



**ISTD**

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2013  
**ANNUAL  
REPORT**

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# CHAIRMAN'S REPORT



It is hard to believe that I have now served as ISTD Chairman for over a year. The time has flown since I was elected in September 2012 and the 2013 calendar year has been busy and exciting for the ISTD and for me personally. Work has begun on an international development strategy and I was able to travel to Hong Kong and China with Paddy Hurlings to host a reception for ISTD teachers in Hong Kong. This was followed by visits to China and the development of a Beijing Summer School, which will take place in July – August 2014 working in partnership with the Beijing Dance Academy. These developments demonstrate the impact of globalisation in our lives and our work and dance, of course, can lay claim to being one of the most effective global 'languages'.

We are also increasingly active at home in the UK and Europe and one of the challenges of being ISTD Chairman is the wonderful array of ISTD events that I can attend. It is almost impossible to select highlights from the many highlights, but I would like to pick out the graduation of our Level 6 Diploma in Dance Pedagogy students, which took place at an excellent Theatre Congress at Sadler's Wells. This represented a significant development for the ISTD's work and a very impressive group of students. I also made my first trip to the wonderful Blackpool Grand Finals and was inspired by the teachers and students who work so hard to achieve their goals both in terms of dance and in the commitment and sense of discipline coupled with self-expression that is instilled in so many people.

Another highlight of the year was the annual ISTD Dinner Dance, held on St Patrick's Day in 2013. This was an inspiring occasion that gave us the opportunity to reflect on our achievements and recognise individuals for their dedication to the ISTD. Peter Kyle and Robert Grover retired from their respective positions as Chairman of the ISTD and Chairman of Dancesport Faculties Board and were both awarded fellowships and invited to join Grand Council.

This was also the third year of Dance Proms. The 2013 event had a truly global feel as it was the first time that international schools were invited to take part. Dance Proms would not be possible without the support of the audience, sponsors, crew, volunteers and the partner organisations.

Our South Asian Dance Faculty changed its name to the Classical Indian Dance Faculty in 2013 to reflect and acknowledge the pre-eminence of the generic name by which Bharatanatyam and Kathak are commonly known. And the Imperial Classical Ballet Faculty had great pleasure in announcing their new patrons, Adam Cooper and Sarah Wildor. In addition, our Disco/Freestyle/Rock 'n' Roll (DFR) Faculty celebrated their 25th anniversary in 2013.

We have sadly lost several valued teachers and committee members during 2013, including Deborah Capon, Stella Mann, Phroso Pfister and Irene Waine. Their spirit of dedication inspires us all and we are very grateful for all the contributions they have made.

It has been a pleasure and a privilege to work with Chief Executive, Hassan Khan and ISTD Artistic Director, Paddy Hurlings along with Council and ISTD staff, all of whom dedicate many hours to assisting the Society's development. We have strengthened the ISTD's foundations in 2013 and are now in a good position to develop the range and breadth of our work, and to ensure that we are responding to the needs of our members.

I look forward to 2014, the 110th anniversary of the founding of the ISTD, with a strong sense of optimism. The ISTD has proved to be a resilient and vital organisation weathering the recent economic storms as we have done for the past century and more. We are the entry point for many into the world of dance and we have enriched the lives of countless individuals by providing structured development paths for dance teachers and students for a lifetime in dance. There is much to be proud of, and there is much more to do – thank you to everyone who supports the work of the ISTD and I look forward to working with you in the year to come.

*Professor Christopher Bannerman  
Chairman*



“

**As a teacher who attends this event every year, I feel a rush of excitement stepping onto the floor to help my pupils shine**

*Teacher at Blackpool Grand Finals 2013*

”

# CHIEF EXECUTIVE'S REPORT



The Society has made some excellent steps forward in 2013 and I am delighted to be presenting my first report to members. This statement will outline the year's achievements focusing on business development, governance and finance particularly.

I would like to start however, by thanking ISTD members, the Artistic Director, all the Faculty leadership, committee members and of course Council, for their sound advice and support. During my first year as Chief Executive I have attended a host of Society events and a superb congress at Sadler's Wells to meet with members. This has helped me to gain a better understanding of the work of the Society and how we are meeting our strategic objectives. I have been very impressed by all the passion, effort and enthusiasm that is evident at so many levels of the Society. Dance Proms was also a great success in December 2013 and we are pleased to be continuing our involvement in this inspirational event in 2014.

In support of our international development programme I visited Hong Kong and China in September 2013 and met with high profile potential partners with a view to expanding our presence in the region and developing long term partnerships. Negotiations have progressed well in 2014 and preparations are well on their way to hold two summer schools and a teachers' qualification course in China this summer at our partners' venues. These events will have taken place by the time of the AGM.

The Chairman provided an update on ongoing progress in Hong Kong and China in his report; especially the summer events. We are of course very grateful to the Chairman for all his hard work on behalf of the Society and for providing us with the high level contacts that will help us progress our business development strategy for Hong Kong and China.

Work is ongoing in the areas of governance, business development and streamlining committee structures for efficient management of the Society's business. At last year's AGM Bruce Ryder, a long-serving member of Council, did not offer himself for re-election due to personal reasons, and we have missed his enthusiasm and valued input at Council meetings. A new independent trustee was identified and once elected will join Council. I look forward to working closely with all Council members over the coming years.

A thorough review of financial governance was undertaken resulting in restructure in some areas of the Society. We have implemented new processes and procedures to bring about further financial efficiency and to future-proof our business in the current climate.

Although, there was some indication of green shoots the recession continued to have an impact on our business in the UK and especially in Europe in 2013. However, with prudent budgeting and robust financial management, the Society achieved a surplus well in excess of the budget. The account's show a moderate drop in revenue (2%) from the previous year to £5.9m (£6m 2012). The 2% reduction was mainly due to the 2012 Award Examination being discontinued in 2013, though there was a small increase in revenue from examinations overall, but courses, summer schools and membership did not do as well as expected, compared to 2012. However, operational costs were reduced by £156k (3%) from £5.22m in 2012 to £5.07m in 2013 by a pragmatic approach to controlling expenditure and achieving best value for each pound the Society spent. This resulted in a surplus of £829k, almost double that budgeted for the year, boosting the cash and reserves of the Society. This was achieved on the back of a much higher budgeted spend for Faculty and syllabi development than in 2012. As well as

strengthening the balance sheet, the surplus allows us to meet the challenges of the rapidly changing environment the Society operates in. This surplus allows also us to invest to develop the Society's business in the UK, EU and rest of the world, where we have already begun our business development programme. I am mindful of not ignoring development in the home market and we are currently starting to plan how to address this area. Overall, despite the turbulent times of recession followed by austerity measures over the years, I am pleased to report that the Society is on a very strong footing.

You may already be aware that our esteemed colleague Paddy Hurlings has decided to step down from the role of Artistic Director. I am sure we will all miss her wisdom, experience, dedication and the relentless work that she has done for the Society over many years, and especially during her role as the first Artistic Director of ISTD. We wish Paddy all the very best and thank her for everything she has done for the Society. To say that I will miss her on a day-to-day basis would be a big understatement as Paddy is one of the most loyal, passionate, and caring friends of the Society. She has the best interests of the Society at heart at all times, so it is great news that she will be continuing her role as the Chairman of the Theatre Faculties Board.

Last but not least, I would also like to thank all the committed and hardworking staff at HQ, without whose support and cooperation I would not have been able to deliver the financial performance for 2013. I look forward to working with them all, the members of the Society and Council to build on the successes of 2013 and meet the challenges that lie ahead.

*Hassan Khan, MSc, FCCA  
Chief Executive*

# 2013 HIGHLIGHTS AND ACTIVITIES



Left: Italian Summer School 2013 (Bari)

Below: Modern Primary Class Examination in Barbados



## A GREAT SUMMER OF DANCE

The ISTD's summer schools went from strength to strength with the Italian Summer Schools in Bari and Sportilia increasing their range of classes. Tap week at Chichester included the eagerly awaited Grade 5 syllabus work, while the Imperial Classical Ballet, National and Modern Theatre courses proved as popular as ever. This great summer of dance also provided opportunities for teachers and young people to sharpen their skills at our Cecchetti Summer School.

## DFR 25TH ANNIVERSARY CELEBRATIONS

The DFR Faculty topped off a year commemorating their 25th anniversary with a special Congress that acknowledged the many

committee members and teachers who have done so much for the faculty over the years. The day's highlights included a video message from Peggy Spencer MBE and a showcase finale, with workshops covering the span of the faculty's remit from hip hop to the history of disco. We would like to thank the DFR Chairman, Yvonne Taylor-Hill and Vice Chairman, Paul Streatfield, along with the whole committee for their dedication and for shining a spotlight on the great work of the faculty.

## NEW ISTD FACULTY PATRONS

During 2013 we were delighted and honoured to welcome several new patrons, including David Bintley CBE as patron of The Cecchetti Society, and Sarah Wildor and Adam Cooper as patrons of the Imperial Classical Ballet Faculty.

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**The classes available are of an excellent standard and there is something for everyone, whether you are working for your DDI or are fully qualified and just going to keep yourself up to date**

*ISTD teacher at the Chichester Summer School*

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## MODERN THEATRE AWARDS IN MALAYSIA

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The first Malaysian Modern Theatre Awards took place in November in Kuala Lumpur. Many months of preparation had been undertaken by Cathy Stevens and the Modern Theatre Committee and also by Malaysian teachers, Cyn Dee Too, Alicia Lim and Clara Lim, who worked hard to make this a fantastic and memorable event.

## A STUNNING RANGE OF EVENTS

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Some staple ISTD events grew even bigger and better than ever in 2013, with the Imperial Classical Ballet Junior Awards attracting over 100 competitors representing more than 30 schools from around the country. The Blackpool Grand Finals weekend welcomed an accumulation of almost 600 children and 700 adults competing for the title of Medallist of the Year.

## DANCE PROMS 2013

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For the third year, the ISTD joined forces with the IDTA, RAD and the Royal Albert Hall to present Dance Proms. In 2013 the event was open to teachers and students from around the world and schools travelled from Italy, Belgium and New Zealand as well as from all over the UK to take part.

## IN MEMORY OF ISTD FRIENDS

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During 2013, we were greatly saddened by the loss of beloved ISTD colleagues and friends including Deborah Capon, Stella Mann, Phyllis Miles, Phroso Pfister and Irene Waine.



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**Thank you for the fantastic opportunity you gave us all. It was amazing and I will remember it forever!**

*Participant at Dance Proms 2013*

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*Top: Imperial Classical Ballet Awards 2013*

*Above: Classical Greek Dance*

*Far right: Students during an examination session in Malta*

“

**The talent that I witnessed at this year's Awards was incredible. I just knew that every single one of them loved what they were doing. That's why we do it**

*Star Tap Awards Adjudicator, 2013*

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# ANNUAL REPORT

for the year ended 31st December 2013

The Administrative Council presents its report and audited financial statements for the year ended 31st December 2013.

## REFERENCE AND ADMINISTRATIVE INFORMATION

### Charity name

Imperial Society of Teachers of Dancing (The)

### Charity registration number

250397

### Company registration number

392978

### Registered office and operational address

Imperial House, 22–26 Paul Street  
London EC2A 4QE

### Secretary

Mr Gary Morley

## ADMINISTRATIVE COUNCIL

### Executive Members

Mr Simon Adkins

Mrs Kay Ball

Prof. Christopher Bannerman<sup>1,2</sup> (*Chairman*)

Mr Richard Hunt<sup>1</sup>

Mr Vernon Kemp

Ms Karen King

Mr Gary Morley<sup>1,2</sup> (*Vice Chairman*)

Mr Philip Murphy<sup>1</sup>

Mrs Gaynor Owen<sup>1</sup>

Mrs Susan Passmore<sup>2</sup> (*Vice Chairman*)

Miss Elisabeth Swan

Mrs Yvonne Taylor-Hill

Ms Leigh Tavaziva<sup>1</sup>

<sup>(1)</sup> Also member of Finance and General Purposes and Audit Committee)

<sup>(2)</sup> Also member of the Governance and Human Resources Committee)

## SENIOR MANAGEMENT TEAM

Mr Hassan Khan (*MSc, FCCA*)

Chief Executive

Miss Paddy Hurlings

Artistic Director

Mrs Claire Buckley

Head of International Examinations  
Department

Mrs Sarah Clarke

Head of Marketing & Membership Support  
Services Department, (maternity leave, Acting  
Head Alec Jessel)

Mrs Cynthia Pease

Head of Customer Services & Quality  
Assurance Department

Mrs Elizabeth Wills

Head of UK Examinations Department

## AUDITORS

Prentis & Co LLP, 115c Milton Road,  
Cambridge CB4 1XE

## BANKERS

National Westminster Bank, Finsbury Square  
Branch, PO Box 549, 78 Finsbury Pavement,  
London EC2A 1JA

## SOLICITORS

Charles Russell, 8/10 New Fetter Lane  
London EC4A 1RS

## INVESTMENT MANAGERS

Charles Stanley & Co, 25 Luke Street  
London EC2A 4AR

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' published in March 2005, applicable law and the Society's governing document.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing Document

The Imperial Society of Teachers of Dancing is a charitable company limited by guarantee, incorporated on 5th February 1945 and registered as a charity on 6th January 1969. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £5.

## RECRUITMENT AND APPOINTMENT OF ADMINISTRATIVE COUNCIL

The directors of the company are also charity trustees for the purpose of charity law and under the company's Articles are known as Executive members of the Administrative Council. Under the requirements of the Memorandum and Articles of Association the members of the Administrative Council are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting.

The Executive membership of the Administrative Council consists of independent members and representatives of Theatre Dance and Dancesport Faculties ensuring that independent members are not in a minority. Members of Council are elected by the ISTD's fully registered members at the AGM on the basis of their pre-eminence in the world of dance or their relevant business or education

experience. The Administrative Council has responsibility for the financial and legal administration of the ISTD, primarily through its sub-committee, the Finance, General Purposes and Audit Committee. Presently the Governance and Human Resources Committee nominates suitable candidates to fill vacancies.

The Executive members of the Administrative Council are appointed for a three-year term at the Annual General Meeting of the Society. Christopher Bannerman, Vernon Kemp, Gary Morley, Philip Murphy, Gaynor Owen, Sue Passmore and Yvonne Taylor-Hill retire by rotation and offer themselves for re-election.

### Trustee Induction and Training

Most trustees are familiar with the practical work of the charity having been either Chairperson of the Faculties or having had prior involvement of work in the dance, arts and education industries.

Additionally, new trustees are invited and encouraged to attend Congresses organised by the Society to familiarise themselves with the charity and the context within which it operates. The induction and training should cover:

- The obligations of Administrative Council members
- The main documents which set out the operational framework for the charity including the Memorandum & Articles and Rules & Standing Orders
- Resourcing and the current financial position as set out in the latest published accounts
- Training – Some Trustees have also attended external training courses for Trustees

### Risk Management

The Administrative Council has conducted a review of the major risks to which the charity is exposed during 2013.

Regular financial review has led to minimising internal control risk through updating of procedures on segregation of duties and invoicing policy included in the procedures guides. The procedures guides that are set up under the Business Continuity Plan, designed to maintain the business in the event of a significant disaster, and each department's procedure guide for its day-to-day activities were reviewed and updated. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

The review also looked at key risks around the Society's ability to deliver its strategy, reviewed current controls and identified a number of areas where controls could be strengthened. All other normal business risks are insured against appropriately.

### Organisational Structure

The Imperial Society of Teachers of Dancing has an Administrative Council of executive members who meet quarterly and are responsible for the strategic direction and policy of the charity. At present the Council consists of members from a variety of professional backgrounds relevant to the work of the charity.

On 28th February 2013 Hassan Khan was appointed Chief Executive Officer and Paddy Hurlings was appointed the Artistic Director of the Society. A scheme of delegation is in place and the day-to-day responsibility for the provision of the services rests with the Chief Executive and Artistic Director, working closely with the Senior Management Team, ensuring that the charity delivers the services and strategies specified and that key performance indicators are met. Senior Management have responsibility for the day-to-day operational management of ISTD Headquarters and ISTD2 Dance Studios, individual supervision of the staff and also ensuring that the team continues to develop its skills and working

practices in line with good practice. The Finance, General Purposes and Audit (FGP&A) Committee is chaired by Vice Chairman of the Administrative Council, Gary Morley. The Committee, on behalf of the Administrative Council, oversees the preparation of the budget, monitors the financial performance of the Society, and ensures that proper audited accounts are produced showing a true and fair view of the financial position. The committee also acts as a general purposes committee for the effective conduct of the business of the ISTD between meetings of the Administrative Council.

The Governance and Human Resources Committee is chaired by Chairman of the trustees, Christopher Bannerman. It is the responsibility of the committee to review the size, structure and composition of the Administrative Council and its committees and to advise on an overall framework and broad policy for remuneration of ISTD staff.

### Related Parties

The ISTD Benevolent Fund is a charity set up to assist members and ex-members of the ISTD who have encountered financial difficulty through ill health or old age.

### Public Benefit

The Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit.' The Trustees have assessed the activities of the Society in relation to the public benefit requirement and consider that the activities meet the two main principles of public benefit; that the benefits are identifiable and are related to the aims of the Society; and that the public are the beneficiaries and that there is no significant exclusion as to who can benefit. How the charity fulfils these obligations is covered in the various sections of this report.

## Objectives and Activities

The Society is registered with the Charity Commission (Number 250397) as an educational charity whose purpose is to promote the teaching of dancing.

The objects of the charity are the Society's chief objectives as defined broadly in the Memorandum and Articles of the Society: 'to educate the public in the art of dancing in all its forms.' To achieve this, the Society works in four main ways:

- To promote knowledge of dance
- To maintain and improve teaching standards
- To provide examinations for the Society's specialist techniques taught by more than 7,500 members throughout the world
- To provide through its syllabi techniques upon which to train dancers for the profession

## Major Activities

- The ISTD offers dance examinations and qualifications for learners of all ages and abilities throughout the world. These examinations are offered through the provision of syllabi in multiple dance genres and are taught by teachers who have qualified with the ISTD to enter candidates for examination. The syllabi are themselves developed by the Society through 12 Faculties.
- The administration of examination sessions from the point of receiving applications from the teacher through to booking the examiner, processing timetables, handling the processing of results and dispatching certificates and awards.
- The constant monitoring of all examination processes to ensure standards of examinations are consistent. Ensuring all candidates are properly registered, checking and recording all examination results and monitoring all examiners' training and standards to ensure all candidates receive fair and equal assessment and all equal opportunities are met. It is also necessary

for the organisation to ensure it meets the standards required by the regulatory authorities to retain the accreditation and recognition of its qualifications.

- The Society seeks to maintain and develop standards of teaching through provision of appropriate courses and training opportunities. Furthermore, the Society provides a range of events and activities to ensure that members of the Society are kept up-to-date with developments in dance education.

## Achievements and Performance

- Fundamental review of the Society's financial systems and control have led to more efficient systems and operation.
- The financial performance exceeded budget through cost savings whilst maintaining revenue streams.
- The surplus achieved was better than expected allowing the Society to continue its investment programme in the coming year.
- Corporate governance review has continued to ensure the Society complies with the Charity legislation and principles of good practice.
- The Society continues to ensure that qualifications are embedded within the government diploma.
- The Society continues to work closely with the wider dance education field. Special events such as Dance Proms have brought the IDTA, ISTD and RAD together for the third year running.

## FINANCIAL REVIEW

### Financial Performance

The financial result for the year was a surplus of £828,850 generated from the overall general and unrestricted funds, an improvement on the previous financial year, with costs continuing to be maintained and controlled in both the UK and in the international business activities.

## Investment Policy, Powers and Performance

It is the policy of the Society to purchase investments with a view to maximising income rather than to seek a growth in the value of the investments themselves. The trustees have powers to make investments as may be thought fit. The trustees are satisfied with the performance of the investments.

## Reserves Policy

The Reserves Policy is to provide at least £250,000 in cash to cover seasonal variations in the cashflow as income is dependent on subscriptions, which are paid at the beginning of the year. Secondly, to provide at least £250,000 in investments to cover unexpected requirements such as stock for the shop, specialised stationery for examinations and examiners' use, equipment required at headquarters and further studio space in the future.

The charity's free reserves (unrestricted funds not designated or tied in fixed assets) amounted to £2,179,660 (2012: £1,320,672).

## Statement of Trustees' Responsibilities

The trustees (who are also directors of the Imperial Society of Teachers of Dancing for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as we are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Administrative Council on  
24th July 2014.

*Professor Christopher Bannerman*  
*Chairman of the Society*



*Right: Cecchetti Society Day 2013 – students from KS Dance Ltd, Advanced 2 demonstration*

# INDEPENDENT AUDITORS' REPORT

## *to the Members of the Imperial Society of Teachers of Dancing*

We have audited the financial statements of the Imperial Society of Teachers of Dancing for the year ended 31st December 2013, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out in the Annual Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 (APB'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 charitable company'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 the charitable company's affairs as at 31st December 2013 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Nigel Prentis, Senior Statutory Auditor for and on behalf of Prentis & Co LLP, Chartered Accountants and Statutory Auditors

115c Milton Road  
Cambridge  
CB4 1XE

24th July 2014



“

**To see so many young people from different countries having so much fun together proved once again that dance really is an international language**

*Lecturer at the Italian Summer School 2013*

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# STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31st December 2013

Income and Expenditure account	Notes	General Funds 2013 £	Designated Funds 2013 £	Total 2013 £	Total 2012 £
<b>INCOMING RESOURCES</b>					
<i>Incoming Resources from Generated Funds</i>					
Investment Income	2	30,348	-	30,348	24,184
Activities for Generating Funds	3	33,325	-	33,325	56,030
<i>Incoming Resources from Charitable Activities</i> (Examinations, Courses, Subscriptions, Congresses)	4	5,833,710	-	5,833,710	5,950,897
<b>Total Incoming Resources</b>		<b>5,897,383</b>	<b>-</b>	<b>5,897,383</b>	<b>6,031,111</b>
<b>RESOURCES EXPENDED</b>					
Charitable Activities		5,099,109	-	5,099,109	5,249,067
Governance Costs		11,021	-	11,021	12,747
<b>Total Resources Expended</b>	<b>8</b>	<b>5,110,130</b>	<b>-</b>	<b>5,110,130</b>	<b>5,261,814</b>
<b>NET INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>787,253</b>	<b>-</b>	<b>787,253</b>	<b>769,297</b>
Currency Exchange (Losses)		(751)	-	(751)	(22,403)
Investment Gains	14	42,348	-	42,348	59,676
<b>Net Movement in Funds</b>		<b>828,850</b>	<b>-</b>	<b>828,850</b>	<b>806,570</b>
<b>RECONCILIATION OF FUNDS</b>					
Total Funds Brought Forward		6,009,161	16,103	6,025,264	5,218,694
<b>Total Funds Carried Forward</b>		<b>6,838,011</b>	<b>16,103</b>	<b>6,854,114</b>	<b>6,025,264</b>

None of the Society's activities were acquired or discontinued during the year and there were no recognised gains or losses for 2013 and 2012 other than those included in the Statement of Financial Activities.

The notes included on pages 17 to 24 form part of these financial statements.

# BALANCE SHEET

for the year ended 31st December 2013

	Notes	2013 £	2013 £	2012 £	2012 £
<b>FIXED ASSETS</b>					
Tangible Fixed Assets	9		4,197,580		4,270,067
Investments	14		460,771		418,423
<b>Total Fixed Assets</b>			<b>4,658,351</b>		<b>4,688,490</b>
<b>CURRENT ASSETS</b>					
Stock	10	208,572		174,471	
Debtors	11	170,089		210,030	
Cash at Bank and in Hand		2,677,412		1,709,938	
<b>Total Current Assets</b>		<b>3,056,073</b>		<b>2,094,439</b>	
<b>CREDITORS</b>					
Amounts Falling Due Within One Year	12	860,310		757,665	
<b>NET CURRENT ASSETS</b>			2,195,763		1,336,774
<b>Total Assets Less Current Liabilities</b>			<b>6,854,114</b>		<b>6,025,264</b>
<b>REPRESENTED BY: UNRESTRICTED FUNDS</b>					
<b>Designated Funds:</b>					
ISTD Faculty Development Fund	13		11,600		11,600
International Development Fund	13		4,503		4,503
<b>General Funds:</b>					
Revaluation Reserve	13		1,183,096		1,195,888
Reserve Fund	13		5,654,915		4,813,273
			<b>6,854,114</b>		<b>6,025,264</b>

These financial statements were approved and authorised by the Trustees on 24th July 2014 and were signed on its behalf by:

Professor Christopher Bannerman (Chairman of the Society)

Gary Morley (Chairman of the Finance and General Purposes and Audit Committee)

The notes included on pages 17 to 24 form part of these financial statements.

# CASH FLOW STATEMENT

for the year ended 31st December 2013

	<b>2013</b> £	<b>2013</b> £	<b>2012</b> £	<b>2012</b> £
<b>RECONCILIATION OF CHANGES IN RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>				
Net Incoming Resources Before Other Recognised Gains and Losses		787,253		769,297
Currency Exchange (Losses)		(751)		(22,403)
Dividends Received		(14,638)		(20,339)
Bank Interest Received		(15,709)		(3,845)
Bank Charges and Interest		36,913		40,501
Depreciation Charges		157,557		170,431
(Increase)/Decrease in Stock		(34,101)		36,838
Decrease in Debtors		39,941		28,079
Increase/(Decrease) in Creditors		102,645		(204,415)
Loss on Disposal of Fixed Assets		-		16,600
<b>Net Cash Inflow from Operating Activities</b>		<b>1,059,110</b>		<b>810,744</b>
<b>CASH FLOW STATEMENT</b>				
Net Cash Inflow from Operating Activities		1,059,110		810,744
Returns on Investments and Servicing of Finance				
Dividends Received	14,638		20,339	
Interest Received	15,709		3,845	
Interest and Charges Paid	(36,913)		(40,501)	
		<b>(6,566)</b>		<b>(16,317)</b>
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>				
Payments to Acquire Fixed Assets		(85,070)		(7,145)
<b>Increase in Cash</b>		<b>967,474</b>		<b>787,282</b>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT OF NET CASH</b>				
Increase in Cash in the Period		967,474		787,282
Net Cash at 1st January 2013		1,709,938		922,656
<b>Net Cash at 31st December 2013</b>		<b>2,677,412</b>		<b>1,709,938</b>



“

**I am constantly inspired  
and excited by the quality  
and the breadth of the  
work of the ISTD**

*ISTD Chairman, Chris Bannerman at the 2013 AGM*

”

# NOTES (FORMING PART OF THE FINANCIAL STATEMENTS)

for the year ended 31st December 2013

## 1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Society's Financial Statements.

### Basis of Preparation

The Financial Statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005 and applicable accounting standards as modified by the revaluation of certain fixed assets and under the historical cost accounting rules.

### Fixed Assets and Depreciation

Depreciation is provided on all fixed tangible assets, to write off the cost or valuation less the estimated residual value in equal instalments over their estimated useful economic lives, as follows:

Buildings: 2% on Valuation/Cost (excluding land). Furniture and Equipment: 10% on cost Computers and IT: 20% on cost. The charity adopts a policy of revaluation on its properties with external valuations carried out every 5 years.

### Foreign Currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date

of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the Balance Sheet date.

### Investments

Investments are included at market value at the year end. Gains or losses on disposal or revaluation of investments are charged or credited to the Statement of Financial Activities.

### Stocks

Stocks are stated at the lower of cost and net realisable value.

### Incoming Resources

Incoming Resources from Charitable Activities represents the amounts (excluding value added tax) generated in the UK and overseas derived from examinations, subscriptions, courses, sales from the Society shop, advertising revenue, congresses and events. Incoming Resources from Generated Funds are other activities including fundraising to generate incoming resources to undertake charitable activities. Income is accounted for when the charity is entitled to the income and the amount can be quantified with reasonable accuracy.

### Pension Costs

The Society operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Society in an

independently administered fund. The amount charged to the Income and Expenditure Account represents the contributions payable for the year.

### Funds Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular projects. Details of designated funds are provided in Note 13.

### Resources expended

All expenditure is accounted for on an accruals basis and includes irrecoverable VAT. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Charitable Activities relates to costs incurred in delivering the charity's activities and services to its beneficiaries.

Governance costs are those costs incurred in meeting the charity's constitutional and statutory requirements including strategic management.

### Taxation

The Society is a registered charity and as such is not liable for Corporation Tax.

## 2. INCOME FROM FIXED ASSET INVESTMENTS

	<b>General Funds 2013 £</b>	<b>Designated Funds 2013 £</b>	<b>Total 2013 £</b>	<b>Total 2012 £</b>
Income from listed investments	14,638	-	14,638	20,339
Bank interest received	15,710	-	15,710	3,845
	<b>30,348</b>	<b>-</b>	<b>30,348</b>	<b>24,184</b>

## 3. ACTIVITIES FOR GENERATING FUNDS

	<b>General Funds 2013 £</b>	<b>Designated Funds 2013 £</b>	<b>Total 2013 £</b>	<b>Total 2012 £</b>
Fundraising income	24,660	-	24,660	40,010
Royalties received	7,002	-	7,002	5,525
Other operating income	1,663	-	1,663	10,495
	<b>33,325</b>	<b>-</b>	<b>33,325</b>	<b>56,030</b>

## 4. INCOME IN FURTHERANCE OF CHARITY OBJECTIVES

	<b>General Funds 2013 £</b>	<b>Designated Funds 2013 £</b>	<b>Total 2013 £</b>	<b>Total 2012 £</b>
Examination income	4,539,708	-	4,539,708	4,606,857
Education and training	378,681	-	378,681	437,126
Marketing and membership	570,940	-	570,940	589,235
Shop sales	246,379	-	246,379	245,894
Studio rental	93,693	-	93,693	67,603
Customer services	4,309	-	4,309	4,182
	<b>5,833,710</b>	<b>-</b>	<b>5,833,710</b>	<b>5,950,897</b>

## 5. NET INCOMING RESOURCES

	<b>2013 £</b>	<b>2012 £</b>
<b>The Net Incoming Resources are Stated after Charging:</b>		
Auditors' remuneration: for Audit Services	6,850	8,550
for non-Audit Services	-	1,320
	<b>6,850</b>	<b>9,870</b>

## 6. REMUNERATION & EXPENSES PAID TO TRUSTEES

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>The following were paid remuneration during the year for:</b>		
C Bannerman	15,083	6,734
R Grover	-	12,811
Y Taylor-Hill	3,707	3,707
K Ball	1,534	1,534
E Swan	3,464	3,464
R Hunt	17,570	3,949

The remuneration paid to trustees is in accordance with the Memorandum and Articles of Association which allows a minority of trustees to provide professional dance and other related services to the charity for a remuneration. The remunerated trustees are not involved in the decision for setting their remuneration.

During 2013, 9 trustees (2012: 11 trustees) claimed expenses totalling £3,471 (2012: £3,337). These include mainly travel expenses related to meetings which trustees attended on behalf of the Society.

## 7. STAFF COSTS

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,403,187	1,413,459
Temporary staff	22,129	1,863
Social security costs	128,926	121,950
Pension costs	34,935	36,678
	<b>1,589,177</b>	<b>1,573,950</b>

1 employee received emoluments exceeding £60,000 (2012: nil)

The average number of staff employed by the society during the year were:	54	54
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## 8. RESOURCES EXPENDED

<b>a) Total Resources Expended</b>	<b>Direct Costs 2013 £</b>	<b>Staff Costs 2013 £</b>	<b>Overheads 2013 £</b>	<b>Support Costs 2013 £</b>	<b>Total 2013 £</b>	<b>Total 2012 £</b>
Examinations	2,007,310	608,191	73,619	226,898	2,916,018	3,033,971
Education and training	221,743	179,267	17,068	66,736	484,814	601,655
Marketing and membership	45,392	232,413	36,499	80,083	394,387	399,268
Shop	46,000	79,126	32,253	26,693	184,072	193,087
ISTD2	1,378	87,567	116,297	26,693	231,935	236,205
Customer services	16,076	295,537	57,362	93,424	462,399	420,884
Faculties	96,227	107,076	222,181	-	425,484	363,997
Governance	-	-	700	10,321	11,021	12,747
	<b>2,434,126</b>	<b>1,589,177</b>	<b>555,979</b>	<b>530,848</b>	<b>5,110,130</b>	<b>5,261,814</b>

<b>b) Support Costs Allocation</b>	<b>Premises 2013 £</b>	<b>IT 2013 £</b>	<b>Finance 2013 £</b>	<b>Admin 2013 £</b>	<b>Total 2013 £</b>	<b>Total 2012 £</b>
Examinations	59,058	19,729	24,155	123,956	226,898	287,087
Education and training	17,370	5,802	7,104	36,460	66,736	84,440
Marketing and membership	20,845	6,963	8,526	43,749	80,083	101,328
Shop	6,949	2,322	2,842	14,580	26,693	33,773
ISTD2	6,949	2,322	2,842	14,580	26,693	33,773
Customer services	24,317	8,123	9,946	51,038	93,424	118,207
Faculties	-	-	-	-	-	-
Governance	-	-	-	10,321	10,321	11,537
	<b>135,488</b>	<b>45,261</b>	<b>55,415</b>	<b>294,684</b>	<b>530,848</b>	<b>670,145</b>

Support costs are allocated on the basis of estimated usage of each activity.

<b>c) Governance</b>	<b>Total 2013 £</b>	<b>Total 2012 £</b>
Audit fee	6,850	8,200
Trustees expenses	3,471	3,337
Faculty Chairman expenses	700	1,210
	<b>11,021</b>	<b>12,747</b>

## 9. TANGIBLE FIXED ASSETS

	<b>Freehold Properties</b>	<b>Furniture &amp; Equipment</b>	<b>Computers &amp; IT</b>	<b>Total</b>
<b>Cost/Valuation</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1st January 2013	4,280,000	180,993	348,835	4,809,828
Additions	-	773	84,297	85,070
<b>At the End of the Year</b>	<b>4,280,000</b>	<b>181,766</b>	<b>433,132</b>	<b>4,894,898</b>
<b>Depreciation</b>				
At 1st January 2013	165,849	137,593	236,319	539,761
Charge for Year	64,200	13,594	79,763	157,557
<b>At the End of the Year</b>	<b>230,049</b>	<b>151,187</b>	<b>316,082</b>	<b>697,318</b>
<b>Net Book Value</b>				
<b>At 31st December 2013</b>	<b>4,049,951</b>	<b>30,579</b>	<b>117,050</b>	<b>4,197,580</b>
<b>At 31st December 2012</b>	<b>4,114,151</b>	<b>43,400</b>	<b>112,516</b>	<b>4,270,067</b>

The net book value at 31st December represents assets used for direct charitable purposes.

The properties owned at 31st December 2013 were revalued in May 2010 by Pater Goodman Memman, Property Consultants and Valuation Surveyors, who estimated the market value of the properties to be £4,280,000. Subsequent additions are stated at cost. The historic cost of premises at 31st December 2013 was £3,427,189.

## 10. STOCK

	<b>2013 £</b>	<b>2012 £</b>
Stock of Goods	208,572	174,471

## 11. DEBTORS

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Trade debtors	43,590	75,136
Other debtors	45,944	54,745
Prepayments and accrued income	80,555	80,149
	<b>170,089</b>	<b>210,030</b>

## 12. CREDITORS

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Amounts Falling Due Within One Year</b>		
Trade creditors	342,630	299,193
Taxation & Social security	40,125	31,644
Accruals and deferred income	477,305	426,828
Other creditors	250	-
	<b>860,310</b>	<b>757,665</b>

## 13. RECONCILIATION AND ANALYSIS OF MOVEMENTS ON FUNDS FOR THE YEAR

	<b>Balance</b>	<b>Yearly</b>	<b>Transfer</b>	<b>Balance</b>
	<b>B/fwd</b>	<b>Surplus</b>	<b>between</b>	<b>C/fwd</b>
	<b>£</b>	<b>£</b>	<b>Funds</b>	<b>£</b>
<b>General Funds</b>				
Revaluation reserve (Unrealised)	1,195,888	-	(12,792)	1,183,096
Reserve Fund	4,813,273	828,850	12,792	5,654,915
	<b>6,009,161</b>	<b>828,850</b>	<b>-</b>	<b>6,838,011</b>
<b>Designated Funds</b>				
ISTD Faculty Development Fund	11,600	-	-	11,600
ISTD International Development Fund	4,503	-	-	4,503
	<b>16,103</b>	<b>-</b>	<b>-</b>	<b>16,103</b>
	<b>6,025,264</b>	<b>828,850</b>	<b>-</b>	<b>6,854,114</b>

The Faculty Development Fund was established to encourage faculties to promote their syllabi and also to promote their work through competitions.

The International Development Fund was set up to encourage new areas to hold examinations to assist with the training of examiners who cover international work.

The Revaluation Reserve represents the surplus on the revaluation of the freehold premises.

The transfer between the revaluation reserve and the reserve fund is the difference between the depreciation on a historic cost basis and the depreciation charge on the revalued amount.

## 14. FIXED ASSET INVESTMENTS

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
At 1st January 2013	418,423	358,747
Unrealised Gain	42,348	59,676
<b>Valuation at 31st December 2013</b>	<b>460,771</b>	<b>418,423</b>
<b>Historical Costs</b>	<b>326,763</b>	<b>326,763</b>

### Schedule of Fund Investments at Market Value

The investments which individually amount to 5% of the market value are as follows:

<b>Ordinary and Preference Shares (All registered in England and Wales)</b>		<b>2013</b>	<b>2012</b>
40,000	ING Global Real Estate Securities	9.03%	10.23%
2,300	Keystone Investment Trust Ordinary shares	8.65%	7.34%
4,000	Murray International Trust Ordinary shares	9.13%	10.02%
6,000	Witan Investment Trust Ordinary shares	8.66%	7.92%
25,300	HSBC Infrastructure Co Ordinary shares	7.39%	7.50%
20,500	Aberdeen Asian Income Fund Ordinary shares	8.68%	10.90%
11,400	Standard Life Equity Income Trust Ordinary shares	8.84%	7.36%
12,500	London & St Lawrence Investment Ordinary shares	9.94%	8.98%
25,000	Schroder Oriental Income Fund	9.52%	10.77%
16,000	Edinburgh UK Track Ord GBP	10.94%	10.40%
5,400	Murray Income Tst Ord	9.22%	8.58%

All investments are quoted on a recognised UK Stock Exchange.

## 15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<b>General Funds £</b>	<b>Designated Funds £</b>	<b>Total 2013 £</b>	<b>Total 2012 £</b>
Fund Balances at 31st December 2013 are represented by:				
Tangible fixed assets	4,197,580	-	4,197,580	4,270,067
Investments	460,771	-	460,771	418,423
Current assets	3,039,720	16,103	3,055,823	2,094,439
Current liabilities	(860,060)	-	(860,060)	(757,665)
	<b>6,838,011</b>	<b>16,103</b>	<b>6,854,114</b>	<b>6,025,264</b>

## 16. CONNECTED CHARITIES

The ISTD Benevolent Fund is a charity set up to assist members and ex-members of ISTD who have encountered financial difficulties through ill health or old age. The charity has its own set of independent trustees.

## 17. CAPITAL COMMITMENTS

	<b>2013 £</b>	<b>2012 £</b>
Authorised But Not Contracted For	nil	nil

## 18. PENSION COSTS

The pension charge for the year to 31st December 2013 was £34,935 (2012: £36,768). As at 31st December 2013 there were no prepaid or accrued pension contributions (2012: nil).

The Imperial Society of Teachers of Dancing (ISTD)  
is a company limited by guarantee.

Financial statements and report of council for the  
year ended 31st December 2013.

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**ISTD** Dance Examinations Board  
22/26 Paul Street, London EC2A 4QE

T: +44 (0)20 7377 1577  
[www.istd.org](http://www.istd.org)

Design: Bhairvi Gudka

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