canada	933	602	14,384	65	151
Italy	702	505	11,763	61	-
S Africa	655	348	8,935	48	123
New Zealand	536	212	6,799	10	74
United States of America	466	203	3,752	20	104
Germany	321	246	5,822	44	115
Spain	306	269	8,591	47	159
Hong Kong	289	218	16,785	36	128
Greece	279	213	4,038	31	274
Malaysia	260	180	10,466	32	194
Mexico	232	191	8,346	41	156
Japan	201	114	1,750	17	66
Brazil	172	155	4,321	47	125
China	135	63	2,542	-	111
Portugal	130	110	5,678	16	85
Thailand	125	41	2,722	1	32
Ireland	114	91	3,880	18	30
Singapore	109	93	9,782	30	-
Indonesia	95	56	4,042	22	78
Cyprus	72	55	2,496	4	49
Switzerland	70	45	1,130	-	-
Netherlands	44	29	471	1	-
Malta	44	20	708	6	18
Israel	30	25	416	-	-
Norway	30	17	654	5	11
France	30	16	240	-	-
Taiwan	30	15	672	-	17
Belgium	29	19	514	-	-
UAE	21	19	885	3	13
Turkey	16	14	568	2	-
Austria	16	8	174	1	-
Peru	13	13	402	2	-
Philippines	13	11	312	1	12
Luxembourg	13	8	432	2	-
Sweden	10	4	87	-	-
Korea	9	9	83	-	-

Examinations includes Presentation Classes, Class Awards and Demonstration Classes

Faculty of Education excludes students at Tong Ji University

A further 44 Intermediate Foundation and Intermediate courses (IF/ I) were held in the latter half of 2011

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## AT A GLANCE

### Financial Highlights

Statement of Financial Activities	Unrestricted Funds		Restricted Funds	
	2011 £000	2010 £000	2011 £000	2010 £000
Total incoming resources <sup>1</sup>	18,857	16,888	599	435
Net incoming (outgoing) resources before transfers between funds	980	919	(12)	30
Net incoming (outgoing) resources after transfers between funds	980	881	(12)	68
Gain (loss) on revaluation of assets and investments	437	885	1	5
Movement on exchange arising from the consolidation of branches and subsidiaries	313	298	-	1
Net movement in reserves	1,730	2,064	(11)	74
 <b>Balance Sheet</b>				
Tangible and intangible fixed assets (excluding freehold property)	428	388	-	-
Cash and other liquid assets <sup>2</sup>	6,262	5,620	680	691
Working capital including provisions <sup>3</sup>	(3,307)	(3,178)		
Readily realisable reserves <sup>4</sup>	2,955	2,442	680	691
Accumulated funds	5,080	3,937	680	691
Revaluation reserves	6,413	5,826	-	-

### Statistics

	2011	2010
Members	12,337	12,603
Students enrolled on education programmes	1,094	1,099
Candidates taking examinations, class awards, presentation and demonstration classes	228,827	224,192

### Calendar

Annual General Meeting 2012                      26 April 2012              Royal Academy of Dance, London

<sup>1</sup> Sales turnover and cost of sales included in *Other primary purpose trading* for 2010 has been restated as net of discounts to conform with the treatment in 2011 (see Note 7)

<sup>2</sup> Cash and other liquid assets is made up of cash held at bank less any bank overdrafts shown in Note 25

<sup>3</sup> Working capital including provisions is made up of stocks and debtors shown in Notes 23 and 24 less trade creditors, taxation and social security, and accruals and deferred income shown in Note 25, and provisions for long service in Note 26

<sup>4</sup> Readily realisable reserves are made up of cash and other liquid assets less working capital including provisions as shown above and on page 18 of this report.

Patron

HM Queen Elizabeth II

President

Dame Antoinette Sibley DBE

Vice Presidents

David Bintley CBE

Dame Beryl Grey DBE DMus DLitt DEd FRSA

Darcey Bussell CBE

Dr Ivor Guest MA DUNIV FRAD

David McAllister OAM

Wayne Sleep OBE

Sir Peter Wright CBE DMus DLitt FBSM

Advisory Council

Joy W Brown

Mary Clarke

Barbara Fewster OBE FISTD

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

Philip Nind MA OBE

Lady Porter

The Rt Hon Lord St John of Fawsley

Sir Roy Strong DLitt PhD FRSA FRSL

*Deceased 30 September 2011*

Alexander Grant CBE

International Advisers

Ross Brierton ARAD PDTC Dip (RAD London) *Americas*

*Appointed 15 December 2011*

Professor Susan Street MA *Australasia*

Robin van Wyke *Africa*

Dr Christiane Theobald MBA *Europe*

Lee Suan Hiang BSc FCMi FCIM FWAPS *Asia*

*Retired 23 June 2011*

Dr Tania Kopytko *Australasia*

Dirk Badenhorst *Africa*

Sabine Lieb RAD RTS *Europe*

Trustees

Kerry Rubie (Chair)

Nigel Hildreth MBE MMus PGCE (Vice-Chair)

Derek Purnell (Vice-Chair)

Dame Antoinette Sibley DBE

Karen Berry BSc BA(Hons) Adv Tch Dip RTS

Leigh Collins

Deborah Coultish Adv Tch Dip RTS

Anders Ivarson AI Chor

Louise Murray ARAD RTS

Philip Pegler Dip RBS TTC ARAD AISTD AIDTA

Lynne Reucroft-Croome BA(Hons) MA LRAD

Helen Taylor RAD RTS

Cheryl Thrush ARAD RTS

Kathryn Wade ARAD

Nigel Wreford-Brown

*Deceased 24 February 2011*

Frank Freeman FRAD RTS

*Resigned 14 April 2011*

Rosemarie Franklin RAD RTS

Denise Winmill ARAD RTS

*Resigned 20 October 2011*

Valerie Mitchell OBE

*Co-opted 23 March 2011*

Brian Brodie

*Co-opted 23 June 2011*

Julia Bond

*Co-opted 20 October 2011*

Thérèse Cantine ARAD Dip PDTC RTS

Sarah Dickinson ARAD Adv Tch Dip RTS

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2011

The Trustees of the Royal Academy of Dance present their Report and audited Financial Statements for the year ended 31 July 2011. The report contains information in order to satisfy the requirements of Trustees' reports under the Charities Act 1993 and 2006, and the statements comply with current statutory requirements, the Academy's Charter and the Statement of Recommended Practice for Accounting and Reporting by Charities (2005). This Report should be read in conjunction with the Annual Review and Report which is published separately and contains a summary of these financial statements on pages 52-55.

This Report and the Annual Review and Report demonstrate that the public benefit requirement has been maintained.

The Financial Statements contain information about the Group and Charity. The Royal Academy of Dance has a number of branch and subsidiary companies overseas in which it holds, either in trust or outright (100% of the issued share capital). It 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.

In the context of these Financial Statements the Charity accounts include the audited accounts of the Royal Academy of Dance in the United Kingdom and its branches for the year to 31 July 2011, and the Group accounts include the audited accounts of the Charity and its subsidiaries. The breakdown of the Charity and the Group is shown on page 44.

### AIMS AND OBJECTIVES

The Royal Academy of Dance, more usually 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 examinations in dance which form the basis 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.

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.

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.

Our aims set out in our Charter to elevate and advance the art of dance by promoting the correct tuition of the dance in its highest forms and to advance education in the art of dance, have been expanded into a set of objectives:

- to be the leading international authority on dance teacher education and training;
- to be the preferred professional membership body for teachers of dance around the world;
- to retain a strong, loyal and engaged international membership;
- to maintain recognition as a leader in the provision of ballet examinations nationally and internationally, and review the possibilities and practicalities of expanding provision;
- to provide a wide range of opportunities for training and performance for the wider community internationally;
- to ensure consistent messaging and brand image worldwide; maximising every opportunity to promote our services and events and to raise our profile and its members; and
- to ensure our future as a well managed, well-funded and well-governed organisation.

## CORPORATE GOVERNANCE

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

The Academy's head office and registered office is 36 Battersea Square, London SW11 3RA London with a network of 32 international offices, representing 12,337 members, resident in 73 countries.

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

### Board of Trustees

Members of the Academy elect a President, Vice-Presidents, and a Board of Trustees.

The governance of the Royal Academy of Dance is vested in the Board of Trustees. The Board has a maximum of twenty-one members, consisting of the current President, ten Trustees who are Full Members of the Academy and ten Trustees who may or may not be Full Members of the Academy but who have been recommended by the Board as persons likely to bring skills or experience in areas other than dance or education. There are currently nineteen members on the Board.

The Royal Academy of Dance as a recognised Awarding Organisation for regulated qualifications is required, through the Board of Trustees, to issue an annual Statement of Compliance to the Office of the Qualifications and Examinations Regulator (Ofqual).

The office of President, Vice-President and Trustee may be nominated by Full Members of the Royal Academy of Dance or recommended by the Board of Trustees. Trustees are elected by Members at an Annual General Meeting 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. New Trustees are provided with a Trustees Handbook and take part in induction sessions with senior staff to familiarise themselves with the work of the Academy. The Board of Trustees meets four times a year. Trustees are expected to attend all meetings of the Board of Trustees.

### Advisory Council

There is an Advisory Council which consists of the President, Vice-Presidents and any other persons appointed by the Board and 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 appoint up to five International Advisers whose ordinary residence is overseas and who attend meetings of the Board of Trustees in an advisory capacity. Four International Advisers were appointed in 2008 for a three year term which expired in June 2011. There was a vacancy for Asia; additionally during the year the International Adviser for the Americas resigned as she moved to Australia and a replacement was appointed in December 2010. In November 2011 all positions were appointed.

### Board of Trustees' sub-Committees

The Board of Trustees is assisted by five sub-Committees under Bye-Law 40 for the purposes defined in the Terms of Reference for each sub-Committee. It is the role of the sub-Committees to offer advice on policy and strategy that come within their area of consideration to the Board of Trustees. Membership of sub-Committees is made up of Trustees and co-opted members recruited for their relevant skills and experience. The Board of the Royal Academy of Dance Enterprises Ltd acts in an advisory capacity. The President and Chairman of the Board of Trustees are ex-officio members of each sub-Committee.

#### Finance sub-Committee

##### Members

Leigh Collins (Chair)

Philip Pegler Dip RBS TTC ARAD AISTD AIDTA

Nigel Wreford Brown

Julia Bond

##### Co-opted:

Yvonne Gray RAD RTS

### Finance sub-Committee (continued)

The Finance sub-Committee considers the management and financial accounts, budgets and financial resources of the Academy together with the Strategic plan prepared on a five year rolling basis with annual revisions. The sub-Committee also assesses the risks to which the RAD is exposed, and considers any other matters of a legal, statutory or financial nature brought to its attention.

It acts as a Remuneration Committee when considering the annual budgets, and the salary policy to reward other employees throughout the Group. Members may be drawn from the sub-Committee when considering the remuneration of senior members of the Academy's staff.

It discharges these duties by meeting four times a year and advises the Board of Trustees on all financial matters.

An Audit Committee is drawn from the members of the Finance sub-Committee whose role is to review the annual accounts of the Charity and the Group, to keep under review the effectiveness of financial and other internal control systems of the Group, to make recommendations to the Trustees on the accounts and to ensure that RAD discharges its statutory duties.

It discharges these duties by meeting the external auditors to receive and consider a report on the audit work carried out by the external auditors and any matters reported thereon.

### Artistic and Examinations sub-Committee

#### Members

Derek Purnell (Chair)

Karen Berry BSc BA(Hons) Adv Tch Dip RTS

Cheryl Thrush ARAD RTS

Kathryn Wade ARAD

#### *Co-opted:*

Norman Gealy MA CPsychol FCIPD FCIEA

Caroline Jenkins ARAD RTS

Moira McCormack ARAD PDTTC Dip (RAD London)

David Nixon

Catherine Weate BA DipEd LSDA FRSA HonFLAM

Denise Winmill ARAD RTS

Stirling Wood

The Artistic and Examinations sub-Committee of the Board of Trustees advises and supports the Artistic Director and the Director of Examinations 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 Academy more broadly. The sub-Committee seeks to ensure that the Academy'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 are maintained; and that community, competitions, outreach programmes, and other similar areas of the Academy's work are artistically, practically and financially viable.

It discharges these duties by meeting three times a year and advises the Board of Trustees on all matters pertaining to Artistic matters and Examinations.

### Education sub-Committee

#### Members

Nigel Hildreth MBE MMus PGCE (Chair)

Lynne Reucroft-Croome BA(Hons) PGCE LRAD

#### *Co-opted:*

Tina Chen FISTD MA Dip RBS TTC ARAD

Michelle Eyre BHSc (Hons) LRAD

Professor Rachel Fensham BA(Hons) GDMD MA PhD

Philip Garbutt

Baroness Hooper

Linda Jasper MA Cert Ed MBE

Hilary Moss MA BPhil (Hons) LRAD ARAD

Susan Robinson Adv Tch Dip RTS

Lauren Scholey

#### *Student representatives:*

Paula Scales (Postgraduate)

Reena Bhattacharjee (Undergraduate)

The Education sub-Committee advises and supports the Director of Education on advances and changes in education that may have an impact on the work and policies of the Faculty of Education and the Academy more broadly. The sub-Committee seeks to ensure that all programmes of study are fully accountable, developed and maintained to the highest standards; and are financially viable.



It discharges these duties by meeting three times a year and advises the Board of Trustees on all matters pertaining to Education matters.

## Regional sub-Committee

### Members

Deborah Coultish Adv Tch Dip RTS (Chair)(Northern England, Yorkshire & the Humber)  
*Co-opted*  
Niki Forbes Tch Dip RTS (Scotland)  
Siân Dixon Tch Cert RTS (South West England, Wales & Channel Islands)  
Penny Parks RAD RTS (South East England)  
Sara Gannon-Perez Tch Cert RTS (Ireland & Northern Ireland)  
Lorna Rookledge RAD RTS (London & Middlesex)  
Sue Lucas Tch Cert RTS (Midlands & East of England)

The Regional sub-Committee advises and supports the Director of Marketing Communications and Membership on membership and regional matters that may have an impact on the work and the policies of the Royal Academy of Dance. The sub-Committee seeks to ensure that the Academy is fully accountable to its members and maintains the highest standards in all areas of its work.

It discharges these duties by meeting three times a year and advises the Board of Trustees on all matters pertaining to Members.

## Enterprises sub-Committee

### Members

Nigel Wreford Brown (Chair)  
Leigh Collins  
Helen Taylor RAD RTS

### Directors

Nigel Wreford Brown (Director)(Trustee)(Chair)  
Luke Rittner (Director)  
Richard Thom BA(Hons) FCA (Director and Co Secretary)

The Enterprises sub-Committee considers the management and financial accounts, budgets and financial resources together with the Strategic plan prepared on a five year rolling basis with annual revisions. The sub-Committee also assesses the risks RADE is exposed to, and considers any other matters of a legal, statutory or financial nature brought to its attention.

It also acts as the Board of Royal Academy of Dance Enterprises Ltd. whose role is to review the annual accounts of RADE, to keep under review the effectiveness of financial and other internal control systems of RADE, to make recommendations to the Finance sub-Committee on the accounts, and to ensure that the Company discharges its statutory duties.

It discharges these duties by meeting four times a year and advises the Board of Trustees on all trading matters;

## Benesh sub-Committee

### Members

Kathryn Wade ARAD (Chair)  
Anders Ivarson Al Chor

### *Co-opted:*

Christopher Hampson  
Jeanetta Lawrence  
Lady MacMillan

The Benesh sub-Committee 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; 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 to maintain the RAD's status as the professional centre for qualified Benesh notators.

It discharges these duties by meeting three times a year and advises the Board of Trustees on all BMN matters;

## Executive Management Board

Day-to-day management of the Academy and its activities are delegated to the Luke Rittner, Chief Executive and his staff within the authority conferred by the Trustees.

## Internal Control

The Trustees are responsible for the Group's system of internal control and for reviewing its effectiveness and having a comprehensive system of reporting financial results. Annual budgets, quarterly results with comparisons against forecast, and analytical Reports as requested, are presented to the Finance sub-Committee at their four meetings throughout the year. The Trustees review the effectiveness of the internal control system through these reports to the Trustees and management concerns raised by the auditors through the Audit Committee, and recommend appropriate action or caution to the Board of Trustees. Such a system can only provide reasonable and not absolute assurance against material misstatement or loss.

The following are considered to be key control procedures:

### Quality and integrity of personnel

Employees are expected to consider and respect one another and to strive to improve quality, efficiency, safety and financial performance. It is the Academy's policy to invest in the people needed to support its markets. The Academy has developed a series of Human Resource policies, the most important of which are Equality, Bullying and Harassment, Health and Safety, Data Protection, and Child Protection. All Policies are reviewed annually by the Trustees.

### Operating unit financial controls

The controls and procedures under which each operating department or group entity is required to comply is contained in a Controls Manual which is updated annually. Trustees and Executive Management review the application and effectiveness of these procedures.

### Internal audit

The Audit Committee from time to time reviews the need for an internal audit function. The members of the Committee decided that the RAD should introduce internal audit procedures within the Finance function at headquarters given that the size, complexity and structure of the Academy has grown considerably over time. The appointment of qualified finance professionals in the United Kingdom, Australia and more recently in Canada have also been made to ensure that Group policies, procedures and controls are followed.

### Information and computer systems

Much of the Academy's financial and management information is processed and stored on computer systems. Accordingly the Academy has established controls and procedures over the security of data held on computer and put in place appropriate disaster and continuity procedures. Work continues on the five-year development of a worldwide database to provide offices with a single platform for communication, thereby benefitting from economies of scale and increased efficiency.

## Principal risks and uncertainties

A number of risks and uncertainties are identified below:

### Market place and products

The Academy faces competition throughout the world from other awarding organisations who offer dance examinations across multiple genres at a lower cost; and from higher education bodies that offer places funded by government. It also faces loss of members who for one reason or another no longer wish to retain membership of the Academy.

### Foreign exchange

The Academy, operating in many jurisdictions, sets its fees in local currencies, while at the same time incurs costs based in sterling. It is therefore prone to fluctuations in its results due to currency gains and losses against sterling.

### Pandemics

The Academy 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 prevent young people travelling to and taking part in examinations, or examiners travelling to the place of examination, thereby reducing income.

### Economic climate

In common with many other organisations changes in the economic climate can affect the Academy's business. The Academy has no real influence over its customers' financial circumstances - whether member, teacher, examination candidate, higher education student or dance class attendee – which can in turn lead to a reduction in participation in the Academy's activities.

## Principal risks and uncertainties (continued)

A Corporate Risk Register is maintained, with individual Departmental Risk Registers. The function of the Risk Registers is to inform business continuity plans which is underpinned by the establishment of the offsite ICT disaster recovery to provide the necessary technological backup in the case of unforeseen events.

The Trustees review the risks to which the Academy 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 Academy, including the identification of existing controls in operation and any new controls the trustees consider necessary.

Work has progressed in the year with the establishment of a top down critical incident communication plan, and during 2012 the remaining part of the formal Business Disaster and Continuity Plan will be completed.

## Public Benefit

The Academy is a charity registered in England and Wales and therefore Trustees are required to have regard to any guidance the United Kingdom's Charity Commission publish 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 Academy 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;
- (2) advance education in the art of dance, in particular:
  - by providing facilities for dance, dance education and training;
  - by 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);
  - by setting and conducting examinations in dance and the teaching of dance;
  - by educating, training, assessing, registering, licensing and chartering teachers of dance who meet standards determined by the Board from time to time; and
  - by promoting teaching of dance.

The Trustees have reviewed these aims within the Academy's activities in relation to the public benefit requirement and consider that the activities of the Academy meet the two main principles of public benefit - that the benefits are identifiable and are related to the aims of the Academy; 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 United Kingdom 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 registering, licensing and chartering scheme for teachers, the Academy 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 Academy is also able to add 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. RAD membership briefings on artistic, musical, legal, and financial issues allow members, particularly those in business as teachers, whether owners, employers or employees, to develop their provision direct to their customers.

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

## FINANCIAL REVIEW

The Trustees are pleased to report net incoming resources of £967,885 for the year to 31 July 2011, against prior year net incoming resources of £948,961, and budgeted net incoming resources of £624,720.

This stability in results is particularly gratifying given the state of the world economy, the austerity budgets in various OECD (Organisation for Economic Co-operation and Development) countries and the state of uncertainty in the euro zone. All key performance indicators –examinations entries, programme enrolment, members, product sales and course attendees – were close or above target and contributed to the overall success of the year.

### Achievement

*Table 1*

*Key performance indicators*

	2010/11 Actual	2009/10 Prior Year	2010/11 Target
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*Education programme recruitment (continuing and current):*

Master of Teaching (Dance)	31	24	46
PGCE: Dance Teaching	20	20	20
BA (Hons) Ballet Education	80	79	86
BA (Hons) Dance Education	90	87	91
LRAD	68	63	61
PDTD	21	21	15
CBTS	784	805	785
Total students on education programmes	1,094	1,099	1,104

*Candidates taking examinations, class awards, presentation and demonstration classes:*

Graded examinations	206,958	203,517	208,701
Vocational graded examinations	21,869	20,675	21,305
Total examinations	228,827	224,192	230,006

*Membership recruitment:*

Registered and mutually recognised teachers	7,258	7,347	7,368
Full members	2,460	2,586	2,633
Affiliate members	2,312	2,349	2,743
Friends of the Academy	307	321	431
Total members	12,337	12,603	13,175

The Trustees budgeted for a group surplus for the year to 31 July 2011 of £624,720 based on prior year exchange rates. Favourable movements in exchange against sterling compared to the year before, particularly in Australia, New Zealand, Brazil and Singapore boosted the conversion from the foreign currency to sterling by £114,702 (2010 £124,580) and against budget by £67,468, together with a further £56,001 (2010 £23,188) in realised exchange gains.

As evidenced in Table 1, coupled with the Academy's policy to increase fees annually in line with inflation each year, the movement in exchange, a push on reducing our cost basis in the UK and Australia, and strong growth in almost all activities in Australia, in examinations in Spain, Italy and Singapore; on the CBTS in Spain and Brazil and product sales by Royal Academy of Dance Enterprises Ltd., the overall budget was exceeded by £354,832.

## UNRESTRICTED ACTIVITIES

Unrestricted activities resulted in a net incoming resource of £979,556, an increase of £60,319 over the surplus of £919,237 for the prior year, before transfers between funds.

### Performance by activity

Income from unrestricted activities rose from £16,887,647 to £18,856,704 or 11.6% with total costs increasing from £15,968,410 to £17,877,148 or 11.9%. As can be seen from Table 2 below all areas grew with attendant costs:

Table 2

Net contribution from unrestricted activities before the allocation of indirect support costs

	Year to 31 July 2011			Year to 31 July 2010			Change in year £000
	Income £000	Expenses £000	Net £000	Income £000	Expenses £000	Net £000	
Voluntary income	13	-	13	3	-	3	10
Activities for generating funds	297	(22)	275	273	(34)	239	36
Investment income	80	-	80	57	-	57	23
From generated funds	390	(22)	368	333	(34)	299	69
Examinations	10,396	(6,468)	3,928	9,372	(5,707)	3,665	263
Education programmes	3,330	(2,578)	752	3,113	(2,241)	872	(120)
CPD and student courses	1,421	(1,303)	118	1,077	(998)	79	39
Summer schools	785	(565)	220	738	(557)	181	39
Competitions and events	178	(205)	(27)	267	(272)	(5)	(22)
Education and training	5,714	(4,651)	1,063	5,195	(4,068)	1,127	(64)
Subscription income	967	(736)	231	908	(634)	274	(43)
Primary purpose trading	1,073	(729)	344	865	(633)	232	112
Other income and costs	317	(372)	(55)	215	(389)	(174)	119
From charitable activities	18,467	(12,956)	5,511	16,555	(11,431)	5,124	387
Governance costs	-	(275)	(275)	-	(228)	(228)	(47)
Indirect support costs ( <i>Table 3</i> )	-	(4,624)	(4,624)	-	(4,276)	(4,276)	(348)
Net incoming resources	18,857	(17,877)	980	16,888	(15,969)	919	61

### Activities for generating funds

The main source of income from activities for generating funds comes from licensing income, generated through Royal Academy of Dance Enterprises Ltd. and the hire of studios at the Academy's headquarters. Gross income from licensing fees from approved manufacturers, royalties and commission from co-branded products decreased slightly to £192,491 (2010: £202,619) with legal fees arising out of negotiations with new licensees reducing the net contribution to £184,984 (2010: £190,739). The external hire of studios, when surplus to internal activities, remained at similar levels to the year before due to a continuing interest in dance on television.

## Performance by activity (continued)

### Charitable activities

#### Examinations

Examination entries and the overall net examination contribution rose during the year by 2.1% and 4.4% respectively.

Graded income increased by 10.3% while vocational grades income rose by 13.5%. Direct examination expenditure rose by £760,852 or 13.3%. Quality assurance spending rose from £410,781 last year to £456,429 this year – £307,089 (2010: £280,665) for examiner standardisation, and £149,340 (2010: £130,116) for examination data processing. Net contribution margins before the allocation of support costs fell marginally from 40.8% to 39.1%.

Graded entries increased slightly from 203,517 to 206,958, or 1.7%, while vocational graded examination entries rose from 20,675 to 21,869, or 5.8%. The increase in both graded and vocational graded examinations can be primarily ascribed to a teachers' switch over to Pre- Primary in Dance and Primary in Dance, with entries now accounting for 78% of all entries at this level; and a 9% increase in Intermediate examination entries, as teachers put their students into examination before the introduction of the new syllabus in 2012.

#### Education

Education programme gross revenues increased by 6.9% or £216,423. This was driven by buoyant recruitment across all programmes. The Certificate in Ballet Teaching Studies which can be studied in the country of the student continues to account for over 60% of all education revenues.

Overall the net education contribution decreased during the year by 13.8% as direct education expenditure rose by £337,012 or 15%.

#### CPD and student courses

In the year under review the predominate course for teachers was the *Introduction to the new Intermediate and Intermediate Foundation syllabus*, of which 160 three-day courses were planned, with 113 taking place in 2010/11. A variety of student activities were also offered ranging from repertoire for very young children to regular dance classes in syllabus or non-syllabus subjects. Work continued on establishing the model for the Academy's Continuing Professional Development scheme which will be launched in 2013. This has cost £229,920 to date, £64,800 (after the allocation of indirect support costs) in the current year.

Turnover from these activities rose by 32% to £1,421,217 (2010 £1,077,004) with the net contribution rising from £79,152 to £118,331.

In addition to these short courses, thirteen summer schools were held in seven countries contributing a net £220,348 (2010 £181,132).

The Genée International Ballet Competition was held in London in November 2010 and after the application of the funds raised through *Challengenée* and grant from the Genée Legacy UK funds incurred a small loss of £8,970.

#### Membership

Subscription income rose by 6.5% helped by currency movements, an increase in membership subscriptions and ancillary paid services. Costs of publications and administration decreased by 3.8% contributing to an improved net contribution before support costs. The costs of membership administration include corporate marketing costs.

#### Primary purpose trading

Royal Academy of Dance Enterprises Ltd and the Academy's branch outlets had an extremely successful year, and turnover increased from £864,589 to £1,072,794, net overall contribution before support costs rose from £231,459 to £344,173. Including licensing income, Royal Academy of Dance Enterprises Limited was able to increase its gift aid donation to Royal Academy of Dance from £290,000 to £400,000 in addition to transferring £18,556 to the Academy's Social Responsibility Fund.

#### Other income and expenditure

Advertising, BMN license-to-use fees, sundry income and gains on foreign exchange make up other income. The main increase in income relates to the realised exchange gains increasing from £23,188 to £56,001 this year and the ticket income from the Members Conference to launch the new Intermediate and Intermediate Foundation in January 2011. Costs include corporation tax paid by Group companies. £286,267 of the £406,226 relates to corporation or withholding tax paid. The balance of the costs relate to the administration of Benesh Movement Notation.

### Governance costs

Governance costs consist of the meeting costs of Trustees and associated sub-Committees and audit, assurance, accounting and legal costs associated with the governance of the charity. It also includes local director costs for some international incorporated subsidiaries where it is necessary to have local representation.

### Indirect support costs

Indirect support costs are those costs that cannot be attributed directly to an activity. They are allocated at the year end against the net contribution (*Table 2*) in accordance with the accounting policy in Note 1 (j) Recognition of expenditure (d). These allocations can be subjective especially in entities whose staff cover all the activities of the Academy. Total indirect support costs rose by £349,241 or 8.1% across the group; commensurate with the increases in turnover and cost, primarily driven by the year-end exchange rates.

*Table 3*

*Indirect support costs for unrestricted activities (note 13)*

	2010/11	2009/10	Change	
	£000	£000	£000	%
Salaries and pensions	2,460	2,334	+126	+5.3%
General administration	1,005	912	+93	+10.2%
Information technology	357	330	+27	+8.2%
Financing charges	94	94	-	-
Depreciation	248	205	+43	+21.0%
Rent and property	460	401	+59	+14.7%
	<u>4,624</u>	<u>4,276</u>	<u>+348</u>	<u>+8.1%</u>

*Table 4*

*Net contribution from unrestricted activities after the allocation of indirect support costs*

	Year to 31 July 2011			2010	Change in year £000
	Net Contribution before £000 ( <i>Table 2</i> )	Indirect Support Costs £000 ( <i>Table 3</i> )	Net Contribution after £000	Net Contribution after £000	
Voluntary income	13	-	13	3	10
Activities for generating funds	275	(67)	208	174	34
Investment income	80	-	80	57	23
From generated funds	<u>368</u>	<u>(67)</u>	<u>301</u>	<u>234</u>	<u>67</u>
Examinations	3,928	(1,847)	2,081	1,993	88
Education programmes	752	(795)	(43)	225	(268)
CPD and student courses	118	(392)	(274)	(316)	42
Summer schools	220	(216)	4	(90)	94
Competitions and events	(27)	-	(27)	(5)	(22)
Education and training	<u>1,063</u>	<u>(1,403)</u>	<u>(340)</u>	<u>(186)</u>	<u>(154)</u>
Subscription income	231	(434)	(203)	(139)	(64)
Primary purpose trading	344	(253)	91	12	79
Other income and costs	(55)	(27)	(82)	(200)	118
From charitable activities	<u>5,511</u>	<u>(3,964)</u>	<u>1,547</u>	<u>1,480</u>	<u>67</u>
Governance costs	<u>(275)</u>	<u>(593)</u>	<u>(868)</u>	<u>(795)</u>	<u>(73)</u>
	<u>5,604</u>	<u>(4,624)</u>	<u>980</u>	<u>919</u>	<u>61</u>

## Indirect support costs (continued)

Examination support costs rose by £174,895 or 10.5%. Overall margins declined from 21.3% to 20%. Examinations continue to fully cover their allocated share of indirect support costs.

Education support costs rose by £147,965 or 22.8%. Overall margins decreased to a negative 1%. Education did not cover its allocated share of indirect support costs.

All other courses support costs decreased from £666,082 to £608,270. CPD and student courses after both direct expenditure and indirect support costs had an overall loss of £273,461; an improvement however of £42,712 on the year before. Summer schools improved from an overall loss of £89,625 to a surplus of £3,870.

Indirect salaries and pension support costs rose £126,798 or 5.4% across the Group.

General administration rose by £93,402 or 10.3%; information computer technology by 8% and property costs by 14.7%.

Depreciation rose by 20% due to the increased investment in information technology both through operating expenditure and capital expenditure.

Financing costs, which include the cost of all transactions, stabilised.

## Performance by region

All regions held their percentage share of the Academy's turnover, but there was some change in overall performance due to the weakness of sterling against other currencies, particularly evident in Australasia and Asia; and the mix of activities for example in UK where the Genee was held in 2011 and a Summer School in Singapore.

Table 5

Turnover from unrestricted activities by region

	No of countries	% of RAD Turnover	2010/11			2009/10			
			Income £000	Expenses £000	Net £000	Income £000	Expenses £000	Net £000	
UK	1	35.93%	6,775	(7,019)	(244)	1	6,160	(5,739)	421
Europe	20	17.80%	3,357	(2,983)	374	20	3,017	(2,891)	126
Asia	14	15.27%	2,880	(2,493)	387	13	2,820	(2,523)	297
Australasia	2	15.17%	2,861	(2,514)	347	2	2,226	(2,216)	10
North America	2	8.72%	1,643	(1,609)	34	2	1,491	(1,412)	79
Africa	6	2.60%	491	(464)	27	6	395	(401)	(6)
South America	4	2.31%	435	(408)	27	3	373	(383)	(10)
Central America	5	1.62%	306	(289)	17	5	306	(298)	8
Middle East	4	0.33%	62	(40)	22	4	63	(60)	3
Caribbean	6	0.25%	47	(58)	(11)	5	37	(46)	(9)
	64	100.00%	18,857	(17,877)	980	61	16,888	(15,969)	919

[Net results shown after management charges and group dividends. For comparison purposes 2010 restated to be shown after management charges and group dividends]

Activities took place in 64 countries during the year, compared to 61 the year before, with examination services taking place in India, St Lucia, Ecuador and Kuwait; and Lebanon deferring theirs to 2012. There has been a small deterioration in the profitability of all group entities, with combined losses before the allocation of head office charges of £53,696 compared to £34,988 the year before, but an improvement in the number of countries in loss making situations from 11 to only 7; however after the allocation of head office charges there would have been combined losses of £74,694 compared to £79,007 the previous year, despite the number of countries in loss making situations decreased from 29 to 17.

Although there has been a continuing improvement over the years in the overall performance of the countries in which the Academy operates, Trustees are aware that all regions of the Academy need to operate profitably so that the Group as a whole can be benefit. At the end of the financial year the Trustees agreed to write off £31,514 owing by the Israeli branch to London with the proviso that future operations of the Academy in Israeli will be supported by its members so the that Academy can continue to operate there on a profitable basis.



Table 6

Market leaders by turnover from unrestricted activities

	2011		2010	
	Rank	Turnover £000	Rank	Turnover £000
UK	1	6,775	1	6,160
Australia	2	2,436	2	1,880
Canada	3	1,247	3	1,133
Italy	4	1,092	4	1,024
Hong Kong	5	826	5	835
Singapore	6	604	6	682
Spain	7	579	7	467
Germany	8	494	9	463
Southern Africa	9	491	10	395
Japan	10	462	8	416

Table 7

Group by turnover from unrestricted activities

No of offices, branches or subsidiaries falling into the turnover bands	2011		2010	
	2011	2010	2011	2010
£5M+	1	1		
£1M - £5M	3	3		
£200K - £1M	13	14		
£100 - £200K	5	3		
£0 - £100K	24	24		

[Turnover for the UK includes management charges and group dividends. For comparison purposes 2010 restated to include management charges and group dividends]

## RESTRICTED ACTIVITIES

The Academy has a number of funds which have been built up from donations, legacies, trusts, grants, fundraising events and appeals for monies. These are administered in accordance with the accounting policy in Note 1 (I) Fund Accounting. The funds are divided into three categories as shown in Note 27 of these Financial Statements.

Overall there was a net outgoing resource of £11,671 for the year to 31 July 2011 as the purpose for which two Funds were set up – *Challengénée* and the Genée Legacy UK Fund – was realised and applied.

### Project Funding

The Academy receives an annual grant from the Jack Petchey Foundation to run the Step into Dance programme (a fully inclusive, community dance programme) as well as raising its own funds. During the year the programme expanded from 100 secondary schools to 150 and from 13 London boroughs to 18. In early 2011 the Academy made a successful bid to the Trustees of the Foundation for a three year grant and this will commence in August 2011.

### Designated Funds

During the year the Trustees approved the establishment of a Social Responsibility Fund to meet its Public Benefit responsibility by supporting innovation and need in dance education, training and performance, especially in communities where opportunity is limited. 2% of the 'pre-tax' price of all goods purchased from Royal Academy of Dance Enterprises Ltd and other Academy retail outlets has been earmarked for the creation of this fund. A total of £24,755 was designated at the end of this financial year (see notes 7 and 27).

The Trustees approved the allocation of £22,000 from the Genée Legacy UK Fund towards the shortfall in income for the Genée International Ballet Competition London 2010 held in November 2010.

### Restricted Funds

A series of fundraising events and activities held by Regional Advisory Committees in the English Regions, Scotland, Ireland and Head Office under the banner of *Challengénée* raised £53,597 in total and this was applied to the Genée International Ballet Competition London 2010 held in November 2010 in accordance with the purpose of the events and activities.

Bursary awards of £3,775 and £400 were made from the Scholarships Funds and the Iris Truscott Trust respectively for students on Academy education programmes; and four subsidised *Boys Only!* workshops were held in the year with local partners.

A number of activities were held by Regional Advisory Committees in England and Wales during the year for which students competed to win scholarships or bursaries for further training at Academy events. In total an additional £2,359 after expenses was raised towards the funds.

## Operating cash flows and capital expenditure

The Group's overall net cash and loans position increased to £6,865,011 compared to £6,096,786 the year before.

Of the £768,225 improvement, £356,949 (2010 £391,204) is due to movements on exchange; and an increase in deferred income of £92,044 against the previous year. The remaining balance primarily reflects the improvement in net incoming resources. There was £3,026,583 of deferred income which arises because the southern hemisphere's closing dates for examinations fall into this financial year, while the actual examinations take place in the following year; and the Faculty of Education's Certificate in Ballet Studies is a two-year programme that falls across three financial periods. In the United Kingdom, a number of summer schools and courses take place in August with closing dates falling in this financial year. This income is treated as deferred in accordance with the Academy's accounting policies.

As a result of the transfer of reserves through dividends and capital remittances of £497,035 in 2010, the Academy was able to repay the outstanding mortgage in the UK and the remaining £300,000 is held on deposit with Clydesdale Bank Plc. This was in accordance with the agreed policy to spread the risk among a number of banks. The Academy's main banker in the UK and in some overseas territories is HSBC Bank Plc. HSBC Bank Plc renewed the Academy's grouping facility of £700,000; and Royal Academy of Dance Enterprises Limited's overdraft facility of £200,000 for a further year in October 2011.

## Net assets and net debt

Group net assets increased to £12,173,363 from £10,454,542 reflecting the increase in net incoming resources, the increase in the value of the buildings held by the Academy for charitable use, and exchange gains arising out of the revaluation of the accumulated funds and revaluation reserve at the end of the financial year. Net current assets less long term liabilities rose from £3,081,482 to £3,639,770. This reflects the improvement in the cash position and, as in previous years, includes deferred income relating to activities completing or commencing after the year-end.

## Interest

Finance charges remained relatively static at £94,147 (2010 £93,872). These charges relate primarily to the financing of the Academy's overdraft facilities in the United Kingdom, but include charges for international transactions, credit cards and other forms of monetary transactions. While benefiting from the improvement in the Academy's overdraft in the United Kingdom and the fall in base rates, the increase in finance charges is as much the change in the way that customers pay and reflect a higher transaction base in the year. At the end of the financial year the net balance of all funds held in the United Kingdom at HSBC Bank Plc was £583,895 in credit, a small decrease on the £625,379 last year.

## Taxation

The Academy is required to pay corporation and income tax on the surpluses earned by incorporated subsidiaries within the Group. The tax charge for the year was £286,267 a decrease from £300,900 last year; however a real increase as £57,400 of the charge last year was due to tax withheld on intra-group dividends and capital remittances for the transfer of reserves during the year. The tax charge not only reflects the profitability of the Academy's subsidiaries but also that not all the Academy's entities are regarded as charitable. As the Royal Academy of Dance is exempt from corporation tax in the United Kingdom, it cannot take advantage of double taxation agreements.

## Reserves policy

The Academy's current pattern of activities, relied on by its customers and the industry, 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 Academy'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.

The Academy has core costs in the United Kingdom of approximately £3.7M per annum consisting of direct and indirect administrative costs and employee costs. The trustees have determined that UK reserves should be at least £925,000 in readily realisable reserves representing three months' costs.

As of 31 July 2011 Group reserves stood at £2,954,912 (2010: £2,442,103), with reserves in UK at £105,730, a decrease from £283,287. Although this is a significant improvement on previous years, the decrease reflects the repayment of the mortgage and the small profit, after including group dividends and capital remittances, made in the UK as referred to in note 30. Trustees have taken appropriate measures to ensure that reserves held overseas are strategically positioned within the Group.

Table 8

*Net assets and other reserves*

	2011 £000	2010 £000
Bank accounts (excluding restricted fund bank accounts)	6,261	5,620
Working capital	(3,306)	(3,178)
<b>Net assets</b>	<b>2,955</b>	<b>2,442</b>
Freehold property (net of mortgage)	8,110	6,934
Restricted reserves (held for use of RAD projects and access funds)	680	691
Other fixed assets (excluding freehold property)	428	387
Other reserves	9,218	8,012
<b>Total reserves</b>	<b>12,173</b>	<b>10,454</b>

## Going concern and liquidity risk

As the Royal Academy of Dance, either as a Group or a UK charity, does not issue formal half yearly statements the Trustees rely on quarterly Management Accounts which include assessment of performance against budget, forecasts of year end position, and bank positions which are presented to them as members of the Finance sub-Committee, Board of Directors of Royal Academy of Dance Enterprises Ltd and as Trustees at their respective meetings to assess the company's ability to continue as a going concern. In 2010 the Trustees took action to remit reserves held overseas with regard to those branches and subsidiaries' working capital requirements. As a result reserves held in the United Kingdom had improved from a negative position of £333,959. The Group as a whole held £2,954,912 in readily realisable reserves in 2011 against £2,442,103 the year before.

The Trustees of the Royal Academy of Dance therefore conclude that there are no material uncertainties as of the date of this report which may cast doubt about the company's ability to continue as a going concern.

## Corporate and Social Responsibility

The Trustees acknowledge their responsibility to not only manage the Academy's positive impact on society and the environment through its operations, products or 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. That dance crosses barriers of language and culture has in no small way contributed to the global success that the Academy enjoys today. With the founders' objectives in mind and given the success currently enjoyed by the Academy, the Trustees during the year approved the creation of a Social Responsibility Fund to support innovation and need in dance education, training and performance, especially in communities where opportunity is limited.

2% of the 'pre-tax' price of all goods purchased from Royal Academy of Dance Enterprises Ltd or Academy retail outlets has been earmarked for the creation of this fund. The fund will in time 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.

The Trustees firmly believe that dance has the power to inspire, empower, invigorate and educate but only where opportunities to dance, to learn to dance or to watch dance already exist. Every change starts with a small step and the Social Responsibility Fund is a first small step towards positive change.

## Future outlook

The Group has published a Strategic Plan for the period 2011 -2015 which sets out the Academy's objectives, as disclosed on page 6, and how to achieve them. It is intended to be a rolling plan which will be updated annually and which is intended to meet the challenges facing the Academy.

2011/12 promises to be a busy year. The Faculty of Education will continue to develop the Continuing Professional Development scheme so that it will have a full portfolio when it is launched in 2013. The Membership Department in conjunction with the Faculty of Education will complete the consultation exercise with teachers, members and students over the proposed Professional Teaching Registration scheme so that it meets the aspirations of the members when it is launched.

## Future outlook (continued)

The Examinations Board will introduce changes to the way examinations are held throughout the world with the opportunity for teachers to hold Vocational examinations in their own schools; and the Academy will be launching a new Grades 1-3 examination syllabus together with introductory courses offered by the Faculty of Education and material by Royal Academy of Dance Enterprises Ltd with the first examinations offered by the Examinations Board in 2013. The development of a worldwide database will continue and Membership will offer a suite of marketing tools through a third party supplier.

Despite the continuing problems with the euro zone, and the possibility of a double dip recession, with the first quarter of the 2011/12 financial year appears to be hitting the Academy's target, trustees are confident that an equitable balance has been reached between the contribution from examinations and education which will cushion a downturn in either.

The Academy 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 Academy 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 Academy's Vice-Presidents, Advisory Council, Trustees and its committee members, examiners, teachers, students and parents make the Academy a powerful force in delivering its mission to improve the practice, teaching and understanding of dance internationally. Together, we would like to pay tribute to and thank all those without whose support and dedication our task would be made infinitely more difficult.

Finally we must pay tribute to our President Dame Antoinette Sibley who is retiring in 2012 after twenty years as President. She has been an outstanding supporter of the Academy during her term, and will be sorely missed.



Kerry Rubie  
Trustee, Board of Trustees



Luke Rittner  
Chief Executive

13 February 2012

## STATEMENT OF THE BOARD OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustee's 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 1993, 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 United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

We have audited the financial statements of Royal Academy of Dance for the year ended 31 July 2011 which comprise the statement of financial activities, the balance sheets, the cash flow statements, the notes to the cash flow statements 1 to 6 and the related notes 1 to 31. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom 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 43 of the Charities Act 1993 and regulations made under section 44 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 more fully explained 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 auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 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 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. 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 affairs of the charity and the Group as at 31 July 2011 and of its 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 1993.

### 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 1993 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; or
- the 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

## GROUP CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year to 31 July 2011

	2011			2010			
	Unrestricted funds £000	Restricted funds £000	Total funds £000	Unrestricted funds £000	Restricted funds £000	Total funds £000	
<b>Notes</b>							
Incoming resources							
From generated funds							
2	Voluntary income	13	-	13	3	2	5
3	Activities for generating funds	297	91	388	273	116	389
4	Investment income	80	2	82	57	2	59
From charitable activities							
5	Examination fees	10,396	-	10,396	9,372	-	9,372
6	Education and training fees	5,714	506	6,220	5,195	315	5,510
	Subscription income	967	-	967	908	-	908
7	Other primary purpose trading	1,073	-	1,073	865	-	865
8	Other incoming resources	317	-	317	215	-	215
<b>Total incoming resources</b>		<b>18,857</b>	<b>599</b>	<b>19,456</b>	<b>16,888</b>	<b>435</b>	<b>17,323</b>
Resources expended							
9	Costs of generating funds	(89)	(107)	(196)	(99)	(41)	(140)
10	Costs of charitable activities	(16,520)	(501)	(17,021)	(14,671)	(360)	(15,031)
11	Governance costs	(869)	(1)	(870)	(784)	(1)	(785)
12	Other resources expended	(399)	(2)	(401)	(415)	(3)	(418)
<b>Total resources expended</b>		<b>(17,877)</b>	<b>(611)</b>	<b>(18,488)</b>	<b>(15,969)</b>	<b>(405)</b>	<b>(16,374)</b>
Net incoming resources before transfers		980	(12)	968	919	30	949
14	Transfers between funds	-	-	-	(38)	38	-
<b>Net incoming (outgoing) resources</b>		<b>980</b>	<b>(12)</b>	<b>968</b>	<b>881</b>	<b>68</b>	<b>949</b>
Other recognised gains and losses							
On investments held for investment purposes							
	Realised gains	-	-	-	-	3	3
	Unrealised gains	-	1	1	-	2	2
	On revaluation of tangible fixed assets	437	-	437	885	-	885
	Movement on exchange arising from the consolidation of branches and subsidiaries	313	-	313	298	1	299
<b>Total other recognised gains and losses</b>		<b>750</b>	<b>1</b>	<b>751</b>	<b>1,183</b>	<b>6</b>	<b>1,189</b>
Net movement in funds		1,730	(11)	1,719	2,064	74	2,138
Fund balances brought forward at 1 August		9,763	691	10,454	7,699	617	8,316
<b>Total funds carried forward at 31 July</b>		<b>11,493</b>	<b>680</b>	<b>12,173</b>	<b>9,763</b>	<b>691</b>	<b>10,454</b>

All activities derive from continuing operations

**GROUP AND CHARITY BALANCE SHEETS**

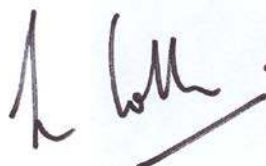
As at 31 July 2011

Notes	Group		Charity		
	2011 £000	2010 £000	2011 £000	2010 £000	
	<b>Fixed assets</b>				
20	Intangible Assets	5	4	1	1
21	Tangible Assets held for charitable use	8,539	7,502	8,333	7,317
22	Investments	32	29	109	103
		<u>8,576</u>	<u>7,535</u>	<u>8,443</u>	<u>7,421</u>
	<b>Current assets</b>				
23	Stocks	425	345	128	101
24	Debtors	1,103	1,060	1,357	1,320
	Cash at bank and in hand	7,195	6,513	4,731	4,446
		<u>8,723</u>	<u>7,918</u>	<u>6,216</u>	<u>5,867</u>
25	Creditors - amounts falling due within one year	(5,083)	(4,837)	(3,893)	(3,675)
	<b>Net current assets</b>	<u>3,640</u>	<u>3,081</u>	<u>2,323</u>	<u>2,192</u>
26	Creditors - amounts falling due after more than one year	(43)	(162)	(39)	(147)
	<b>Net assets</b>	<u>12,173</u>	<u>10,454</u>	<u>10,727</u>	<u>9,466</u>
	<b>FUNDS</b>				
27	Restricted Funds	680	691	671	683
28	Unrestricted Funds				
	Accumulated funds	5,080	3,937	3,749	3,059
	Revaluation reserves	6,413	5,826	6,307	5,724
	<b>Total funds</b>	<u>12,173</u>	<u>10,454</u>	<u>10,727</u>	<u>9,466</u>

These financial statements were approved and signed on behalf of the Board of Trustees on 13 February 2012 by:



Kerry Rubie  
Trustee, Board of Trustees



Leigh Collins  
Trustee, Board of Trustees



## GROUP CASH FLOW STATEMENT

For the year to 31 July 2011

	2011 £000	2010 £000
Net cash inflow from operating activities (note 2)	1,358	1,410
Returns on investments and servicing of financing (note 3)	(12)	(35)
Taxation – overseas	(287)	(301)
Capital expenditure (note 4)	(647)	(187)
<b>Net cash inflow before financing</b>	<b>412</b>	<b>887</b>
Management of financing (note 5)	(140)	(27)
<b>Increase in cash in the year</b>	<b>272</b>	<b>860</b>

## Notes

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

Increase in cash in the year	272	860
Cash outflow from management of financing	140	27
<b>Change in net funds resulting from cash flows</b>	<b>412</b>	<b>887</b>
Effect of foreign exchange rates	357	391
<b>Movement in net funds in the year</b>	<b>769</b>	<b>1,278</b>
Net funds at 1st August	6,096	4,818
<b>Net funds at 31st July (note 6)</b>	<b>6,865</b>	<b>6,096</b>

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

Net incoming resources before transfers	968	949
Interest receivable	(82)	(59)
Interest payable	94	94
Taxation payable	287	301
Depreciation - tangible fixed assets	248	210
Depreciation - intangible fixed assets	3	-
Loss (gain) on disposal of tangible fixed assets	2	(1)
Gain on disposal of investments	(1)	(4)
(Increase) decrease in stocks	(80)	(73)
Increase in debtors	(42)	(293)
Increase in creditors	213	527
Effect of foreign exchange rates on net assets	(253)	(241)
<b>Net cash inflow from operating activities</b>	<b>1,357</b>	<b>1,410</b>

## 3 Returns on investments and servicing of financing

Interest receivable	82	59
Interest payable	(94)	(94)
<b>Net cash outflow from returns on investment and servicing of finance</b>	<b>(12)</b>	<b>(35)</b>

## GROUP CASH FLOW STATEMENT

For the year to 31 July 2011

	2011 £000	2010 £000
<b>4 Capital expenditure</b>		
Purchase of tangible fixed assets and work-in-progress	(648)	(198)
Purchase of intangible fixed assets	(4)	-
Proceeds from sale of tangible fixed assets	3	1
Proceeds from sale of investments for restricted purposes	2	10
<b>Net cash outflow from capital expenditure</b>	<b>(647)</b>	<b>(187)</b>
<b>5 Management of financing</b>		
Repayment of amounts borrowed from banks	(179)	(27)
Amounts borrowed on finance leases	39	-
<b>Net cash outflow from management of financing</b>	<b>(140)</b>	<b>(27)</b>

	At 1st August 2010 £000	Cash flows £000	Exchange Movements £000	At 31st July 2011 £000
<b>6 Analysis of movement in net funds</b>				
Bank balances and cash in hand held overseas	5,341	546	357	6,244
Bank balances and cash in hand held in the United Kingdom	1,172	(221)	-	951
Bank overdraft borne in the United Kingdom	(232)	(53)	-	(285)
	6,281	272	357	6,910
<i>Amounts due after more than one year</i>				
Bank loans	(152)	149	-	(3)
<i>Amounts falling due within one year</i>				
Bank loans	(33)	30	-	(3)
Obligations under finance leases	-	(39)	-	(39)
	6,096	412	357	6,865

## ACCOUNTING POLICIES

Year ended 31 July 2011

- (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.
- (b) **Going concern**  
 These accounts have been prepared on the going concern basis. In common with other charities, the Academy faces uncertainties arising from current economic conditions. Page 19 of this financial report and statements discusses these uncertainties and explains why the Trustees have concluded that the business is a going concern.
- (c) **Basis of consolidation**  
 The Charity accounts include the audited accounts of the Royal Academy of Dance in the United Kingdom and its branches for the year to 31 July 2011, and the Consolidated Group accounts include the audited accounts of the charity and its subsidiaries.
- (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.
- (e) **Tangible fixed assets**  
 All tangible fixed assets, other than freehold land, are stated at cost or valuation net of depreciation and any provision for impairment. Depreciation is provided on cost using the straight-line method over the estimated useful lives of the assets. Impairment reviews are conducted when events and changes in circumstances indicate that an 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 |
- (f) **Investments**  
 Listed investments are included in the Balance Sheet at market value. Investments in subsidiaries are included in the charity's accounts at cost less provision for impairment.
- (g) **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.
- (h) **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.
- (i) **Recognition of income**  
 Unrestricted income is recognised in the statement of financial activities on a receivable basis. This is when the Royal Academy of Dance 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 Royal Academy of Dance 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.

## ACCOUNTING POLICIES

Year ended 31 July 2011

- (i) **Recognition of income (continued)**  
Income received in advance for exams or short courses where the activity does not start or complete until after the year end is accounted for in the year of completion of that activity; 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.
- (j) **Recognition of expenditure**  
Unrestricted expenditure is accounted for on an accruals basis. Expenditure is allocated directly to the activity of which it relates, including support 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 support departments and staff members engaged in or contributing to those activities.
- (b) **Costs of charitable activities:** charitable expenditure includes all expenditure related to the objects of the charity and includes expenditure related to support departments and staff members engaged in or contributing to charitable activities.
- (c) **Governance costs:** these are costs associated with the constitutional and statutory requirements of the Group, and include expenditure related to the trustees and senior staff members engaged in or contributing to the governance of the Group.
- (d) **Indirect support costs have been allocated on the following bases:**
- Salaries and pensions: time spent or responsibilities
  - General administration: estimated or actual usage
  - Information technology: estimated or actual usage
  - Rent and property: space occupied or used
  - Depreciation: assets occupied or used
- (k) **Pension costs**  
Retirement benefits to employees are provided by defined contribution pension schemes. Contributions payable to the pension schemes in respect of each accounting period are charged to the statement of financial activities.
- (l) **Fund accounting**  
Restricted income and expenditure is recognised on a receipts and payments basis. Funds can be classified as Restricted, Designated or Project. They arise from a number of sources, which include:
- (a) Donations, legacies, scholarships, bursaries and trusts left to the Royal Academy of Dance and its branches and subsidiaries to administer in accordance with the conditions laid down therein.
- (b) Grants, sponsorship and project money awarded to the Royal Academy of Dance 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 Royal Academy of Dance 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 (i) and (j). 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.
- (m) **Regional advisory panels and committees**  
The charity carries out some activities through a network of regional advisory panels and 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.
- (n) **Treatment of VAT**  
The Royal Academy of Dance is registered as partially exempt for VAT in the United Kingdom, 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 (j).

## NOTES to the ACCOUNTS

Year ended 31 July 2011

## Notes

	2011			2010		
	Unrestricted funds £000	Restricted funds £000	Total funds £000	Unrestricted funds £000	Restricted funds £000	Total Funds £000
Incoming resources from generated funds						
2 Voluntary income						
Donations, gifts and legacies	13	-	13	3	2	5
	<u>13</u>	<u>-</u>	<u>13</u>	<u>3</u>	<u>2</u>	<u>5</u>
3 Activities for generating funds						
Fundraising activities	18	88	106	-	114	114
Royalties and commission	15	-	15	2	-	2
Property and studio hire	72	3	75	68	2	70
Licensing income	192	-	192	203	-	203
	<u>297</u>	<u>91</u>	<u>388</u>	<u>273</u>	<u>116</u>	<u>389</u>
4 Investment income						
Interest received	80	2	82	57	2	59
	<u>80</u>	<u>2</u>	<u>82</u>	<u>57</u>	<u>2</u>	<u>59</u>
Incoming resources from charitable activities						
5 Examination fees						
Graded examinations	8,241	-	8,241	7,474	-	7,474
Vocational Graded examinations	2,155	-	2,155	1,898	-	1,898
	<u>10,396</u>	<u>-</u>	<u>10,396</u>	<u>9,372</u>	<u>-</u>	<u>9,372</u>
6 Education and training fees						
University validated programmes	1,109	-	1,109	1,085	-	1,085
RAD validated programmes	2,221	-	2,221	2,028	-	2,028
	<u>3,330</u>	<u>-</u>	<u>3,330</u>	<u>3,113</u>	<u>-</u>	<u>3,113</u>
CPD, training and other courses	1,421	2	1,423	1,077	-	1,077
Summer schools	785	-	785	738	-	738
Events and competitions	178	-	178	267	9	276
	<u>2,384</u>	<u>2</u>	<u>2,386</u>	<u>2,082</u>	<u>9</u>	<u>2,091</u>
Step in Dance project	-	504	504	-	306	306
	<u>5,714</u>	<u>506</u>	<u>6,220</u>	<u>5,195</u>	<u>315</u>	<u>5,510</u>

## Government funding

The Academy, through the Faculty of Education, is in receipt of government funding as a result of being granted Initial Teacher Training Accredited Provider status by the UK's Training and Development Agency for Schools (TDA). In the fiscal year 2011 total funds received were £227,216 (2010: £268,357), including the Master of Teaching (Dance) programme.

## NOTES to the ACCOUNTS

Year ended 31 July 2011

### Notes

#### Government funding (continued)

These funds are included within the income shown as University validated programmes. These were disbursed in accordance with the Financial Memorandum between the two organisations. A separate Financial Statement and Balance Sheet is available on request.

#### 7 Other primary purpose trading

Other primary purpose 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.

	2011	2010
	£000	£000
Turnover net of taxes and discounts <sup>5</sup>	1,073	865
Less : cost of sales and discounts	<u>(323)</u>	<u>(327)</u>
Gross profit before:	750	538
Distribution and selling	(119)	(100)
Administration	(233)	(183)
Interest payable	(29)	(22)
Tax payable	-	(1)
Social Responsibility fund transfer (note 27)	<u>(25)</u>	<u>-</u>
Net income from primary purpose trading	<u>344</u>	<u>232</u>
Income from primary purpose trading	1,073	865
Trading costs (note 10d)	<u>(729)</u>	<u>(633)</u>
Net income from primary purpose trading	<u>344</u>	<u>232</u>

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 £400,000 (2010 £290,000) to its parent company.

	2011			2010		
	Unrestricted funds £000	Restricted funds £000	Total funds £000	Unrestricted Funds £000	Restricted funds £000	Total funds £000
8 Other incoming resources						
Advertising income	53	-	53	48	-	48
BMN licensing and other income	82	-	82	85	-	85
Exchange gains	56	-	56	23	-	23
Gains on asset sales	-	-	-	1	-	1
Sundry income	126	-	126	58	-	58
	<u>317</u>	<u>-</u>	<u>317</u>	<u>215</u>	<u>-</u>	<u>215</u>

<sup>5</sup> Sales turnover and cost of sales included in *Other primary purpose trading* for 2010 has been restated as net of discounts to conform with the treatment in 2011

## NOTES to the ACCOUNTS

Year ended 31 July 2011

## Notes

	2011			2010			
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	
	funds	funds	funds	funds	funds	funds	
	£000	£000	£000	£000	£000	£000	
Resources expended							
9	Costs of generating funds						
	Fundraising activities	(14)	(107)	(121)	(22)	(41)	(63)
	Licensing costs	(8)	-	(8)	(12)	-	(12)
	Indirect support costs (note 13)	(67)	-	(67)	(65)	-	(65)
		<u>(89)</u>	<u>(107)</u>	<u>(196)</u>	<u>(99)</u>	<u>(41)</u>	<u>(140)</u>
10	Costs of charitable activities						
a	Examinations						
	Graded examinations	(5,026)	-	(5,026)	(4,457)	-	(4,457)
	Vocational Graded examinations	(1,442)	-	(1,442)	(1,250)	-	(1,250)
	Indirect support costs (note 13)	(1,847)	-	(1,847)	(1,672)	-	(1,672)
		<u>(8,315)</u>	<u>-</u>	<u>(8,315)</u>	<u>(7,379)</u>	<u>-</u>	<u>(7,379)</u>
b	Education and training fees						
	University validated programmes	(989)	-	(989)	(1,043)	-	(1,043)
	RAD validated programmes	(1,290)	-	(1,290)	(1,077)	-	(1,077)
	Direct support costs	(299)	-	(299)	(121)	-	(121)
	Indirect support costs (note 13)	(795)	-	(795)	(647)	-	(647)
		<u>(3,373)</u>	<u>-</u>	<u>(3,373)</u>	<u>(2,888)</u>	<u>-</u>	<u>(2,888)</u>
	CPD, training and other courses	(1,160)	(2)	(1,162)	(848)	-	(848)
	Summer schools	(565)	-	(565)	(557)	-	(557)
	Events and competitions	(204)	-	(204)	(272)	(21)	(293)
	Direct support costs	(143)	-	(143)	(150)	-	(150)
	Indirect support costs (note 13)	(608)	-	(608)	(666)	-	(666)
		<u>(2,680)</u>	<u>(2)</u>	<u>(2,682)</u>	<u>(2,493)</u>	<u>(21)</u>	<u>(2,514)</u>
	Step into Dance project	-	(499)	(499)	-	(339)	(339)
		<u>(6,053)</u>	<u>(501)</u>	<u>(6,554)</u>	<u>(5,381)</u>	<u>(360)</u>	<u>(5,741)</u>
c	Membership services						
	Administration	(527)	-	(527)	(445)	-	(445)
	Publications	(209)	-	(209)	(189)	-	(189)
	Indirect support costs (note 13)	(434)	-	(434)	(413)	-	(413)
		<u>(1,170)</u>	<u>-</u>	<u>(1,170)</u>	<u>(1,047)</u>	<u>-</u>	<u>(1,047)</u>
d	Trading						
	Direct costs	(729)	-	(729)	(633)	-	(633)
	Indirect support costs (note 13)	(253)	-	(253)	(231)	-	(231)
		<u>(982)</u>	<u>-</u>	<u>(982)</u>	<u>(864)</u>	<u>-</u>	<u>(864)</u>
	Total costs of charitable activities	<u>(16,520)</u>	<u>(501)</u>	<u>(17,021)</u>	<u>(14,671)</u>	<u>(360)</u>	<u>(15,031)</u>

## NOTES to the ACCOUNTS

Year ended 31 July 2011

## Notes

	2011			2010		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	funds	funds	funds	funds	funds	Funds
	£000	£000	£000	£000	£000	£000
<b>11 Governance costs</b>						
Audit and accountancy fees	(186)	(1)	(187)	(150)	(1)	(151)
Trustee meetings	(38)	-	(38)	(49)	-	(49)
Subsidiary company directors' fees	(4)	-	(4)	(4)	-	(4)
Legal and other services	(48)	-	(48)	(25)	-	(25)
Indirect support costs (note 13)	(593)	-	(593)	(556)	-	(556)
	<u>(869)</u>	<u>(1)</u>	<u>(870)</u>	<u>(784)</u>	<u>(1)</u>	<u>(785)</u>
Payable to Deloitte Group						
Audit fees	(130)	(1)	(131)			
Other services	(3)	-	(3)			
Payable to others						
Audit fees	(35)	-	(35)			
Other services	(38)	-	(38)			
<b>12 Other resources expended</b>						
BMN activity costs	(84)	-	(84)	(88)	-	(88)
Loss on asset disposals	(2)	-	(2)	-	-	-
Indirect support costs (note 13)	(27)	(2)	(29)	(26)	(3)	(29)
Taxation	(286)	-	(286)	(301)	-	(301)
	<u>(399)</u>	<u>(2)</u>	<u>(401)</u>	<u>(415)</u>	<u>(3)</u>	<u>(418)</u>

13 Analysis of indirect support costs <sup>6</sup>

## Unrestricted funds 2011

	Exams	Education	Training	Membership	Trading	Total Note 10	Total Note 11	Total Note 12	Total Note 9
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and pensions	(1,020)	(413)	(335)	(173)	(126)	(2,067)	(367)	(8)	(18)
General administration	(438)	(109)	(96)	(127)	(56)	(826)	(167)	(7)	(5)
Information technology	(117)	(99)	(31)	(71)	(21)	(339)	(9)	(6)	(3)
Financing charges	(28)	(20)	(15)	(9)	(4)	(76)	(16)	(1)	(1)
Depreciation	(81)	(60)	(37)	(24)	(19)	(221)	(12)	(3)	(12)
Rent and property	(163)	(94)	(94)	(30)	(27)	(408)	(22)	(2)	(28)
	<u>(1,847)</u>	<u>(795)</u>	<u>(608)</u>	<u>(434)</u>	<u>(253)</u>	<u>(3,937)</u>	<u>(593)</u>	<u>(27)</u>	<u>(67)</u>

## Unrestricted funds 2010

Salaries and pensions	(953)	(360)	(370)	(164)	(118)	(1,965)	(345)	(8)	(17)
General administration	(381)	(63)	(122)	(130)	(46)	(742)	(156)	(8)	(5)
Information technology	(118)	(76)	(26)	(67)	(26)	(313)	(8)	(5)	(4)
Financing charges	(28)	(18)	(16)	(8)	(3)	(73)	(18)	(1)	(2)
Depreciation	(67)	(47)	(31)	(22)	(17)	(184)	(10)	(2)	(10)
Rent and property	(125)	(83)	(101)	(22)	(21)	(352)	(19)	(2)	(27)
	<u>(1,672)</u>	<u>(647)</u>	<u>(666)</u>	<u>(413)</u>	<u>(231)</u>	<u>(3,629)</u>	<u>(556)</u>	<u>(26)</u>	<u>(65)</u>

<sup>6</sup> The basis of allocation of support costs are disclosed in Note 1 (j)(d). Restricted funds indirect support costs for 2011 and 2010 are shown in note 12 only and represent financing and property costs.



## NOTES to the ACCOUNTS

Year ended 31 July 2011

### Notes

#### 14 Transfers between funds

In 2010 there was an excess of expenditure over income for two Restricted Funds – the Step into Dance project (£33,105) and the Greek Panel's Youth Ballet performance funded by the Greek Ministry of Education (£5,391) – which required a transfer of £38,496 from Unrestricted Funds to Restricted Funds.

#### 15 Related party transactions

Six trustees (2010 – four) who are also examiners, tutors or mentors earned £23,809.68 (2010: £11,325) during the year in that capacity, as approved by the Charity Commission and in accordance with Articles 6.5, and 10 of the Charter. £10,965 (2010 - £12,606) was reimbursed to nine (2010 - ten) trustees for travel, subsistence and accommodation for attending committee meetings, and where an examiner, tutor or mentor for examining and teaching on behalf of the Royal Academy of Dance. A further £3,894 (2010: £1,710) was paid in reimbursable expenses to one of these trustees for the development of syllabi for which a fee of £5,000 was paid in 2010 (2011 Nil).

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 Vocational Graded examinations and courses  
 Cost of transaction: £1,030 (2010: £975)  
 Amount due at 31 July 2011: Nil

Related party: Noriko Kobayashi (National Director – Japan) as owner of Kobayashi Ballet Studios  
 Transaction: Hire of dance studios, office space and temporary staff to Royal Academy of Dance Japan for examinations, courses, summer schools and administration  
 Cost of transaction: £92,022 (¥ 11,685,292) (2010 £62,040 (¥ 8,419,925))  
 Amount due at 31 July 2011: £31,353 (¥ 3,981,292) (2010 £8,858 ¥1,202,170)

Related party: Lala Salendu (National Director – Indonesia) as owner of dance studios  
 Transaction: Hire of studios to Yayasan Royal Academy of Dance Indonesia for Vocational Graded examinations and courses  
 Cost of transaction: £5,284 (Rupiah 73,750,000) (2010 £3,639 (Rupiah 51,000,000))  
 Amount due at 31 July 2011: £5,284 (Rupiah 73,750,000) (2010 £3,639 (Rupiah 51,000,000))

All transactions were at arms length. Royal Academy of Dance 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 Academy's global policy to indemnify the Academy from loss arising from the neglect or default of its trustees, employees or agents and to indemnify the trustees and other officers against the consequence of any neglect or default on their part, in accordance with Article 6(h) of the Charter. The cost for the year to 31 July 2011 was £3,465 (2010 - £3,115).

#### 17 Costs of employees

The Academy employs 163 (2010: 159) administrative staff and 44 (2010: 41) commission-based staff worldwide, as well as contracting the services of examiners, teachers, tutors and musicians. Employment costs account for 52% (2010 – 52%) of total resources expended:

## NOTES to the ACCOUNTS

Year ended 31 July 2011

### Notes

#### 17 Costs of employees (continued)

	2011			2010		
	Unrestricted funds £000	Restricted funds £000	Total funds £000	Unrestricted funds £000	Restricted funds £000	Total funds £000
Employee gross salaries	(4,298)	-	(4,298)	(3,956)	-	(3,956)
Employee payroll taxes	(577)	-	(577)	(540)	-	(540)
Pension contributions	(322)	-	(322)	(261)	-	(261)
Processing staff	(149)	-	(149)	(130)	-	(130)
Gross commission paid	(579)	-	(579)	(580)	-	(580)
Payroll taxes	(16)	-	(16)	(10)	-	(10)
Tutors, teachers and examiners	(3,026)	-	(3,026)	(2,603)	-	(2,603)
Musicians	(423)	-	(423)	(310)	-	(310)
<b>Total employment costs</b>	<b>(9,390)</b>	<b>-</b>	<b>(9,390)</b>	<b>(8,390)</b>	<b>-</b>	<b>(8,390)</b>

	2011	2010
Number of Group employees earning :		
between £80,001 - £90,000	1	1
Pension contributions	£10,845	£10,224
between £60,001- £70,000	8	4
Pension contributions	£45,567	£14,235

#### 18 Pension costs

The pension charge for the year to 31 July 2011 was £321,930 (2010: £261,297). In the United Kingdom the Academy operates a defined contribution scheme with Aegon Scottish Equitable on behalf of its employees in the United Kingdom, and contributes to the University Superannuation Scheme and the Teacher's Pension scheme on behalf of its academic employees; representing in total 52 employees (2010: 53). Elsewhere the Academy operates or contributes to a variety of defined contribution schemes, money purchase schemes or statutory schemes, representing 46 (2010: 52) employees in ten (2010: seven) countries. As of 31 July 2011 there were no prepaid or accrued pension contributions (2010: nil).

The Academy will become liable to a section 75 or buy-out debt as a result of the Academy's only active member of the University Superannuation Scheme ceasing to be a member of the scheme following the retirement of that member in August 2011.

#### 19 Taxation

The Academy is a charitable organisation and is entitled to UK tax exemptions available to charities. 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 written off over a number of years.

## NOTES to the ACCOUNTS

Year ended 31 July 2011

## Notes

## 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 2010	7,120	531	870	23	8,544
Revaluation	400	-	-	-	400
Exchange differences	189	14	27	1	231
Additions	408	65	130	44	647
Disposals	-	-	(10)	-	(10)
<b>At 31 July 2011</b>	<b>8,117</b>	<b>610</b>	<b>1,017</b>	<b>68</b>	<b>9,812</b>
<b>Accumulated depreciation</b>					
At 1 August 2010	2	391	632	17	1,042
Revaluation	(37)	-	-	-	(37)
Exchange differences	-	12	14	-	26
Charge for the year	37	36	170	5	248
Eliminated on disposals	-	-	(6)	-	(6)
<b>At 31 July 2011</b>	<b>2</b>	<b>439</b>	<b>810</b>	<b>22</b>	<b>1,273</b>
<b>Net book value</b>					
At 31 July 2011	8,115	171	207	46	8,539
At 31 July 2010	7,118	140	238	6	7,502
<b>Charity</b>					
	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>					
At 1 August 2010	6,956	491	816	12	8,275
Revaluation	400	-	-	-	400
Exchange differences	182	12	25	-	219
Additions	407	46	124	45	622
Disposals	-	-	(10)	-	(10)
<b>At 31 July 2011</b>	<b>7,945</b>	<b>549</b>	<b>955</b>	<b>57</b>	<b>9,506</b>
<b>Accumulated depreciation</b>					
At 1 August 2010	-	366	585	7	958
Revaluation	(37)	-	-	-	(37)
Exchange differences	-	10	12	-	22
Charge for the year	37	28	167	4	236
Eliminated on disposals	-	-	(6)	-	(6)
<b>At 31 July 2011</b>	<b>-</b>	<b>404</b>	<b>758</b>	<b>11</b>	<b>1,173</b>
<b>Net book value</b>					
At 31 July 2011	7,945	145	197	46	8,333
At 31 July 2010	6,956	125	231	5	7,317

## NOTES to the ACCOUNTS

Year ended 31 July 2011

### Notes

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

£173,700 excluding VAT has been authorised by the Trustees and contracted for the first two phases of the development of a global database; of which £83,055 remains unspent at the year end.

£826,270 (A\$1,234,778) excluding VAT has been authorised by the Trustees and contracted for the re-development of the Australian headquarters; of which £512,922 (A\$766,512) remains unspent at the year end.

£42,551 is held under a motor vehicle finance lease for the Canadian office.

The charity does not have any heritage assets.

The freehold property in the UK was valued on 31 July 2011 in accordance with the requirements of the RICS Valuation Standards or their equivalent and FRS15, and was valued to existing use value assuming the property would be sold as part of the continuing business. There was no change in the valuation of the South African property. As the freehold building in Australia was being re-developed, no valuation was made and the cost of the re-development to date has been included in the value as at the year end. The freeholds were previously valued on 31 July 2010.

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 2010	Charge for the year	Additions to freehold	Increase in valuation	Value at 31 July 2011	Net Historical cost
United Kingdom	£	5,800,000	(36,401)	-	436,401	6,200,000	1,909,520
Australia	A\$	2,000,000	-	-	503,773	2,503,773	470,000
South Africa	Rand	1,860,438	-	-	-	1,860,438	653,770
		Value at 1 August 2010	Movement in exchange	Charge for the year	Additions to freehold	Increase in valuation	Value at 31 July 2011
	£	£	£	£	£	£	£
United Kingdom		5,800,000	-	(36,401)	71,319	436,401	6,271,319
Australia		1,156,070	182,260	-	337,107	-	1,675,437
South Africa		162,647	6,253	-	-	-	168,900
<b>Total</b>		<b>7,118,717</b>	<b>188,513</b>	<b>(36,401)</b>	<b>408,426</b>	<b>436,401</b>	<b>8,115,656</b>

The external Valuers, who belong to the independent firms listed below, valued or would have valued the properties in accordance with the requirements of the RICS Valuation Standards or their equivalent and FRS15. The Valuer's opinion of value was primarily derived using comparable recent market transactions on arm's length terms.

Property in London, United Kingdom	Daniel Watney, Chartered Surveyors
Property in Sydney, Australia	Anthony St Leon, Egan National Valuers (NSW)
Property in Johannesburg, South Africa	Lamula Loss Adjustors

## NOTES to the ACCOUNTS

Year ended 31 July 2011

## Notes

	Group		Charity	
	2011 £000	2010 £000	2011 £000	2010 £000
22 Investments				
Quoted investments				
Market value at 1 August	29	31	22	24
Purchases during the year	-	3	-	3
Disposals during the year	-	(7)	-	(7)
Exchange differences	2	-	1	-
Net realised / unrealised gains	1	2	1	2
Market value at 31 July	32	29	24	22
Historical cost at 31 July	21	21	13	13
<i>Investment in subsidiaries</i>				
Balance at 1 August	-	-	81	57
Additions	-	-	-	27
Exchange differences	-	-	4	(3)
As at 31 July	-	-	85	81
Total investments at 31 July	32	29	109	103
	Group		Charity	
	2011 £000	2010 £000	2011 £000	2010 £000
<i>Quoted investments</i>				
Held in the United Kingdom	24	22	24	22
Held outside the United Kingdom	8	7	-	-

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.

## Investments in subsidiaries

The Royal Academy of Dance holds in trust 100% of the issued share capitals 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.

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

The charity owns 100% of the issued capital of the subsidiary companies listed on page 38, whose aims and objectives mirror those of the Academy.

During the year the Royal Academy of Dance incorporated RAD Dancing (Thailand) Co Ltd to take over the activities of the branch of the Royal Academy of Dance currently operating in that country. The Academy owns 49% of the share capital but has a majority control over its affairs. The company was incorporated on 4 July Registration No 05055540038970 and became operational in August 2011. In Indonesia the law surrounding the establishment of Foundations or Yayasans required the Academy to take steps to establish a new Yayasan to take over the activities of the current organisation.

## NOTES to the ACCOUNTS

Year ended 31 July 2011

### Notes

#### 22 Investments (continued)

Subsidiaries	Country of incorporation	Co Registration number	% of issued share capital	Cost £000	Net Worth £000
Royal Academy of Dance S/C Ltda	Brazil	CNP-J27907864/0001-48	Held in trust	-	139
Royal Academy of Dance gGmbH	Germany	HRB 103317	100%	70	(21)
Yayasan Royal Academy of Dance Indonesia	Indonesia	Yayasan No 138	100% control	-	94
Royal Academy of Dance Srl	Italy	TN-0174567	99%	8	198
Royal Academy of Dance Asbl	Luxembourg	RCS F1236	100%	3	27
RAD Dancing (Malaysia) Sdn Bhd	Malaysia	RFC RAD 011026DT5	100%	-	86
Royal Academy of Dance de Mexico AC	Mexico	No 282399-X	Held in trust	-	108
Royal Academy of Dance Singapore Pte Ltd	Singapore	No 02211/1988-M	100%	-	539
Royal Academy of Dance	South Africa	1990/004233/08	100% control	-	144
Royal Academy of Dance SL	Spain	CIF No B-59915330	100%	3	126
Royal Academy of Dance Enterprises Ltd	Great Britain	No 2773495	100%	-	5
<b>Balance at 31 July</b>				<b>84</b>	<b>1,445</b>

	Group		Charity	
	2011 £000	2010 £000	2011 £000	2010 £000
<b>23 Stocks</b>				
Finished goods and goods for resale	308	280	128	101
Work-in-progress	117	65	-	-
<b>Balance at 31 July</b>	<b>425</b>	<b>345</b>	<b>128</b>	<b>101</b>
<b>24 Debtors</b>				
Trade debtors	358	369	288	286
Amounts due from subsidiaries	-	-	436	500
Other debtors	208	208	124	98
Prepayments and accrued income	537	483	509	436
<b>Balance at 31 July</b>	<b>1,103</b>	<b>1,060</b>	<b>1,357</b>	<b>1,320</b>

## NOTES to the ACCOUNTS

Year ended 31 July 2011

## Notes

	Group		Charity	
	2011 £000	2010 £000	2011 £000	2010 £000
25 Creditors : amounts falling due within one year				
Bank overdrafts	(285)	(232)	(71)	(62)
Bank loans	(3)	(33)	-	(30)
Trade creditors	(1,457)	(1,377)	(1,179)	(1,065)
Taxation and social security	(311)	(261)	(168)	(128)
Accruals and deferred income	(3,027)	(2,934)	(2,475)	(2,390)
Balance at 31 July	(5,083)	(4,837)	(3,893)	(3,675)
26 Creditors : amounts falling due after more than one year				
Provision for long-service award	(1)	(10)	-	-
Obligations under finance leases	(39)	(152)	(39)	(147)
Bank loans	(3)	-	-	-
Balance at 31 July	(43)	(162)	(39)	(147)

## Bank overdrafts

£214,110 (2010: £170,449) is secured by a mortgage debenture over the stocks held by Royal Academy of Dance Enterprises Limited with HSBC Bank Plc and attracts interest at 2.25.% over base rate (2010: 3.75%). The company had access to a temporary overdraft facility up to £260,000 (normally £200,000) which was utilised at the end of each financial year in order to gift aid its profits to the Royal Academy of Dance.

£71,440 (2010: £61,846) is offset for grouping purposes against other balances held by the Royal Academy of Dance in the United Kingdom with HSBC Bank Plc and attracts interest at 2% on so much as is covered by cleared credit balances, and 1.9% over base rate (2010: 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 net balance of all funds held at HSBC Bank Plc by the Royal Academy of Dance in the United Kingdom was £583,895 in credit (2010: £625,379 in credit) against a total facility of £700,000.

HSBC Bank Plc renewed the Academy's facilities in the United Kingdom for a further year on 17 October 2011. The facilities are secured on the freehold property at 36 Battersea Square, London SW11 3RA.

## Bank loans

£164,222 remaining from a loan of £300,000 taken out by the Royal Academy of Dance, London in 2003 from HSBC Bank Plc for the purposes of refinancing the Academy's overdraft was repaid on 11 March 2011.

A loan of £5,803 (2010: £7,338) taken out by the s21 company in South Africa in order to complete the purchase of its building is outstanding. This loan attracts interest at 16.75% per annum and is repayable over a maximum of 20 years ending in 2015 and is subject to normal banking terms and conditions. £2,965 is due within one year; with the balance of £2,838 repayable over the remaining life of the loan. The loan is secured on the freehold property known as Erf 29, Bramley, Johannesburg.

## Obligations under finance leases

The Canadian office entered into a lease finance agreement on 1 March 2011 for a period of five years.

## NOTES to the ACCOUNTS

Year ended 31 July 2011

### Notes

#### 27 Movement in restricted funds

		Balance at 1st August 2010 £000	Movement in exchange £000	Revalued balance at 1st August 2010 £000	Movement in resources Incoming £000	Outgoing £000	Net Movement £000	Transfer from Unrestricted Funds £000	Gains on investments realised and unrealised £000	Balance at 31st July 2011 £000
<b>Project Funds</b>										
Step into Dance programme	UK	-	-	-	504	(499)	5	-	-	5
<b>Designated Funds</b>										
Genée Legacy Funds	Singapore	22	-	22	-	-	-	-	-	22
Genée Legacy Funds	UK	28	-	28	1	(22)	(21)	-	-	7
Social Responsibility Fund	Group	-	-	-	25	-	25	-	-	25
<b>Restricted Funds</b>										
Challengénée	UK	27	-	27	26	(54)	(27)	-	-	-
Scholarship / bursary funds	UK	489	-	489	9	(6)	3	-	-	492
Boys Only! funds	UK	59	-	59	7	(7)	-	-	-	59
Iris Truscott fund	UK	21	-	21	1	(1)	-	-	2	23
Regional Scholarship funds	UK	36	-	36	21	(19)	1	-	-	37
Youth Ballet	Greece	-	-	-	-	-	-	-	-	-
Scholarship fund	Israel	1	-	1	-	-	-	-	-	1
<b>Total Charity</b>		<b>683</b>	<b>-</b>	<b>683</b>	<b>594</b>	<b>(608)</b>	<b>(14)</b>	<b>-</b>	<b>2</b>	<b>671</b>
Building fund	S Africa	8	-	8	5	(3)	2	-	(1)	9
<b>Total Group</b>		<b>691</b>	<b>1</b>	<b>691</b>	<b>599</b>	<b>(611)</b>	<b>(12)</b>	<b>-</b>	<b>1</b>	<b>680</b>
<b>Total Group – prior year</b>		<b>617</b>	<b>1</b>	<b>618</b>	<b>435</b>	<b>(405)</b>	<b>30</b>	<b>38</b>	<b>5</b>	<b>691</b>



## NOTES to the ACCOUNTS

Year ended 31 July 2011

### Project Funds

Step into Dance is a fully inclusive, community dance programme, a partnership between the Royal Academy of Dance who lead the programme and The Jack Petchey Foundation who fund it. In 2011 the programme ran in 150 secondary schools (2010 100) in 18 London borough (2010 13).

### Designated Funds

The Trustees approved the allocation of £22,000 from the Genée Legacy UK Fund towards the shortfall in income for the Genée International Ballet Competition London 2010 held in November 2010. No awards have yet been made from the Genée Legacy Singapore Fund.

During the year the Trustees approved the establishment of a Social Responsibility Fund to meet its Public Benefit responsibility by supporting innovation and need in dance education, training and performance, especially in communities where opportunity is limited. 2% of the 'pre-tax' price of all goods purchased from Royal Academy of Dance Enterprises Ltd and other Academy retail outlets has been earmarked for the creation of this fund. A total of £24,755 was transferred at the end of this financial year. The individual funds are Australia £3,259 Canada £2,085 New Zealand £691 South Africa £164 United Kingdom and ROW £18,556. The Trustees have agreed that funds will be built up for three years before any awards will be made.

### Restricted Funds

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

*Challengenée:* A series of fundraising events and activities held by Regional Advisory Committees in the English Regions, Scotland, Ireland and Head Office raised £53,597 in total. This was applied to the Genée International Ballet Competition London 2010 held in November 2010 in accordance with the purpose of the events and activities.

*Access / bursary funds:* To provide grants to students attending teacher education and notation programmes at the Academy. Awards totalling £3,775 were made in this financial year (2010 - £15,675).

*Boys Only! funds:* This fund was set up from the proceeds 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. Workshops working with local partners are held across the United Kingdom and participants are charged a nominal fee with the intention that the funds are topped up each year. Four workshops were held in the year (2010 - 2).

*Iris Truscott fund:* A trust deed registered with the Charity Commissioners to award bursaries to students on the Academy's BADE or CBTS programmes wishing to further their training. Two awards were made in the year (2010 2).

*Regional Scholarship funds:* These funds are raised and administered by Regional Advisory Committees in England and Wales to provide scholarships for students to further their training. During the year the Yorkshire Youth Theatre Dance funds were incorporated into the funds of the Regional Advisory Committee for Northern England, Yorkshire and the Humber.

## NOTES to the ACCOUNTS

Year ended 31 July 2011

## Notes

## 28 Movement in unrestricted funds

	Balance At 1 August 2010 £000	Exchange differences £000	Net incoming resources £000	Other recognised losses £000	Balance at 31 July 2011 £000
<b>Charity</b>					
Accumulated funds	3,059	121	568	-	3,749
Revaluation reserve	5,724	146	-	437	6,307
	<b>8,783</b>	<b>267</b>	<b>568</b>	<b>437</b>	<b>10,055</b>
<b>Group</b>					
Accumulated funds	3,937	163	980	-	5,080
Revaluation reserve	5,826	150	-	437	6,413
	<b>9,763</b>	<b>313</b>	<b>980</b>	<b>437</b>	<b>11,493</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	8,539	-	8,539
Intangible fixed assets and investments	5	32	37
Current assets	8,075	648	8,723
Current liabilities	(5,083)	-	(5,083)
Amounts falling due after more than one year	(43)	-	(43)
<b>Total net assets</b>	<b>11,493</b>	<b>680</b>	<b>12,173</b>

## 30 Parent Charity

The parent charity in the United Kingdom had net outgoing resources before any transfers between funds of £186,874 (2010 £168,183). This excludes inter-company dividends and capital remittances of £196,947 (2010 £565,906) and consolidation adjustments:

	2011 Net			2010 Net		
	Incoming resources £000	Resources expended £000	Incoming resources £000	Incoming resources £000	Resources expended £000	Incoming resources £000
Unrestricted Funds	9,125	(9,292)	(167)	8,426	(8,285)	141
Restricted Funds	588	(607)	(19)	428	(401)	27
<b>For the year to 31 July</b>	<b>9,713</b>	<b>(9,899)</b>	<b>(186)</b>	<b>8,854</b>	<b>(8,686)</b>	<b>168</b>

## NOTES to the ACCOUNTS

Year ended 31 July 2011

## Notes

## 31 Net incoming resources

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

	Incoming resources £000	Resources expended £000	2011 Net Incoming resources £000	(outgoing) Resources £000	2010 Net Incoming Resources £000	(outgoing) resources £000
<b>Unrestricted funds</b>						
United Kingdom Group <sup>7</sup>	7,516	(7,653)	(137)	7,101	(6,878)	223
Australia	2,436	(2,124)	312	1,880	(1,772)	108
Canada	1,247	(1,200)	47	1,133	(1,021)	112
Israel	24	(1)	23	29	(30)	(1)
Japan	462	(441)	21	416	(374)	42
New Zealand	425	(390)	35	347	(350)	(3)
Portugal	357	(275)	82	309	(255)	54
Southern Africa	491	(464)	27	395	(401)	(6)
Thailand	156	(136)	20	110	(103)	7
United States of America	397	(409)	(12)	358	(338)	20
RAD Enterprises	1,157	(1,155)	2	895	(894)	1
RAD Brazil S/C Ltda	415	(339)	76	353	(303)	50
RAD Germany gGmbH	494	(454)	40	394	(426)	(32)
Yayasan RAD Indonesia	183	(173)	11	211	(171)	40
Royal Academy of Dance Srl	1,092	(1,000)	92	1,024	(968)	56
RAD Dance asbl	77	(77)	0	97	(102)	(5)
RAD Dancing (Malaysia) Sdn Bhd	451	(371)	80	392	(318)	74
RAD Mexico de AC	294	(275)	19	295	(274)	21
RAD Singapore Pte Ltd	604	(415)	189	682	(549)	133
Royal Academy of Dance SL	579	(525)	53	467	(442)	25
<b>For the year to 31 July</b>	<b>18,857</b>	<b>(17,877)</b>	<b>980</b>	<b>16,888</b>	<b>(15,969)</b>	<b>919</b>
<b>Restricted funds</b>						
United Kingdom Group	588	(607)	(19)	428	(401)	27
Australia	3	-	3	-	-	-
Canada	2	-	2	-	-	-
New Zealand and South Africa	1	-	1	-	-	-
Royal Academy of Dance s21 South Africa	5	(4)	1	7	(4)	3
<b>For the year to 31 July</b>	<b>599</b>	<b>(611)</b>	<b>(12)</b>	<b>435</b>	<b>(405)</b>	<b>30</b>

<sup>7</sup> Includes consolidation adjustments of £20,507 (2010 £23,188)

## UK Group Representative Offices

The results of the fifteen Representative offices below are included in the results of the United Kingdom to form the UK Group:

China	Villa 86 Xin Feng Cheng, 1500 Nong Kong Jiang Lu, Shanghai 200093
Cyprus	19 Vassa Kilianiou, 4771 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
Caribbean	PO Box 1433, Constant Spring Post Office, Kingston 8, Jamaica
Malta	8 Guze Ellul Mercer Street, Sliema SLM1281
Philippines	British Council, F. Ortigas Jn Road, Ortigas Center, Pasig City 1605
Scandinavia	Vestavinden 20, 9015 Tromso
South Korea	1703 Arnouveau Palace, 7-1 Songpa Dong, Songpa Gu, Seoul 138-848
Sri Lanka	British Council, 49 Alfred House Gardens, Colombo 0030
Switzerland	Royal Academy of Dance gGmbH, Waldenserstrasse 2-4, 10551 Berlin
Taiwan	5f, No 122, Sect 7 Chung Shan N. Road, Taipei
Turkey	British Council, Maya Akar Center, No 100-101 Buyudere Cad, Esentepe, Istanbul
UAE & Qatar	British Council, Academic City, Dubai English Speaking College campus, PO Box 2002, Dubai

## Worldwide Group Branch Offices

The results of the nine Branch companies below are consolidated with the results of the UK Group to form the Charity:

Australia	20 Farrell Avenue, Darlinghurst, NSW 2011
Canada	1200 Sheppard Avenue East, Suite No 500, Toronto, Ontario M2K 2S5
Israel	Hadar Str. 491, Neve Yamin
Japan	Commerce Building 5f, 2-39-3 Mejiro, Toshima-Ku, Tokyo 171-0031
New Zealand	Level 8 CMC Building, 89 Courtenay Place, Wellington
Portugal	Rua 4 Infancia 86, 138 C/V Esq, 1350-241 Lisboa
Southern Africa & Mauritius	PO Box 200, Bramley 2018, Johannesburg, South Africa
Thailand	121/12, Moo 10, Chiangmai-Hangdong Road, Tambon: Pae Dad, Ampur: Muang, Chiangmai 50100
United States	1412 17th St. Suite #259, Bakersfield, CA 93301

## Subsidiary Offices

The results of the eleven Subsidiary companies below are consolidated with the results of the Charity (UK Group and Branch Offices) to form the Worldwide Group:

Benelux & France	Royal Academy of Dance Asbl., 21 Cite Joseph Bech, L-6186 Gonderange, Luxembourg
Germany	Royal Academy of Dance gGmbH, Waldenserstrasse 2-4, 10551 Berlin
Indonesia	Yayasan Royal Academy of Dance 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., PO Box 8344 Kelana Jaya, 46788 Petaling Jaya, Selangor
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, R Dr Francisco A Tozzi, 180 Estância Suíça 13930 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

## Advisers

UK Banker	HSBC Bank Plc	31 Holborn Circus, London EC1N 2HR
UK Solicitor	Field Fisher Waterhouse LLP	41 Vine Street, London EC3N 2AA
UK and Group Auditor	Deloitte LLP	2 New Street Square, London EC4A 3BZ

Deloitte LLP and members of the Deloitte Touche Tohmatsu worldwide network audit the Group branches and subsidiaries with the exception of the following:

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

## Management

### Chief Executive

Luke Rittner

### Director of Finance

Richard Thom BA (Hons) FCA

### Artistic Director

Lynn Wallis FISTD

### Director of Education

Dr Anne Hogan BA MA PhD

### Director of Marketing, Communication and Membership

Melanie Murphy Dip IPR MICPR

### Director of Examinations

Dr Andrew McBirnie BA MMus PhD LTCL

### Senior Staff

Benesh Director: Liz Cunliffe

Associate Dean: Michelle Groves

Chair of the Panel of Examiners: Paula Hunt

Financial Controller: Richard Slatford

Membership Manager: Penny Kearns

Head of Examinations: Gillian Sowerby

Examinations QA Manager: Lynne Bradley

FoE Head of Programme Research & Development:  
Carol Martin

FoE QA Manager: Alison Chapman

FoE Registrar: Evelyn Treiber

FoE Business Manager: Suzie Lorimer

CPD Manager: Mia Romanus

Training Manager: Monique Ogier

Music Development Manager: Jonathan Still

Head of Human Resources: Debbie Bolton

Head of Trading: Sue Bacchus

Head of IT: Neil Sowden

National Manager: Laura Deacon

Finance Manager: Ray Bolton

Facilities Manager: John Jaques

Press and Marketing Manager: Vassiliki Spyropoulou

Librarian: Rebecca Blackburn

### National Directors

Australia: Bronwyn Watkins

Benelux & France: Jacqueline Spence

Brazil and South America: Maria do Carmo de Kenny

Canada: Clarke McIntosh

Germany, Austria & Switzerland: Horst Vollmer

Indonesia: Lala Salendu

Italy: Manuela de Luca

Japan: Noriko Kobayashi

Malaysia: Zafriah Ahmad

Mexico & Central America: Julietta Navarro

New Zealand: Janet Taylor

Portugal: Margarida Sa Fialho

Singapore: Mona Lim

Southern Africa: Olivia Lume

Spain: Maria José Antón

Thailand: Glenn van der Hoff

USA: Patti Ashby

### Chief Representative

China Representative Office: Tina Chen

### National Managers

Caribbean: Diane Bernard

Cyprus: George Shantos

Ireland: Beverley Dinsmore

Israel: Gali Zamir

Malta: Sandra Mifsud

Scandinavia: Karina Lund

Taiwan: Shu-Yu Lin

### RAD Representatives

China, Hong Kong SAR: Mandy Hau

Greece: Veta Anastaspoulou

Philippines: Lauren Ann Pascua

South Korea: Hyun Joo Ham

Sri Lanka: Ranmali Mirchandani

Turkey: Merve Kalyoncu

UAE: Sonali Deodhar

## Head Office

Royal Academy of Dance

36 Battersea Square

London SW11 3RA

England

T +44 (0)20 7326 8000

F +44 (0)20 7924 3129

[www.rad.org.uk](http://www.rad.org.uk)

[www.radacadabra.org](http://www.radacadabra.org)

[www.radenterprises.co.uk](http://www.radenterprises.co.uk)

[www.benesh.org](http://www.benesh.org)

ROYAL ACADEMY OF DANCE

A Global Brand 2010/11

	No of Members	No of Members who are Registered Teachers	No of Examination Candidates	No of Faculty of Education Students	No of participants on an IF / I course
Trinidad and Tobago	9	9	202	-	12
Barbados	7	5	304	1	5
Costa Rica	6	6	73	-	-
Denmark	6	4	204	-	-
Sri Lanka	5	4	266	-	11
Brunei	5	3	225	3	
Jamaica	5	3	433	-	8
Bermuda	4	4	139	-	-
Guatemala	4	4	109	-	-
Gibraltar	4	3	-	-	-
Chile	4	2	55	-	-
Lebanon	3	2	-	-	-
Bahamas	3	1	111	-	7
El Salvador	2	2	69	-	-
India	2	2	198	-	-
Jordan	2	2	102	-	--
Armenia	2	1	-	-	-
Honduras	2	1	47	-	
Ecuador	1	1	37	1	-
Finland	1	1	-	-	-
Guadeloupe	1	1	2	-	-
Macao	1	1	201	-	-
St Lucia	1	1	47	-	2
San Marino	1	1	-	-	-
Serbia	1	1	-	-	-
Venezuela	1	1	-	-	-
Iceland	1	-	-	-	-
Monaco	1	-	-	-	-
Slovakia	1	-	-	-	-
Slovenia	1	-	-	-	-
Suriname	1	-	-	-	-
Tanzania	1	-	-	-	-
Vietnam	1	-	-	-	-
Colombia	-	-	-	2	-
Kuwait	-	-	42	1	-
Total includes statistics from front inside cover	12,337	7,258	228,827	1,094	3,075

Examinations includes Presentation Classes, Class Awards and Demonstration Classes

Faculty of Education excludes students at Tong Ji University

A further 44 Intermediate Foundation and Intermediate courses (IF/I) were held in the latter half of 2011