

THE IMPERIAL SOCIETY OF TEACHERS OF DANCING

# ANNUAL REPORT 2018

FINANCIAL STATEMENTS AND REPORTS OF COUNCIL

FOR THE YEAR ENDED 31ST DECEMBER 2018

**IMPERIAL SOCIETY OF TEACHERS OF DANCING (THE)**

**YEAR ENDED 31<sup>ST</sup> DECEMBER 2018**

**ANNUAL REPORT 2018**

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## CHAIR'S REPORT

*Change is never easy, but always possible. Barack Obama*

In the past three years fundamental changes have taken place within the Society to ensure that we remain a professional efficient organisation held in high esteem internationally by those who use our services. The ISTD is recognised as a progressive society of teachers of dance, maintaining long established quality assurance, keeping the membership engaged and adding value and improving services as part of our Charitable Aims and Objectives. The Board, in conjunction with the Executive Team are united on investment in people as our priority in the foreseeable future.

2018 was a challenging year for the ISTD from numerous perspectives. In April Hassan Khan (CEO) left the ISTD after six years of service and in December Ginny Brown was officially appointed as CEO.

In response to the revised Charity Governance Code (issued in July 2017 and endorsed by the Charity Commission) the Council commissioned an independent review comparing ISTD to the Code. The charity sector is under increasing public scrutiny, expected standards are always rising, and there are several high profile examples of what can go wrong. Moore Kingston Smith reported early in 2018, recommending improvements to both governance and management. Since then the Council and its new Chief Executive have made good progress in implementing those recommendations, as evidenced by the revised Faculty structure and new leadership team. As for the charity sector in general, we accept that continuous review and improvement are required at all levels of ISTD and Council has now adopted the Charity Governance Code as a framework for monitoring best practice.

*Today's leaders must be partners with their people ... they no longer can lead solely based on positional power. Ken Blanchard*

The CEO has set long term goals for the new Executive Team providing innovative challenges beyond acknowledging the quality of our current examination processes by investing in alternative accessible pathways for the next generation of teachers. It is our aim to set ambitious income targets to provide more bursaries across the Society and it was acknowledged by the Board of Trustees that in order to provide financial growth, underpinned by appropriate services and accountability to the membership, that a new vision was inevitable and welcomed by the Board.

If we are to fulfil our intention to be 'fit-for-purpose' as a Charity in a potentially uncertain world, our strength will come through co-operation internally and communication externally across whole Society. Since the last AGM the Society is proud to celebrate its achievements from many perspectives. At Headquarters a future with realistic targets is accepted as an opportunity and not a threat.

*What I do best is share my enthusiasm.* Bill Gates

There are in excess of fifty diverse ISTD special events produced annually in the UK and many more in our International family. Technology is advancing with speed and we hope to be streaming the work of this organisation to our schools worldwide in the not too distant future. The opportunity to share quality and diversity through advanced technology is the door to our future success.

To name but a few ...

- The Graduation Ceremony was introduced in 2017 by Ginny Brown and recognised as a long overdue celebration and public acknowledgement of the achievements of ISTD Graduates. In 2019 the ceremony doubled in attendance and appreciation for this event will be the highlight in the annual calendar.
- The University of Bedfordshire hosted ISTD 'Springboard'. This day of inclusive dance practice was an inspiring communicative event for teachers, examiners and educationalists who were able to reflect and review teaching methodology and sharing good practice with young dancers demonstrating a range of disabilities and performance skills.
- The ISTD Blackpool Tea Party was a successful occasion in April and organised by the Acting Chair of the Dancesport Faculty Board. International Teachers and Examiners attended from Japan, China, USA and Europe.
- The new Contemporary Syllabus is receiving enthusiastic support from our teachers in the UK and internationally. In August 2019 I was able to watch Ross McKim and Sian Phillips instructing the first team of Contemporary Examiners at the Teachers' Congress at Chichester and also the second day of syllabus masterclasses for the Teaching Teams. There were attendees from overseas in both sessions who were introducing this new syllabus in their schools in the Autumn.
- The teachers who attended the full day workshop on 'Inclusive Practice' at Chichester identified the dedication in the teaching methodology they use in their schools. They shared experiences and it was thought provoking example of good practice for ISTD and highlighted the opportunity for potential forums in the future.
- We are building relationships with organisations like ParaDance UK who celebrated their UK National Championships in June at Bristol University. Throughout a full day of competitions from solos to formation groups the creativity and range of choreography for wheelchair users was inspiring. The judges from ISTD and IDTA were impressed by the quality and diversity in all the sections.

- Attending the Annual Dancesport Blackpool Finals has always been a highlight in the year. The Saturday programme is particularly inspiring with competitors in all categories under sixteen demonstrating the quality of ISTD teaching and pure theatricality in performance.
- In August the ISTD's new partnership with U Dance culminated in an impressive performance at the Queen Elizabeth Hall on the Southbank.

### Tribute

It is with great affection and gratitude that we pay tribute to the life of a remarkable lady Patricia Prime, a skilled ballet Teacher and ISTD Examiner. Pat was loved by everyone who knew her and the ISTD celebrated her life in a memorial service at the Actors Church in Covent Garden. She and I worked together at Bush Davies and her wisdom and dedication to the work of this Society was respected and admired by all who were fortunate to be taught by her or know her as a colleague and friend. Pat had the 'eye' for quality and technical precision and a wicked sense of humour. She will always be remembered for her love of dance.

We also pay tribute to Yvette Sargent who passed away in April 2019. Yvette played a significant role in the development of ISTD qualifications throughout her long career in dance. She was respected by everyone who knew her, travelling extensively throughout the world, examining, teaching, lecturing, and directing her energies to growth and quality assurance for the Society she loved.

*I listen to what people SAY ... but I watch what they DO. Behaviour never lies.* Anon

Good 'casting' and teamwork are the corner stone of a successful workplace in today's world. As Chairman I am very grateful to the Board of Trustees for their commitment throughout 2018/19. On their behalf, I thank CEO Ginny Brown her newly formed Executive Team and the skilled staff at Headquarters who work for and on behalf of the ISTD.

## CEO REPORT

My first priority as Chief Executive Officer has been to ensure that the Society is operating at the highest quality, in support of our aspiration to be world leaders in dance education. Therefore during 2018 the Trustees and I undertook a thorough review of the Society's charitable governance, financial management and qualification regulatory requirements, resulting in a sustained programme of continuous improvement.

Central to future success is the need for a clear vision, accompanied by a realistic plan of action. Consequently the Senior Management Team has developed a Business Plan based on analysis of current business data and the broader political, economic, social, technological, legal and environmental context. The Business Plan focuses on three main areas of development: growing membership; developing new products and services; and building organisational capability. A plan of action for 2019-2022 has been set with clear milestones, well defined deliverables and a realistic growth forecast, all guided by the overarching principles of the Society's charitable purpose; quality in all we do; and supporting the career progression of dance teachers. Central to the plan is a recognition that, in order to grow, the Society must both nurture our current membership and reach outwards to ensure that a broad demographic range of learners and teachers can access our services.

The Business Plan was approved by Council in December 2018. In the meantime, business has continued to be delivered through the Society's 2016-2020 Strategic Plan, under five key aims:

### **1. To provide creative and forward thinking dance examinations and teaching qualifications that will ensure the ISTD's reputation as a leader in the field**

During 2018, 577 candidates achieved a full ISTD teaching qualification and, in total, over 128,000 examinations were conducted worldwide. Despite exam entries being slightly down on the previous year, for the first time the ISTD was listed by Ofqual as one of the top 20 largest awarding organisations in England, across all subject areas, and in the top five largest performing arts awarding organisations. Gratifyingly, the number gaining a regulated initial teaching qualification rose by 90% from the previous year. This was in part due to the transition to the new Diploma in Dance Education, which was launched in September 2018 in the UK and EU. Our long-term aim is to offer this qualification worldwide and a delivery schedule is currently in development. I am also pleased to report that 2018 saw the launch of the first Foundation Degree with DDE at Chichester College, in partnership with Chichester University.

The ISTD has an on-going programme of syllabus development and in 2018 a suite of new Classical Greek Grades were launched. The Society also commissioned a major new Contemporary Dance syllabus, created by Dr Ross McKim, which was launched in January 2019 along with a Contemporary Affiliate Membership category. To date 242 teachers have learnt the Intermediate Foundation syllabus and it is pleasing to note that this new development has attracted significant interest from teachers beyond the ISTD. Intermediate will be launched in autumn 2019 and Advanced 1 in early 2020.

**2. To maintain and develop the ISTD membership and examiners through effective support networks, congresses and continuing professional development opportunities**

Over 2300 teachers attended professional development activities and congresses during 2018. In particular international courses and events grew by 82%, reflecting a concerted effort to support the development of our membership throughout the world.

To support the Society's aim to engage with a broader range of learners, the Society invested in an inclusive dance research project, in partnership with the University of Bedfordshire. This resulted in a research report, *Accessing Pathways to Training for Young Disabled Dancers*, by Imogen Aujla PhD, and a seminar at which the learning from this project was shared with dance industry professionals. Further outcomes from this project are teaching resource materials and CPD courses. ISTD is committed to improving access for disabled learners and we plan to continue building on this research in future.

**3. To ensure that the artistic and business objectives are met through clear, sound financial management and business planning as well as first class support services**

The end of year accounts show a deficit of £600K. Some of the deficit arose from Council's decision to invest ISTD reserves in new initiatives to meet the strategic plan objectives and to undertake work to strengthen the Society's operations. Additionally a further £100K was allocated to the bursary fund to support the Society's charitable purpose.

An externally commissioned audit of the Society's financial management recommended changes to the way the Society arranges some of its payments. In the light of this the Society has made a declaration to HMRC and the accounts include a provision to cover the anticipated liability. There is a further contingent liability in the notes to the accounts which depends on HMRC's response. The Society has consequently implemented new contracting and payment processes.

The new Business Plan is supported by a detailed financial forecast for investment, growth and efficiency savings. This projects initial investment in operational infrastructure, offset by 10% growth and 10% reduction in operational costs by 2024.

#### **4. To provide high quality staffing, innovative ways of working and state of the art resources**

In December 2018 Trustees approved a new management structure designed to ensure that the Society has the necessary skills and efficient organisational structure to meet the goals of this Business Plan, which are to: Recruit and train the next generation of teachers; extend our membership base to attract new people to the Society and improve membership services to ensure those who join us are motivated to stay throughout their career. Membership will in turn drive growth in the number of examinations, supported by the development of our artistic products and operational support services. Each of these functions needs to be properly resourced with experienced, specialised staff. Therefore a new tier of Directors has been created, each with responsibility for a core service area. Funds were also approved for the development of an International Liaison structure, designed to provide much-needed local points of contact for our international members.

In addition to staff resource, digitization has been identified as a key area for investment. In 2018 the Society's new computerised examination system, QUEST, was launched world-wide. As with any major system change, it will take some time for everyone to adjust to this new way of working. Further development work will lead to future improvements, however its implementation has already resulted in greater efficiency in the processing of both examination entries and results and certification issue. Similarly, delivery of the new DDE qualification is supported by a bespoke on-line learner management system, which assists learners with accessing digital learning resources.

Digitization of services will be further enhanced by the launch of a new website in early 2020. This will feature a refreshed ISTD branding, publicly signalling that the Society is entering a new phase of development.



**5. To expand the ISTD's influence and status as a high quality, multi-genre dance examination board world-wide**

Over 11,000 participants attended ISTD performance events and competitions in 2018 and new partnerships were established to support the Society's aim of broadening the range of people who access our work. The ISTD was invited to partner the Royal Opera House on their new national *Chance to Dance* programme, which introduces ballet to children who may not otherwise have the opportunity. The Society was also invited to partner One Dance UK on their U Dance Festival. This culminated in a national youth dance performance at Queen Elizabeth Hall, London, in July 2019 and proved an excellent opportunity to promote the ISTD to a broader range of teachers and students.

2018 has been a year of review and forward planning. I am confident that we now have sound foundations from which to proceed with sustained growth and development towards the goals of the new Business Plan. I remain sincerely grateful to the Chair and Trustees for their on-going support and expertise and for the dedication of the Examiners, Faculties and Staff.

## ANNUAL REPORT

### REFERENCE AND ADMINISTRATIVE INFORMATION

Charity name Imperial Society of Teachers of Dancing  
 Charity registration number 250397  
 Company registration number 392978  
 Registered office and operational address Imperial House, 22-26 Paul Street, London EC2A 4QE

### ADMINISTRATIVE COUNCIL EXECUTIVE MEMBERS

Mrs Susan Passmore (Chairperson)	(1,2)	
Mr Simon Adkins		
Mrs Kay Ball	(3)	
Mr Adam Cooper		to 29 May 2018
Mrs Julie Earnshaw		to 11 July 2018
Mr Christopher Hawkins	(3)	
Mr Jeremy Kean	(1)	
Ms Karen King	(2)	
Mrs Annabelle Mannix		
Mr Keith-Derrick Randolph		
Ms Erin Sanchez	(2)	
Miss Vivienne Saxton	(3)	
Mr Sho Shibata		
Miss Chitra Sundaram	(1)	to 01 May 2019
Miss Elisabeth Swan	(1, 2)	
Ms Julie Tompkins		to 31 December 2018

(1. Also member of the Finance & Audit Committee)

(2. Also member of the Nomination & Remuneration Committee)

(3. To 13 December 2018; observer thereafter)

**KEY MANAGEMENT PERSONNEL**

Mrs Ginny Brown (from 6 April 2018)  
Chief Executive

Mr Hassan Khan (to 6 April 2018)  
Chief Executive

*Senior Management*

Director of Finance & Operations

Heads of UK & International Examinations / Director of Examinations (from 1 July 2019)

Head of Education & Training / Director of Education (from 1 July 2019)

Director of Dance (from 19 August 2019)

Artistic Director (to 6 April 2018)

Head of Marketing & Communications

Head of Customer Services & Quality Assurance

**Auditors**

Moore Kingston Smith LLP, Devonshire House, 60 Goswell Road, London EC1M 7AD

**Bankers**

National Westminster Bank, Moorgate Branch, PO Box 712, Moorgate, London EC2M 6UR

**Solicitors**

Charles Russell and Speechlys, 5 Fleet Place, London EC4M 7RD

**Investment Managers**

CCLA, Senator House, 85 Queen Victoria Street, London EC4V 4ET

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' published in March 2015, 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 each.

### **Recruitment and Appointment of Council**

The directors of the company are also charity trustees for the purpose of charity law. 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. Under the requirements of the Articles of Association one third of the members of the Council retire each year at the next Annual General Meeting. Retiring Trustees may be eligible for re-election.

The Council has responsibility for the financial and legal administration of the ISTD. In this it is aided by its sub-committees, the Finance and Audit Committee, and the Nomination and Remuneration Committee.

### **Trustee Induction and Training**

Most trustees are familiar with the practical work of the charity having had prior involvement of work in the dance, arts and education industries. Additionally, new trustees are invited and encouraged to attend events organised by the Society to familiarise themselves with the charity and the context within which it operates. The induction and training covers:

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

### **Risk Management**

The Trustees have responsibility for risk management. Risks are identified by the management team and reviewed, assessed and appropriate action incorporated as part of the annual budget and planning process. Thus risk is an integral part of the budget and plan approved by the Trustees. The principal risks and uncertainties facing the Society are:

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- Governance, given the Society is moving from a very loose federal structure to a more central structure, mitigated by implementing recommendations from the governance review
- Effectiveness of control environment, given that same movement from federal to central, mitigated by introducing formal processes
- Ability to recruit and retain staff, mitigated by a review of staff reward and engagement
- Office and other accommodation not being fit for purpose, mitigated by review of property options

A series of systems now operates to identify and mitigate risk:

- Regulation by the Charity Commission
- Finance and Audit Committee review
- Annual external audit
- Internal audit
- External expert advice on employment and tax matters
- Financial procedures
- Strategic plan and annual budget (including risk assessment) process
- Handbook for staff detailing practices, policies and procedures
- A low risk environment in terms of health and safety, which is a standing item at senior management meetings
- Comprehensive insurance cover (Business Interruption, Employer's Liability, Public Liability, Professional Liability and Business Travel, including Personal Accident)
- Increased staff awareness of risk
- Business Continuity Plan

### **Organisational Structure**

The Imperial Society of Teachers of Dancing has a Council of trustees 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.

Day-to-day responsibility for the provision of the services is delegated to the Chief Executive and senior management, 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.

The Finance and Audit Committee 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 Nomination and Remuneration Committee is responsible for reviewing the size, structure and composition of the Council and its committees and to advise on an overall framework and broad policy for remuneration of ISTD staff.

#### **Key Management and Pay Policy for Senior Staff**

The Trustees consider the board of trustees and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. Remuneration has been paid to some of the trustees, in accordance with the Articles of Association, for professional dance and other services provided to the charity. Details of trustee remuneration and expenses are disclosed in note 9 to the accounts. Such payments are carefully controlled and monitored under the Society's Conflict of Interest policy. The pay of senior staff is reviewed annually and normally increased in accordance with average earnings.

#### **Related Parties**

The Imperial Benevolent Fund (charity 1161055), ISTD Benevolent Fund (charity 1032110) are separate charities set up to assist members and ex-members of the ISTD who have encountered financial difficulty through ill health or old age; and the Cecchetti Society Trust (charity number 275548) is a separate charity set up to advance the education of the public in the art of classical ballet.

#### **Governance**

The Trustees and Chief Executive responded to the 2017 Charity Code of Governance by commissioning an independent review. Moore Kingston Smith (before their appointment as auditor) conducted this review, comparing ISTD with the Code. The review's recommendations covered:

- updating the Society's Articles of Association and its Rules and Standing Orders
- strengthening the structure of the Society by moving from a federal faculty model to a more central model
- refining the terms of reference of the Finance & Audit and Nominations and Remuneration Committees
- strengthening the focus of Council on governance, so that management is delegated to executive staff
- strengthening the executive management team so that it is focused on delivering strategy
- updating the Conflict of Interests & Loyalties policy

These recommendations were implemented during 2019.

#### **Fundraising**

The Society had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

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## OBJECTIVES AND ACTIVITIES

### Objectives

The Society is an educational charity whose purpose is to promote the teaching of dancing. Its objectives are stated broadly in its and Articles of Association, '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 dances.
- To maintain and improve teaching standards.
- To provide examinations for the Society's specialist techniques taught by approximately 6,400 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 examinations. The syllabi are themselves developed by the Society through 11 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.

### Public Benefit

The Trustees confirm that they complied with the duty in Section 4 of 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.

The activities of the Society resulted in nearly 130,000 dance students successfully completing an examination. Additionally over 500 practitioners qualified as ISTD dance teachers, thereby increasing future opportunities for students to learn dance. The Society has identified a number of barriers to participation which it started to address in 2018.

- Financial need – The Society established a Bursary Fund to assist learners financially and support gifted and talented students to further their training. In 2018, the cost of this scheme was £24K and 7 individuals benefited.
- Access – The Society instigated an inclusive dance research project to explore how the ISTD's work could be made available to disabled learners.
- Opportunity – The Society entered into a partnership with the Royal Opera House to support delivery of their new, national *Chance to Dance* scheme, which is designed to broaden the range of children who have access to ballet training.

### ACHIEVEMENT AND PERFORMANCE

- The Society ensures that it continues to meet the requirements of the relevant regulatory bodies and that its regulated qualifications meet those of the relevant frameworks.
- The Society is working closely with the wider dance sector and forging good working relationships with key organisations in the dance education field.
- The Society conducted 128,000 examinations.
- 577 candidates achieved a full ISTD teaching qualification.



## FINANCIAL REVIEW

### Financial Performance

The financial result for the year was a deficit of £600K (2017: £870K surplus) generated from the activities of the Society. Although 2018 income fell slightly from 2017 (down £313K from £7,308K to £6,995K), the decrease is more than accounted for by 2017's one-off £396K gain on sale of property. The Society's main source of income continued to be examinations, increasing £20K on 2017 to £5,262K and representing 75% of total income.

Expenditure on charitable activities rose to £7,695K from £6,610K, increasing £1,085K. £511K of this was staff costs (high staff turnover contributing to this) and £549K was support costs (£78K VAT historic correction, £242K legal and professional fees, £109K debtor write off)

### Investment Policy, Powers and Performance

The Society holds a single investment portfolio valued at £1,026K (2017: £1,137K). The trustees reviewed the performance of the investments and moved them from Charles Stanley & Co to CCLA, choosing to invest in CCLA's COIF Charities Investment Fund. This choice of investment reflects the Society's investment objective, to provide a long term total return comprising growth in capital and distributions. The fund follows a client-driven ethical investment policy – it does not invest in companies engaged in landmine or cluster bomb manufacture or those with a significant involvement in tobacco, pornography or on-line gambling. The fund's performance is measured against a composite comparator:

MSCI UK IMI	30%
MSCI World ex UK	45%
MSCI UK Monthly Property	5%
iBoxx £ Gilt	15%
7 Day LIBID	5%

### Reserves Policy

At 31 December 2018 ISTD held reserves of £20M represented by its net assets. Of these £0.5M were committed to designated funds (Note 2.1) and £9.1M represented by operational fixed assets (Notes 13 & 14) and therefore not freely spendable. The Trustees plan investment in services that ISTD provides, for which £3.7M may be required to achieve the 5 year business plan and further develop the charity. The Trustees assess that to cover the possible financial needs and risks that ISTD faces in the uncertain UK & world environment, a further £6.7M reserve is justified.

## Future Plans

In the course of 2019 the Society plans to:

- Launch the new contemporary dance vocational grades in the UK with an associated Contemporary Dance Affiliate Membership category.
- Establish partnerships with other leading dance organisations with the aim of broadening the range of learners with whom we work.
- Appoint new Approved Dance Centres in the UK and EU through which to deliver the revised Diploma in Dance Education.
- Commission a new website with refreshed branding that will publicly signal that the Society is entering a new phase of growth and development.
- Implement the recommendations of the Governance Review.
- Re-structure senior staff provision, to ensure that the Society has the necessary resource to deliver the goals of the business plan.
- Establish an International support structure for Members, by appointing Representatives in each global region.

### **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.

### **Statement as to Disclosure to our Auditors**

In so far as the Council is aware at the time of approving our annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charitable company's auditor is unaware; and
- the trustees, having made enquiries of fellow directors and the charitable company's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Council on 19 September 2019



Sue Passmore  
ISTD Chair

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE IMPERIAL SOCIETY OF TEACHERS OF DANCING

### Opinion

We have audited the financial statements of The Imperial Society of Teachers of Dancing ('the company') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

### Emphasis of Matter – subject to further verification

We draw attention to note 20 of the financial statements, which describes the circumstances in which a possible liability to the company may arise. Our opinion is not modified in this respect.

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### **Other information**

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

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

We have nothing to report in this regard.

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 18, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern.

concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Use of our report

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 company's members 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Date 24 / 9 / 2019

Neil Finlayson

Senior Statutory Auditor

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2018

	Note	Unrestricted Funds 2018 £000s	Designated Funds 2018 £000s	Restricted Funds 2018 £000s	Total Funds 2018 £000s	Total Funds 2017 £000s
<b>INCOME</b>						
Income from charitable activities (Examinations, Courses, Subscriptions)	5	6,543	-	-	6,543	6,598
Investment income	6	60	-	-	60	47
Other income	7	317	35	40	392	267
Gain on sale of property held for charity's own use						396
<b>Total income</b>		<b>6,920</b>	<b>35</b>	<b>40</b>	<b>6,995</b>	<b>7,308</b>
<b>EXPENDITURE</b>						
Expenditure on charitable activities	8	(7,631)	(24)	(40)	(7,695)	6,610
<b>Total expenditure</b>		<b>(7,631)</b>	<b>(24)</b>	<b>(40)</b>	<b>(7,695)</b>	<b>6,610</b>
<b>Net income/(expenditure) before other recognised gains and losses</b>		<b>(711)</b>	<b>11</b>	<b>-</b>	<b>(700)</b>	<b>698</b>
Currency exchange gains		111	-	-	111	55
Investment gains/(losses)		(94)	-	-	(94)	117
		<b>17</b>	<b>-</b>	<b>-</b>	<b>17</b>	<b>172</b>
<b>Net income/(expenditure) before extraordinary items</b>		<b>(694)</b>	<b>11</b>	<b>-</b>	<b>(683)</b>	<b>870</b>
Revaluation of property		149	-	-	149	
Extraordinary items	11	(66)	-	-	(66)	0
<b>Net income/(expenditure) and net movement in funds for the year</b>		<b>(611)</b>	<b>11</b>	<b>-</b>	<b>(600)</b>	<b>870</b>
<b>RECONCILIATION OF FUNDS</b>						
Total Funds Brought Forward		20,142	504	-	20,646	19,777
Prior year adjustment	4	(46)	-	-	(46)	
<b>Total Funds Carried Forward</b>	<b>21</b>	<b>19,485</b>	<b>515</b>	<b>-</b>	<b>20,000</b>	<b>20,646</b>



**BALANCE SHEET AS AT 31<sup>st</sup> DECEMBER 2018**

	<b>2018</b>	<b>2017</b>
	<b>£000s</b>	<b>£000s</b>
<b>FIXED ASSETS</b>		
Tangible fixed assets	8,277	8,122
Intangible assets	788	0
Investments	1,026	1,137
<b>Total fixed assets</b>	<b>10,091</b>	<b>9,259</b>
<b>CURRENT ASSETS</b>		
Stock	78	116
Debtors	282	935
Cash at bank and in hand	10,581	11,187
<b>Total current assets</b>	<b>10,941</b>	<b>12,238</b>
<b>LIABILITIES</b>		
Creditors: falling due within one year	1,032	851
<b>NET CURRENT ASSETS</b>	<b>9,909</b>	<b>11,387</b>
<b>NET ASSETS</b>	<b>20,000</b>	<b>20,646</b>
<b>FUNDS</b>		
Unrestricted funds:		
General	19,485	20,142
Designated	515	504
Restricted	-	-
<b>TOTAL FUNDS</b>	<b>20,000</b>	<b>20,646</b>

These accounts were approved by the Trustees and signed on their behalf on 19 September 2019 by



Sue Passmore, ISTD Chair

## STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2018

	2018 £000s	2017 £000s
Net cash provided by operating activities	(653)	230
<b>Cashflows from investing activities</b>		
Investment income received	33	41
Interest received	26	6
Purchase of tangible fixed assets	(29)	(30)
Purchase of investments	(1,283)	(396)
Proceeds from sale of investments	1,300	405
Net proceeds from sale of property	-	6,417
<b>Cash provided by/(used in) investing activities</b>	<b>47</b>	<b>6,443</b>
Change in cash and cash equivalents in the year	(606)	6,673
Cash and cash equivalents at the beginning of the year	11,187	4,514
<b>Cash and cash equivalents at the end of the year</b>	<b>10,581</b>	<b>11,187</b>

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## Notes forming part of the financial statements

### 1. Charity Information

The Imperial Society of Teachers of Dancing is a private company (registered number 250397), limited by guarantee incorporated in England & Wales under the Companies Act 2006. The address of the registered office is Imperial House, 22-26 Paul Street, London EC2A 4QE)

### 2. Accounting policies

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### a) Basis of preparation

The Financial Statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and Companies Act 2006. The Imperial Society of Teachers of Dancing meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

#### b) Income

Income 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's shop, advertising revenue, congresses and events. Other income includes faculty events, royalties, commission and any donations. Income is accounted for when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy.

#### c) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

#### d) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

**e) Expenditure**

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.

**f) Allocation of support costs**

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include premises costs, IT, administration and governance costs which support the activities. These costs have been allocated between costs of expenditure on charitable activities, on a historical use basis. The allocation can be seen in part b of note 8.

**g) Pension costs**

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The amount charged to the Income and Expenditure Account represents the contributions payable for the year.

**h) Employee benefits**

The costs of short term employee benefits are recognised as a liability and an expense. A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

**i) Foreign currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in gain or loss. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the Balance Sheet date.

**j) 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:

Furniture and equipment    10% on cost  
Computers and IT            20% on cost

Land is not depreciated. The Charity adopts a policy of revaluation on its properties with external valuations carried out every 5 years.

**k) Intangible assets and amortisation**

Software development costs are recognised as an intangible asset. Bespoke developed software is capitalised at the cost of external hours spent on the development and implementation phases of ICT projects as recorded on the time sheets. Time spent in the proposal and definition phases has not been capitalised. Amortisation is charged so as to allocate the cost over their estimated useful economic lives as follows:

Software development    20% on cost

**l) 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.

**m) Stocks**

Stocks are stated at the lower of cost and net realisable value. Where the assets are impaired, the carrying amount is reduced to its selling prices less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**n) Debtors**

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

**o) Creditors and provisions**

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**p) Taxation**

The Society is a registered charity and as such is not liable to corporation tax.

### 3. Critical accounting judgements and key sources of estimation uncertainty

In preparing these financial statements, it is necessary to make certain judgments, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgments and estimates are considered by the Trustees to have the most significance on amounts recognised in the financial statements:

#### Key estimates:

##### *Tangible fixed assets (see note 13)*

Tangible fixed assets (excluding land and buildings) are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

### 4. Prior Period adjustments

In the prior year financial statements, the Charity's expenditure on charitable activities was understated. This led to creditors falling due within one year being understated by £46,000 at 31 Dec 2017 and net surplus for the year ended 31 Dec 2017 being overstated by £46,000.

The opening reserves for the Charity are therefore as follows:

	General funds	Designated funds	Total
	2017	2017	2017
	£000s	£000s	£000s
<b>Fund balances as at 31.12.2017</b>	20,142	504	20,646
Prior period adjustment	(46)	-	(46)
	20,096	504	20,600
<b>Restated fund balances as at 31.12.2017</b>			
<i>are represented by:</i>			
Tangible fixed assets	8,122	-	8,122
Investments	1,137	-	1,137
Current assets	11,734	504	12,238
Current liabilities	(897)	-	(897)
	20,096	504	20,600

**5. Income from charitable activities**

	<b>2018</b>	<b>2017</b>
	<b>£000s</b>	<b>£000s</b>
Examination income	5,261	5,241
Education and Training	488	417
Marketing and Membership	562	587
Shop sales	225	255
Studio rental	-	92
International development	3	2
Customer Services	4	4
	<b>6,543</b>	<b>6,598</b>

**6. Investment income**

	<b>2018</b>	<b>2017</b>
	<b>£000s</b>	<b>£000s</b>
Income from listed investments	33	41
Bank interest received	27	6
	<b>60</b>	<b>47</b>

## 7. Other income

	2018 £000s	2017 £000s
Faculty events	326	258
Danceproms income	35	10
Royalties and Commission received	30	9
Donation	1	-
	<u>392</u>	<u>267</u>

Faculty events income includes £39,000 of restricted income (2017: £28,000)

Other operating income includes £1,000 of restricted income (2017: £nil) and £35,000 of designated funds (2017: £nil)

## 8. Expenditure

### a) Charitable activities

	Direct costs 2018 £000s	Staff costs 2018 £000s	Overheads 2018 £000s	Support Costs 2018 £000s	Total 2018 £000s	Total 2017 £000s
Examinations	2,289	832	251	997	4,369	3,429
Education and Training	235	412	27	106	780	658
Marketing and Membership	45	298	27	106	476	527
Shop	70	88	11	42	211	206
ISTD2			5	21	26	324
Customer Services	86	511	43	169	809	628
Faculties	306	276	291		873	757
International Development	3	52			55	61
Governance				96	96	20
	<u>3,034</u>	<u>2,469</u>	<u>655</u>	<u>1,537</u>	<u>7,695</u>	<u>6,610</u>

Faculty expenditure includes £40,000 of expenditure from restricted funds (2017: £28,000) and £24,000 on bursaries and awards.



## b) Support costs allocation

	Premises 2018 £000s	IT 2018 £000s	Finance 2018 £000s	Admin 2018 £000s	Total 2018 £000s	Total 2017 £000s
Examinations	102	74	49	772	997	352
Education and Training	11	8	5	82	106	103
Marketing and Membership	11	8	5	82	106	124
Shop	4	3	2	33	42	41
ISTD2	2	2	1	16	21	41
Customer Services	17	13	8	131	169	145
Governance				96	96	20
	147	108	70	1,212	1,537	826

## c) Governance

	2018 £000s	2017 £000s
Audit fee	14	6
Non audit fee – Moore Kingston Smith	5	-
Chairs fee	8	-
Trustees expenses	13	14
Legal and professional fees	25	-
Staff costs attributed to governance	31	-
	96	20

Costs attributed to specifically to governance have been assessed and quantified in 2018.

## 9. Remuneration and expenses paid to trustees.

The following were paid remuneration during the year for:

	Chairmanship Fees	Examining Fees	Other Fees	Total	Total
	2018	2018	2018	2018	2017
S Passmore	7,800	-	-	7,800	33,424
K King	-	-	-	--	678
E Swan	-	7,980	-	7,980	14,890
J Earnshaw	-	3,282	54	3,336	5,549
K Ball	5,616	3,295	1,116	10,027	19,796
V Saxon	2,306	12,966	1,279	15,551	21,921
J Tompkins	5,943	4,396	340	10,679	27,842
C Hawkins	985	-	-	985	2,588
	22,650	30,919	2,789	56,358	126,688

The remuneration paid to trustees is in accordance with the Articles of Association which allows for some 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 2018, 11 trustees (2017: 11 trustees) claimed expenses totalling £13,000 (2017: £30,000) for their Trustee duties. These include mainly travel expenses related to meetings which trustees attended on behalf of the Society and on developing the Society's activities and networks.

**10. Staff costs**

	<b>2018</b>	<b>2017</b>
	<b>£000s</b>	<b>£000s</b>
Wages and salaries	1,938	1,731
Temporary staff	193	48
Social security costs	175	160
Pension costs	92	49
Redundancy and termination payments	94	-
Staff life cover	7	-
	<b>2,499</b>	<b>1,988</b>

Redundancy and termination payments total £94,000 which were agreed as part of severance packages to two individuals (2017: nil).

The number of staff who received emoluments in the following ranges was:

	<b>2018</b>	<b>2017</b>
£90,001 - £100,000	1	
£100,001 - £110,000		
£110,001 - £120,000	1	
£120,001 - £130,000		1
Average number of staff employed during the year:	<b>2018</b>	<b>2017</b>
	62	70

The key management personnel of the charity, comprise the trustees, the Chief Executive Officer and the Senior Management Personnel. The total employee benefits of the key management personnel of the charity were £637,000 (£2017: £493,000).

**11. Extraordinary item**

This relates to a voluntary disclosure made to HMRC for a previously undisclosed liability.

**12. Net income**

	<b>2018</b>	<b>2017</b>
	<b>£000s</b>	<b>£000s</b>
<i>Net income is stated after charging:</i>		
Depreciation	24	246
Amortisation	139	-
Auditors' remuneration for audit services	14	7

**13. Tangible fixed assets**

<b>Fixed Assets</b>	<b>Freehold properties £000s</b>	<b>Furniture &amp; equipment £000s</b>	<b>Computers &amp; IT £000s</b>	<b>Total £000s</b>
<b>Cost/Valuation</b>				
At 01.01.2018	8,300	206	516	9,022
Additions	12	17	-	29
Revaluation	(100)	-	-	(100)
At 31.12.2018	8,200	218	533	8,951
<b>Depreciation</b>				
At 01.01.2018	249	183	468	900
Charge for the year	-	5	18	23
Eliminated on revaluation	(249)	-	-	(249)
At 31.12.2018	-	188	486	674
<b>Net Book Value</b>				
At 31.12.2018	8,200	30	47	8,277
At 31.12.2017	8,051	24	47	8,122

The net book value as at 31<sup>st</sup> December represents assets used for direct charitable purposes. The property owned at 31<sup>st</sup> December 2018 was revalued on 8 January 2019 by Carter Jonas LLP Property Surveyors to a value of £8.2m.

**14. Intangible assets**

	<b>2018</b>
	<b>£000s</b>
Software development	927
Amortisation	139
<b>Net book value at 31.12.2018</b>	<b>788</b>

**15. Fixed asset investments**

	<b>2018</b>	<b>2017</b>
	<b>£000s</b>	<b>£000s</b>
At 01.01.2018	1,137	1,029
Additions at cost	1,283	396
Disposal at carrying value	(1,301)	(405)
Unrealised loss/gain	(11)	117
Realised loss/gain	(83)	0
<b>Valuation at 31.12.2018</b>	<b>1,025</b>	<b>1,137</b>
Cash held on investment	1	
	<b>1,026</b>	<b>1,137</b>

**16. Stock**

	<b>2018</b>	<b>2017</b>
	<b>£000s</b>	<b>£000s</b>
Stock of goods	78	116

**17. Debtors**

	<b>2018</b>	<b>2017</b>
	<b>£000s</b>	<b>£000s</b>
Trade debtors	100	107
Other debtors	52	33
Prepayments and accrued income	130	133
Intangible asset under construction	-	662
	<b>282</b>	<b>935</b>

**18. Creditors: amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£000s</b>	<b>£000s</b>
Trade creditors	343	216
Taxation and social security	58	58
Accruals and deferred income	551	575
Other creditors	14	2
Provision for extraordinary items	66	-
	<b>1,032</b>	<b>851</b>

**19. Movement in deferred income**

	<b>2018</b>	<b>2017</b>
	<b>£000s</b>	<b>£000s</b>
Deferred income b/f	467	38
Utilised in year	467	38
Deferred to next year	346	467
	<b>346</b>	<b>467</b>

Deferred income in the year relates to exam and membership income collected in advance for future periods.

**20. Contingent liabilities**

As at the year end, the Charity was aware of an ongoing legal case, for an event which took place pre year end, which may result in a potential liability. Should the charity be unsuccessful in defence of this case, this may result in a liability in the region of £1.5million. The Charity has taken legal advice, and been advised that is more probable than not that the case will be successfully defending and found in the Charity's favour. Therefore no financial provision has been accounted for in the year end of these financial statements. The Trustees are satisfied that this does not affect the ongoing ability of the Charity to carry on its activities.

The Charity has made a voluntary disclosure to HMRC for a previously undisclosed liability – see Note 11. Depending on HMRC's response there may be a further liability. However the professional advice received is that no provision need be included in the financial statements. The Trustees are satisfied that this does not affect the ongoing ability of the Charity to carry on its activities.

## 21. Reconciliation and analysis of movements in funds for the year

	Balance b/f £000s	Income £000s	Expenditure £000s	Other recognised gains & extraordinary items £000s	Gain/(loss) on property revaluation £000s	Balance c/f £000s
<b>General funds</b>	8,393	6,920	(7,631)	(49)		7,633
<b>Revaluation reserve</b>	11,749				149	11,898
<b>Designated funds</b>						
Danceproms	-	35	-	-	-	35
ISTD Faculty Events	314	-	-	-	-	314
ISTD Bursary Fund	190	-	(24)	-	-	166
<b>Restricted funds</b>	504	35	(24)	-	-	515
The Cecchetti Society Trust		38	(38)			0
Restricted donations to Patricia Prime Trust Fund		1	(1)			0
The Baines Hewitt Fund		1	(1)			0
	-	40	(40)	-	-	0
Prior year adjustment (note 4)	(46)					(46)
<b>Total funds</b>	<b>20,600</b>	<b>6,995</b>	<b>(7,695)</b>	<b>(49)</b>	<b>149</b>	<b>20,000</b>



**Designated Funds**

## ISTD Faculty Events Funds

- Recognises funds relating to specific events held by Faculties within ISTD

## ISTD Bursary Fund

- This was set up to support students who require financial assistance. The transfer from the fund represents the amount awarded to qualifying students in the year as bursaries

## Danceproms

- a unique collaborative project between two of the world's leading dance training and awarding bodies, the ISTD and the Royal Academy of Dance (RAD), with the Royal Albert Hall

**Restricted Funds**

- The Cecchetti Society Trust - makes a donation for scholarships and bursaries for Summer Schools
- The Baines Hewitt Fund – provides a discretionary award to a qualifying Ballet student on an accredited Classical Course
- Restricted donations – donations made to the Patricia Prime Bursary Fund to provide a new discretionary ballet award to an eligible student

**22. Analysis of net assets between funds**

	<b>General funds</b>	<b>Designated funds</b>	<b>Total</b>
	<b>2018</b>	<b>2018</b>	<b>2017</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Fund balances as at 31.12.2018</b>			
<i>are represented by:</i>			
Tangible fixed assets	8,277		8,122
Intangibles	788		-
Investments	1,026		1,137
Current assets	10,426	515	12,238
Current liabilities	(1,032)		(851)

19,485	515	20,000	20,646
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### 23. Related party transactions

During the year £3,887 (2017: £14,885) was paid to Footsteps Ltd, a company controlled by a close relative of Sue Passmore, Chairperson. No amounts were outstanding at the year end.

Also during the year, £5,960 (2017: £1,712) was paid to TheatreServe and £29 (2017: £nil) paid to Weston School of Dance & Performing Arts, both businesses owned by E Swan, Trustee, and her husband. £250 was outstanding at the year end.

### 24. Connected charities

The Imperial 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.

### 25. Capital commitments

	2018 £000s	2017 £000s
Authorised but not contracted for	nil	nil

### 26. Operating lease commitments

	2018 £000s	2017 £000s
<i>Equipment</i>		
Expiring:		
Between one and five years	147	187

### 27. Pension costs

The pension charge for the year to 31<sup>st</sup> December 2018 was £92,000 (2017: £49,000). As at 31<sup>st</sup> December 2018 there were accrued pension contributions of £12,000 (2017: £13,000).

**28. Reconciliation of net movement in funds to net cash flows from operating activities**

	<b>2018</b>	<b>2017</b>
	<b>£000s</b>	<b>£000s</b>
Net movement in funds	(600)	870
Loss/(gains) on investments	94	(117)
Gain on sale of property	-	(396)
Dividends received (within investing activities)	(33)	(41)
Bank interest received (within investing activities)	(27)	(6)
Depreciation charges	24	246
Amortisation	139	-
Revaluation of property	(149)	-
Decrease/(increase) in stock	38	3
Decrease/(increase) in debtors	(274)	(440)
Increase/(decrease) in creditors	181	111
Prior year adjustment	(46)	-
	<hr/>	<hr/>
<b>Net cash provided by operating activities</b>	<b>(653)</b>	<b>230</b>

## 29. Statement of Financial Activities for the year ended 31 December 2017

	Unrestricted Funds 2017 £000s	Designated Funds 2017 £000s	Restricted Funds 2017 £000s	Total Funds 2017 £000s
<b>INCOME</b>				
Income from charitable activities	6,598	-	-	6,598
(Examinations, courses, subscriptions, congress)				
Investment income	47	-	-	47
Other income	239	-	28	267
Gain on sale of property held for charity's own use	396	-	-	396
<b>Total income</b>	<b>7,280</b>	<b>-</b>	<b>28</b>	<b>7,308</b>
<b>EXPENDITURE</b>				
Expenditure on charitable activities	6,582	-	28	6,610
<b>Total expenditure</b>	<b>6,582</b>	<b>-</b>	<b>28</b>	<b>6,610</b>
<b>Net income/(expenditure) before other recognised gains and losses</b>	<b>698</b>	<b>-</b>	<b>-</b>	<b>698</b>
Currency exchange gains	55	-	-	55
Investment gains/(losses)	117	-	-	117
<b>Net income/(expenditure) and net movement in funds for the year</b>	<b>870</b>	<b>-</b>	<b>-</b>	<b>870</b>
<b>RECONCILIATION OF FUNDS</b>				
Total Funds Brought Forward	19,776	-	-	19,776
<b>Total Funds Carried Forward</b>	<b>20,646</b>	<b>-</b>	<b>-</b>	<b>20,646</b>