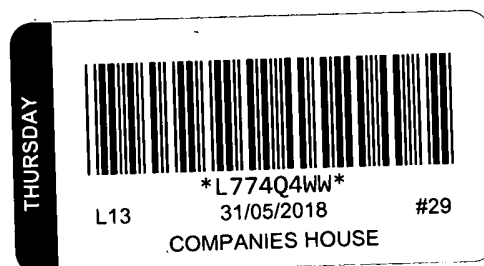


Company Registration Number: 00883234 (England & Wales)
Registered Charity Number in England & Wales: 305992

D&AD
(A Company Limited by Guarantee)
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017



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FOR THE YEAR ENDED 31 AUGUST 2017**

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REPORT OF THE TRUSTEES

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2017. The Trustees have adopted the provisions of the 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 issued in July 2014 (The FRS102 Charities SORP).

1. Legal and Administrative Information

Trustees, Members and Directors

Ms Lucy-Anne Ronayne	<i>Appointed on 21st September 2016</i>
Ms Alexandra Taylor	<i>Appointed on 21st September 2016</i>
Mr Bruno Maag	<i>Appointed on 21st September 2016</i>
Mr Graham Shearsby	<i>Appointed on 21st September 2016</i>
Ms Katherina Tudball	<i>Appointed on 21st September 2016</i>
Mr Paco Conde	<i>Appointed on 21st September 2016 and resigned on 30th September 2017</i>
Mr Steve Spence	<i>Appointed on 21st September 2016</i>
Mrs Katharine Stanners	<i>Appointed on 11th September 2017</i>
Ms Nicky Bullard	
Mr Bruce Duckworth	<i>President until 11th September 2017</i>
Mr Nils Leonard	<i>Resigned on 11th September 2017</i>
Ms Rossana Bardales	<i>Resigned on 11th September 2017</i>
Ms Harriet Devoy	
Mr Andrew Lawrence	<i>Resigned on 11th September 2017</i>
Mr Dan Germain	<i>Resigned on 11th September 2017</i>
Mr Thomas Manning	<i>Appointed on 21st September 2016 and resigned on 11th September 2017</i>
Mr Steven Vranakis	<i>President from 11th September 2017</i>
Mr Andrew Sandoz	<i>Resigned 25th September 2016</i>
Mr Scott Seaborn	<i>Resigned 25th September 2016</i>
Mr David Ericson	<i>Resigned 25th September 2016</i>
Mr Lawrence Zeegan	<i>Resigned 25th September 2016</i>
Mr Craig Oldham	<i>Resigned 25th September 2016</i>
Mr Gregory Quinton	<i>Resigned 25th September 2016</i>
Mr Hamish Gardiner	<i>Resigned 25th September 2016</i>

Chief Executive

Mr Timothy Lindsay

Company Secretary

Dara Lynch

Key Management Personnel

The senior staff members to whom the day to day management of the charity is delegated are listed below

Dara Lynch	<i>Chief Operating Officer</i>
Amanda Moorby	<i>Partnerships Team Director</i>
Dion Joy	<i>Digital Director</i>
Claire Fennelow	<i>Professional Development Director</i>
Holly Hall	<i>International Development Director</i>
Paul Drake	<i>Foundation Director</i>
Donal Keenan	<i>Awards Director</i>
Mike Mc Evoy	<i>Finance Director</i>

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Registered Office

D&AD Ltd,
64 Cheshire St,
London,
E2 6EH.

Auditor

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

Solicitors

Lewis Silkin
5 Chancery Lane,
Clifford's Inn,
London,
EC4A 1BL

Michael Simkins
Lynton House,
7 – 12 Tavistock Square,
London,
WC1H 9LT

Bankers

The Royal Bank of Scotland plc
London Drummonds,
49 Charing Cross,
Admiralty Arch,
London,
SW1A 2DX

D&AD REPORT OF THE TRUSTEES

2. Structure, Governance and Management

Background

The charity was formed as a company limited by guarantee in 1962. The company registration number is 00883234. The Charity Commission registration number is 305992.

Method of election of trustees

Trustees are appointed by ballot amongst the members of the company. Any member who has not been a trustee of the charity for at least three years is eligible to stand for election. The trustees collectively govern the charity through its Executive Committee. Each year vacancies for new members of the Executive Committee arise as existing members retire. These vacancies are available to creative practitioners in advertising companies, design companies, other creative companies, business, museums and galleries, and freelance respectively. The candidates who stand for the vacant positions will represent one of these industries. The number of vacancies will be determined by the Executive Committee according to the charity's Articles of Association which limits the number of elected members to nineteen. The candidates who gain the highest number of votes to fill the vacancies for each Industry sector are elected to serve as trustees on the charity's Executive Committee with effect from the conclusion of the September meeting of the Trustees and hold office for three years (or four years in the case of a Trustee who has held the position of Deputy President in the third year of office). The Articles of Association also provide that the trustees may appoint a member, who has not been elected in the prescribed manner, to fill a vacancy that has arisen on the Executive Committee. The continuation of such an appointment must be approved by the members at the September meeting of the Trustees. The charity's President and Deputy President are appointed from the service Trustees and take office for a period of one year from the conclusion of the September meeting of the Trustees. The office of President alternates between the six fields of creativity described above and is determined by the serving Trustees. A ballot of the charity's members determines the Deputy President should more than one Trustee be nominated for this position.

The eligibility of election to Deputy President is available to any member of the charity who holds the position of Trustee or Trustee-elect at the September meeting of the Trustees. Consequently, in certain circumstances it is possible that a member could serve a maximum of five years on the Executive Committee if appointed as the next Deputy President prior to the September meeting of the Trustees at which that member would normally resign. The Elected Trustees are also empowered to appoint a maximum of two additional non-elected Trustees (defined as Appointed Trustees) from the business and academic communities whom they consider could make a positive contribution to the effectiveness of the charity. Appointed Trustees are precluded from holding the office of Deputy President.

Trustee Induction and Training

New Trustees undergo an orientation session to brief them on decision making processes, the business plan and recent financial performances of the charity. During the induction session they meet key employees and other Trustees. On-going training needs are identified as appropriate and addressed through a variety of means, including Board papers, leadership days and seminars.

Remuneration policy for Key Management Personnel

The Trustees and the senior management team comprise the key management personnel of the Charity in charge of running and operating the organisation on a day-to-day basis. Details of all Trustee expenses and related party transactions are disclosed in note 17 and note 30 to the accounts.

In order to recruit and retain the best staff to safeguard the services provided to our beneficiaries, the Trustees consider that it is important to offer a competitive salary package, as benchmarked with similar sized charitable organisations.

The salary and other rewards (annual leave and pension contribution) of the Chief Executive are benchmarked and approved by the Trustees on appointment and are reviewed annually by the Trustees in accordance with the contract of employment.

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All other staff roles, including the senior management team, are evaluated against a number of criteria, including responsibilities, skills and expertise required. These determine on which band each role lies within the pay scales.

Normally, members of the senior management team are recruited to their assigned salary band. Occasionally, the Trustees will determine if the rate of pay needs to be amended to take account of significant external factors affecting recruitment to a specific role. Staff receive a range of enhanced benefits e.g. sick pay, maternity/paternity pay as well as annual leave and pension contributions.

Organisation

During the year the charity operated from its newly constructed offices located within Shoreditch. The Executive Committee develops all of the charity's objectives. Strategies to deliver the objectives are developed by the charity's Chief Executive and Management Team. Implementation lies with the Team Directors and their colleagues: Awards, Education and Professional Development, Partnerships and Members, Digital and Information Systems and Finance and Operations. A non-executive Chairman also provides advice and assistance to both the Trustees and the Charity's Management. The Executive Committee meets up to eight times a year.

Subsidiary Companies

The charity has two wholly owned subsidiaries:

- D&AD Trading Limited, the objectives of which are to administer the non-charitable activities of the group. Its profits are donated to the charity under Gift Aid.
- The School of Communication Arts Limited, a dormant, non-trading company.

Risk management

As part of its business planning and review procedures the trustees have implemented a risk management strategy, which comprises:

- An annual review of the major risks, their impact, and the likelihood of occurrence which the charity may face; and
- The establishment of the systems which the charity uses to mitigate the risks which have been identified and to minimise the potential impact on the charity should any of those risks materialise.

Key risks identified include: loss of key staff through resignation, the charity lacks direction, strategy and forward planning, Board of Trustees dominated by one or two individuals, Trustees are benefiting from charity (e.g. remuneration), competition, event cancellation, budgetary control & financial planning, fraud and error.

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The level of risk to the charity's incoming resources

The trustees recognise that the charity's income sources are heavily dependent on funding from the creative industries, the media sectors and the business community and that the levels of income from these sources are highly sensitive to global and national economic and political conditions. Consequently, the trustees are of the opinion that reserves should be generated to a sufficient level to protect the charity from adverse economic conditions and any consequential material decline in income.

Unrestricted funds are needed

- To provide funds to cover the costs of its charitable activities
- To cover administration, fundraising and support costs without which the charity could not function
- To provide funds to cover the cost of its obligations to its members and supporters
- To cover the shortfall in the funding of educational projects otherwise financed by sponsorships or donations
- To develop new activities in accordance with the charity's objectives
- To provide funds for an adequate infrastructure to enable the charity to operate efficiently

Reserves policy

The trustees have considered the possible effects of adverse economic conditions on the activities of the charity and at this time are of the opinion that the charity should aim to accumulate unrestricted reserves equal to a level of six months' running costs to ensure that the charity can continue to run efficiently in the event of such conditions. Six months running costs equate to approximately £1,800,000. Free unrestricted reserves total £1,398,367, (2016: £2,031,236)

In view of this and due to the continuing economic recession, the cost reduction and income generating programme that had been implemented in the previous year was maintained. The trustees review the level of reserves required at least once a year.

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REPORT OF THE TRUSTEES

3. Objectives, activities and public benefit statement

Summary of the objectives of the charity

The main objective of the charity is to advance the education of the community by encouraging the understanding, appreciation and commission of good design and advertising in communications media of all kinds by providing, presenting, organising and managing exhibitions, publications, tours of various British and foreign cities, classes, lecturers, seminars, tutorials and other educational activities.

The charity's mission is:

- To champion excellence in creativity by setting industry standards,
- To educate and inspire the next generation,
- To promote the contribution of creativity, ideas and innovation to business success.

The charity's strategic aims are to:

- Develop the relevance of the charity's activities to its beneficiaries,
- To continue to raise the profile of the charity,
- To increase the number of participants and beneficiaries of the charity's aims and objectives,
- To develop new activities in accordance with the charity's objectives,
- To create significant surpluses through commercial activities in order to fund the D&AD Foundation and advance the cause of creative education.

Objectives for the year

In 2016/17 the charity's principal objectives for the year were:

- To continue to build reserves to levels determined by the charity's reserves policy.
- To develop a fully integrated brand communications and marketing strategy across programmes.
- To reposition the education model by creating the D&AD Foundation to support D&AD's mission to celebrate, award and promote excellence in business communication and design.
- To continue to raise the charity's profile.
- To invest in the digital strategy to deliver online content to D&AD's stakeholders.
- To raise the appeal of taking up membership of the charity.

Strategies for achieving objectives and significant activities

The charity encourages regional and international participation in its activities by communication with the creative community in those areas through its various programmes, exhibitions and publications.

The charity researches, reviews and assesses its activities and ensures that it is developing and delivering relevant programmes by way of its knowledge management system and working with its participants and beneficiaries.

Public Benefit Statement

The charity's benefits are as in accordance with its aims:

- The provision of education to that section of the public that has an interest in creative excellence in design, advertising and any other communications media.
- The promotion of the appreciation of that creative excellence.

The benefits are delivered in the following ways:

- A series of public lectures throughout the year hosted by senior and influential speakers in their particular subject.
- Courses available to the public that specialise in particular aspects of creativity through the charity's Workout programme.
- Provision of educational relationships with top creatives for those in higher education through the University Network programme.
- Running an awards scheme for undergraduates reading subjects associated with the charity's aims and objectives and which attracts some 3,000 entries each year. The entry fee is at a nominal cost.

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- Membership of the charity is open to anyone who is interested in its aims and objectives. Lower fees are payable for students and people who have recently started their creative career.
- Provision of a free entry exposition of graduate creative work that attracts some 7,000 visitors and students.
- Provision of free Internet access to winning work from latest professional and student awards which achieves some 4 million views per annum.
- Provision of an affordable book that catalogues the winning work on a completely newly written website which will eventually cover all work since the inception of the charity over 50 years ago.

During the year the charity continued the initiatives launched in 2011 aimed to benefit graduate employment and involve the public in the creative processes and the best in creative work:

- The Graduate Academy – this initiative teaches graduates how to bring their education-based skills into the work environment in which they could contribute as a member of a team
- The Show and Tell Project – this project makes available the best of creative work freely available on YouTube via a link from the D&AD website. The public may subscribe free of charge to receive regular updates of creative work.
- During the year the charity continued the initiative to involve and engage the public in the creative process and the best in creative work.
- The Impact Awards Project – this project focuses on creative ideas that change the world for the better, galvanising the creative community around the global issues that affect us all.

Achievements made by the provision of the benefits:

- Development of best practice in the creative field that will have its effect in improved design and marketing in the business sector and consequently improved success for commerce as a whole.
- Setting ideas and benchmarks to develop higher educational teaching in the creative field thus giving graduates improved skills with which to enter the workforce.
- Stimulation of the appreciation of excellence of creativity in design, advertising and communications by way of debate, free web access, exhibitions and events.

The public benefit statement has been prepared in accordance with the Charity Commission's guidelines.

4. Achievements and performance

Despite an adverse economic climate the charity strengthened its financial security and successfully delivered on its educational programmes with increased interest and attendance at all its initiatives and events. Global awareness of the charity was increased and development of the D&AD archive and digital content, which will be a major source of creative reference, continued to evolve.

The charity's performance against its objectives over the past year is as follows:

Objective in 2016-17	Achievements in 2016-17
To continue to build reserves to levels determined by the charity's reserves policy.	The group reported reserves of £3,193,668 (2016 £2,802,121) of which free unrestricted reserves are £1,398,367 (2016 £2,031,236). This is below the desired target level of £1.8m. Steps will be taken in 2017/18 to manage costs and increase revenue to achieve the target over the next 2 years.
To develop a fully integrated brand communications and marketing strategy across programmes.	Increased international involvement with the charity especially with increased interest from the US market in the awards scheme and from the Middle East in the professional development programme.
To reposition the education model by creating the D&AD Foundation to support D&AD's mission to celebrate, award and promote excellence in business communication and design.	The focus of the D&AD Foundation is to support creative education by assisting new creatives as they make the transition from education into work in their early careers. The funds raised for the Foundation will support D&AD's Education programme and third party Educational programmes.
Continue to raise the charity's	Continued to achieve greater media coverage and continued

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profile	appointment of international representatives in Japan, Australia, India and Brazil.
To invest in the digital strategy to deliver online content to D&AD's stakeholders	The Next Director & Next Photographer projects, MOOC, collateral for our Sponsors supporting CFE & New Blood winners were principal additions to online content during the year.
To raise the appeal of taking up membership of the charity	Increasing the appeal of membership using online content such as 'inspired by new work' exclusively for members and credit article 'members since..', visibly promoting members to our social media audiences, content led news letters, and redesigning conversion pages on the website to showcase members only content. In addition, steps have been taken to consistently restrict specific categories of content such as Presidents Lectures, Creativity Works and some features and Opinion from the CEO, Trustees and other members.

5. Financial review

A standard program of income generation resulted in incoming resources being £750,374 above the previous twelve-month period including Professional Award entries £126,025, Professional Awards Festival ticket revenue £79,958, Partnerships revenue £235,500 and increased Foreign exchange gains serving to impact the overall increase in revenues. Increased forecast activity resulted in additional direct costs of £93,990 from the same period prior year. Direct overhead costs increased by £107,740 on the previous twelve months to 31st August 2017. The effect of this was a group net funds inflow of £391,547 for the year including £250,000 extraordinary income (£901,407 inflow for the twelve months ended 31st August 2016 including 913,959 extraordinary income).

Capital expenditure has increased in the period with the move to new premises, increasing the fixed assets balance and reducing free unrestricted reserves to £1,398,367, (2016: £2,031,236).

Principal funding sources

Entry income for the professional awards scheme was up by £126,025 compared to the previous year, mainly as a result of the incremental average entry price substantially increasing income levels on this programme. Sponsorship income was up by £235,500 across New Blood Awards, Professional Awards Festival and Next Awards sponsorship.

Funds

Group funds at 31 August 2017 amounted to £3,193,668 (2016: £2,802,121) of which £632,294 was restricted (2016: £534,223). There was a surplus of unrestricted funds of £2,561,374 (2016: £2,267,898). The charity will continue its programme of cost control and income enhancement in order to increase the unrestricted fund balance. It is anticipated that this programme will deliver material surpluses in future years.

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Future plans and subsequent events

The charity's key strategic policies as stated in these statements remain as relevant for 2017/18. In addition the maintenance of unrestricted funds to a level consistent with the charity's reserve policy will continue as a major objective.

D&AD is exploring opportunities to transform the business by using digital technologies that add value to its existing customer base and create new markets to explore. A 4 year program of iterative transformation has been agreed upon to launch new innovation and redevelop existing technology and functionality to transform the business going forward.

Objective for 2017/18 and beyond	Target
To maintain reserves at levels determined by the charity's reserves policy.	Continuance of the financial review and identification of costs savings and new income streams enhanced by more effective management of existing programmes.
To continue to develop a fully integrated brand communications and marketing strategy across programmes.	Development of a clear and coherent voice across all communication platforms and continuing to raise the company profile, both UK and internationally.
To continue to invest in the digital strategy to deliver an online offer to D&AD stakeholders, thereby building D&AD's community.	To continue to build D&AD archive, content management systems and supporting IT infrastructure.
To continue to amplify membership offering	The refreshed simplified membership scheme launched in September 2012 will be continually reviewed and refined with the aim of increasing membership through the offer of improved product, renewed pricing and enhanced marketing to re-engage with the D&AD community.
To continually develop the redefined professional development strategy.	To continually review strategy to ensure it is relevant to the needs of the present and future by developing the model into a comprehensive, technically flavoured series of training modules targeting both the creative and client communities with the ultimate objective of the creation of an E-Learning series to scale the enterprise and enhance the development of careers in creative fields through Continuous Professional Development (CPD) scheme.
To continue to build international awareness in key cities.	Senior management of the charity has and will continue to visit appropriate locations and meet with key contacts to develop this objective. Appointments of international reps are in place across key locations in India, Australia, Brazil, USA, China & Japan in 2018.
To fully utilise new D&AD head office in Shoreditch.	To utilise the space to enhance and build relations within the wider community and serve the creative community.

D&AD
REPORT OF THE TRUSTEES

Statement of Trustees' Responsibilities

The trustees (who are the directors of the charity for the purposes of company law), are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 "the financial Reporting Standard applicable UK and Republic of Ireland."

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group, and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable accounting standards, including FRS 102, have been followed subject to any material departures disclosed and explained in the financial statements;
- Observe the methods and principles in Statement of Recommended Practice Charities (SORP).
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on a 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 to 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 the trustees are aware:


- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all the 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.

The trustees of the Charity approve the Trustees' Annual Report.

Auditors

Kingston Smith has indicated their willingness to continue in office for the ensuing year.

Signed on behalf of the Trustees on 23/5/18


.....
Dara Lynch
Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF D&AD LIMITED

We have audited the financial statements of D&AD Ltd for the year ended 31 August 2017, which comprise the Group Statement of Financial Activities, incorporating the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group 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 Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2017 and of the group's 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 and the Charities Act 2011.

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 and, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

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 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 group's and parent charitable 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF D&AD LIMITED

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:

- 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 has 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 11, 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 group and parent 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 group or parent 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

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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


INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF D&AD LIMITED

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 group and parent 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 group and parent charitable company's ability to continue as a going 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 group or parent 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

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.



Sandra De Lord (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP
Chartered Accountants
Statutory Auditors

Devonshire House
60 Goswell Road
London
EC1M 7AD

Date 31.05.18

Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

D&AD
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2017

		Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	As restated Total Funds 2016 £
	Note				
Income from					
Donations	4	-	31,000	31,000	41,000
Dividends from subsidiary	5	88,857	-	88,857	-
Investment income and interest	6	1,390	-	1,390	3
Charitable activities	7	6,425,298	570,000	6,995,298	5,652,779
Total income		6,667,605	601,000	7,116,545	5,693,782
Expenditure on					
Raising funds	8	989,623	-	989,623	763,632
Charitable activities	9	5,418,369	502,929	5,921,298	5,031,559
Total expenditure		6,910,921	502,929	6,910,921	5,795,191
Net income / (expenditure)		43,476	98,071	205,624	(101,409)
Extraordinary gain	11	250,000	-	250,000	913,959
Net movement in funds		293,476	98,071	455,624	812,550
Total funds brought forward	26, 27	2,267,898	534,223	2,713,264	1,900,714
Total funds carried forward	26, 27	2,561,374	632,294	3,168,888	2,713,264

The Charity has no recognised gains or losses for the year other than as detailed above.

The net movements in the Charity's funds for the year arise from the Charity's continuing activities.

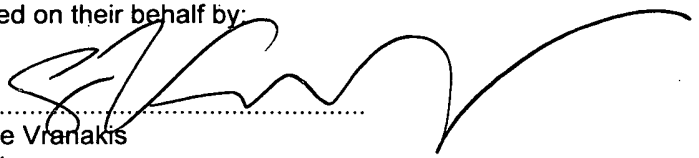
The Notes on pages 19 to 34 form part of these accounts.

D&AD
BALANCE SHEETS – GROUP AND CHARITY
AS AT 31 AUGUST 2017

		Group	Group	Charity	As restated Charity
	Note	2017 £	2016 £	2017 £	2016 £
Fixed assets					
Intangible assets	19	99,588	126,006	99,588	126,006
Tangible assets	20	1,063,418	110,656	1,063,418	110,656
Investments	21	1	1	1,001	1,001
		<u>1,163,007</u>	<u>236,663</u>	<u>1,164,007</u>	<u>237,663</u>
Current assets					
Debtors	23	471,908	404,189	477,182	402,056
Cash at bank and in hand		2,513,021	2,738,300	2,506,637	2,734,008
		<u>2,984,929</u>	<u>3,142,489</u>	<u>2,983,819</u>	<u>3,136,064</u>
Liabilities					
Creditors falling due within one year	24	(770,263)	(577,030)	(798,896)	(664,426)
		<u>2,214,666</u>	<u>2,565,459</u>	<u>2,184,923</u>	<u>2,649,351</u>
Net current assets					
		<u>2,214,666</u>	<u>2,565,459</u>	<u>2,184,923</u>	<u>2,649,351</u>
Total assets less current liabilities		<u>3,377,673</u>	<u>2,802,121</u>	<u>3,348,930</u>	<u>2,709,301</u>
Liabilities					
Creditors falling due after more than one year	25	(184,005)	-	(184,005)	-
		<u>3,193,668</u>	<u>2,802,121</u>	<u>3,164,925</u>	<u>2,709,301</u>
Net assets					
		<u>3,193,668</u>	<u>2,802,121</u>	<u>3,164,925</u>	<u>2,709,301</u>
Accumulated funds					
Restricted funds	26, 27	632,294	534,223	632,294	534,223
Unrestricted funds	26, 27	2,561,374	2,267,898	2,532,631	2,175,076
		<u>3,193,668</u>	<u>2,802,121</u>	<u>3,164,925</u>	<u>2,709,301</u>
Total accumulated funds		<u>3,193,668</u>	<u>2,802,121</u>	<u>3,164,925</u>	<u>2,709,301</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The companies profit for the year was £391,547 (2016:£901,407).

The financial statements on pages 16 to 34 were approved by the trustees on 23/5/18 and signed on their behalf by:



 Steve Vranakis
 Trustee
 Company registration number 00883234

D&AD
CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 31 AUGUST 2017

	2017 £	2016 £
Cash flow/(outflow) from operating activities		
Net cash (used in)/ provided by operating activities	980,449	1,579,509
Cash flows from investing activities		
Investment income and interest received	1,390	3
Proceeds from disposal of fixed assets	-	-
Payments to acquire tangible and intangible fixed assets	(1,207,118)	(136,812)
Net cash provided by/ (used in) investing activities	1,205,728	1,368,090
Net increase in cash and cash equivalents	(225,279)	1,442,700
Cash and cash equivalents at beginning of year	2,738,300	1,295,603
Cash and cash equivalents at end of year	2,513,021	2,738,303

Reconciliation of net income/ (expenditure) to net cash flow from operating activities

	2017 £	2016 £
Net income for the reporting period	391,547	901,407
Adjustments for:		
Depreciation charges	280,772	318,470
Net (gains)/ losses on investments	-	-
(Profit) / Loss on disposal of fixed assets	-	-
Investment income	(1,390)	(3)
Decrease/ (increase) in debtors	(67,719)	268,818
Increase/ (decrease) in creditors	377,238	89,814
Net cash (used in)/ provided by operating activities	980,449	1,579,506

Analysis of cash and cash equivalents

Cash in hand	2,513,021	2,738,303
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	2,513,021	2,738,303

D&AD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements comprise the charity and its wholly-owned subsidiary D&AD Trading Limited on a line-by-line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

These financial statements are prepared on a going concern basis, under the historical cost convention.

The financial statements are prepared in sterling which is the functional currency of the charitable group.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company and its subsidiaries are a public benefit group for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP) published in July 2014, the Companies Act 2006 and the Charities Act 2011.

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable group to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charitable group's forecasts and projections. After making enquiries the trustees have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future. The charitable group therefore continues to adopt the going concern basis in preparing its financial statements other than as noted.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

b) Incoming resources

All income is recognised in the statement of financial activities when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably. Where a claim for repayment of income tax has or will be made, such income is grossed up for the tax recoverable. Gift aid declarations are accounted for on the due date of payment under the declaration.

c) Allocation of costs

The charity's operating costs include staff costs, rent and other related costs. Such costs are allocated between the charity's educational programmes, activities for generating funds, and management and administration. Staff costs are allocated according to the costs of staff working directly in the relevant teams or on the appropriate projects. Where costs are not directly attributable to any project or team, they have been apportioned according to the total of all other costs relating to each team or project.

D&AD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

d) Costs of raising funds

The costs of raising funds represent expenditure in relation to staff members and consultants who are directly engaged in fundraising and publicity, and the related costs of the fundraising and publicity department.

e) Charitable expenditure

Charitable expenditure includes all expenditure directly related to the objects of the charity and comprises the following:

Costs of activities in furtherance of the charity's objects – comprising the costs of the educational and professional awards programmes undertaken by the charity and is accounted for when payable.

Support costs – representing the staffing and associated costs of supporting, mentoring and evaluation the operational programmes for which the charity is responsible.

Governance costs – which are part of support costs representing expenditure on governance infrastructure that allows the charity to operate and to generate the information required for public accountability. They include the strategic planning processes that contribute to future development of the charity.

f) Fund accounting

The charity maintains various types of funds as follows:

Restricted funds – representing grants, donations and sponsorship received which are stipulated to be applied for specific projects by either the nature of the fundraising appeal or the grant/sponsorship agreement.

Unrestricted funds – representing funds that are expendable at the discretion of the trustees in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

g) Pension costs

The charity operates a defined contribution scheme that is open to all employees. The charity's contributions to the scheme are charged to the statement of financial activities in the year to which they relate.

h) Intangible fixed assets

Intangible fixed assets are stated at cost less amortisation. Amortisation on intangible fixed assets is provided at rates to write off the cost or valuation, less estimated residual value, of each asset on a straight line basis over its expected useful life as follows:

Software and website	- over 3 years straight line
----------------------	------------------------------

i) Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation on tangible fixed assets is provided at rates to write off the cost or valuation, less estimated residual value, of each asset on a straight line basis over its expected useful life as follows:

Leasehold improvements	- over 5 years straight line
Computer equipment	- over 3 years straight line
Office equipment	- over 4 years straight line

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible and intangible fixed assets are reviewed for impairment.

D&AD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

j) Financial instruments

1. Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

2. Financial assets and liabilities

Basic Financial Instruments, as defined by FRS102, are recognised initially at their transaction price and subsequently at settlement value. Financial assets and liabilities that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

k) Leases

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the Statement of Financial Activities over the relevant period. The capital element of the future payments is treated as a liability.

Rentals of assets held under operating leases are charged to the statement of financial activities in equal amounts over the lease term.

l) Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

m) Foreign Exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the statement of financial activities for the period.

n) Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have most significant effect on amounts recognised in the financial statements.

Tangible and intangible assets

The annual depreciation and amortisation charge for fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 19 and 20 for the carrying amount of the property, plant and equipment and intangible assets.

D&AD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

2. LEGAL STATUS OF THE CHARITY

The Charity is a company limited by guarantee and has no share capital. The members of the charity are the trustees listed on page 1. In accordance with the Memorandum of Association, every Member is liable to contribute a sum of £25 in the event of the charity being wound up. At 31 August 2017 there were 1,623 members (2016: 1,698)

3. FINANCIAL ACTIVITIES OF THE CHARITY

The financial activities shown in the consolidated statement includes those of the D&AD and its wholly owned trading subsidiary D&AD Trading Limited. The subsidiary donates all of its profits to the charity under Gift Aid. A summary of the trading results of the subsidiary is shown at Note 21.

4. DONATIONS

	Restricted 2017 £	Restricted 2016 £
Corporate Gift Aid and donations	31,000	41,000
	<u>31,000</u>	<u>41,000</u>

5. TRADING SUBSIDIARY INCOME

	Unrestricted 2017 £	As restated Unrestricted 2016 £
Dividend income from D&AD Trading Ltd	88,857	-
Total	<u>88,857</u>	<u>-</u>

6. INVESTMENT INCOME AND INTEREST

	Unrestricted 2017 £	Unrestricted 2016 £
Bank deposit interest	1,390	3
	<u>1,390</u>	<u>3</u>

D&AD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

7. INCOME FROM CHARITABLE ACTIVITIES

Year to 31 August 2017

	Unrestricted 2017 £	Restricted 2017 £	Total 2017 £
Members subscriptions	98,775	-	98,775
University & College Network subscriptions and student awards scheme	290,540	420,000	710,540
Educational publications	63,748	-	63,748
Public lectures, seminars, exhibitions and creative awareness projects.	247,274	150,000	397,274
Operation of D&AD Global Awards Programme	5,724,961	-	5,724,961
	<u>6,425,298</u>	<u>570,000</u>	<u>6,995,298</u>

Year to 31 August 2016

	Unrestricted 2016 £	Restricted 2016 £	Total 2016 £
Members subscriptions	85,228	-	85,228
University & College Network subscriptions and student awards scheme	309,805	190,500	500,305
Educational publications	76,263	-	76,263
Public lectures, seminars, exhibitions and creative awareness projects.	361,249	50,000	411,249
Operation of D&AD Global Awards Programme	4,254,901	324,833	4,579,734
	<u>5,087,446</u>	<u>565,333</u>	<u>5,652,779</u>

8. COST OF RAISING FUNDS

	Unrestricted 2017 £	Unrestricted 2016 £
Fund raising costs	989,623	763,632
	<u>989,623</u>	<u>763,632</u>

D&AD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

9. COSTS OF ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS

Year to 31 August 2017

	Unrestricted 2017 £	Restricted 2017 £	Total 2017 £
College and student training programmes	285,559	255,161	540,720
Educational publications and material	1,551,410	-	1,551,410
Lectures, seminars, exhibitions and creative awareness projects	178,140	247,768	425,908
Costs relating to the D&AD Global Awards scheme	3,403,261	-	3,403,261
	<u>5,418,370</u>	<u>502,929</u>	<u>5,921,299</u>

Year to 31 August 2016

	Unrestricted 2016 £	Restricted 2016 £	Total 2016 £
College and student training programmes	323,464	223,024	546,488
Educational publications and material	1,125,391	-	1,125,391
Lectures, seminars, exhibitions and creative awareness projects	341,361	154,910	496,271
Costs relating to the D&AD Global Awards scheme	2,564,577	298,833	2,863,410
	<u>4,354,793</u>	<u>676,767</u>	<u>5,031,560</u>

10. TRADING SUBSIDIARY COSTS

	Unrestricted 2017 £	As restated Unrestricted 2016 £
Costs from D&AD Trading Ltd	-	-
Total	<u>-</u>	<u>-</u>

11. EXTRAORDINARY GAIN

	Unrestricted 2017 £	Unrestricted 2016 £
Reverse premium	250,000	-
Compensation for lease breakage	-	913,959
Total	<u>250,000</u>	<u>913,959</u>

Extraordinary Income comprises reverse premium from landlord towards fit out of new premises 2017; compensation for surrendering of the charity's leasehold premises 2016.

D&AD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

12.ANALYSIS OF TOTAL RESOURCES EXPENDED

Year to 31 August 2017	Direct Staff costs £	Other direct costs £	Governance & support costs £	Total 2017 £
Costs of activities in furtherance of the charity's objectives				
Educational publications and material	266,788	139,915	1,144,706	1,551,409
Lectures, seminars, exhibitions and creative awareness projects	178,140	247,768	-	425,908
College and student training programmes	285,559	255,161	-	540,720
Costs relating to the D&AD Global Awards scheme	681,600	2,721,661	-	3,403,261
	1,412,087	3,364,505	1,144,706	5,921,298
Other expenditure				
Costs of raising funds	657,891	331,732	-	989,623
Trading costs	-	216,137	-	216,137
	657,891	547,869	-	1,205,760
Total	2,069,978	3,912,374	1,144,706	7,127,058
Year to 31 August 2016	Direct Staff costs £	Other direct costs £	Governance & support costs £	Total 2016 £
Costs of activities in furtherance of the charity's objectives				
Educational publications and material	257,023	176,211	692,157	1,125,391
Lectures, seminars, exhibitions and creative awareness projects	204,973	291,298	-	496,271
College and student training programmes	323,464	223,024	-	546,488
Costs relating to the D&AD Global Awards scheme	624,775	2,238,635	-	2,863,410
	1,410,235	2,929,168	692,157	5,031,559
Other expenditure				
Costs of raising funds	559,101	204,531	-	763,632
Trading costs	-	71,633	-	71,633
	559,101	276,164	-	835,265
Total	1,969,336	3,205,332	692,157	5,866,825

D&AD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

13. SUPPORT COSTS

Year to 31 August 2017

	Unrestricted 2017 £	Restricted 2017 £	Total 2017 £
Support			
Staff and related costs	501,734	-	501,734
Depreciation	141,452	-	141,452
Other support costs	102,993	-	102,993
Total support costs	<u>746,180</u>	<u>-</u>	<u>746,180</u>
Governance			
Salaries and allocation of operating costs	321,898	-	321,898
Audit fees	28,519	-	28,519
Other legal and professional fees	48,110	-	48,110
Total governance costs	<u>398,527</u>	<u>-</u>	<u>398,527</u>
	<u><u>1,144,706</u></u>	<u><u>-</u></u>	<u><u>1,144,706</u></u>

Year to 31 August 2016

	Unrestricted 2016 £	Restricted 2016 £	Total 2016 £
Support			
Staff and related costs	489,035	-	489,035
Depreciation	177,263	-	177,263
Other support costs	(93,304)	-	(93,304)
Total support costs	<u>572,994</u>	<u>-</u>	<u>572,994</u>
Governance			
Salaries and allocation of operating costs	50,477	-	50,477
Audit fees	24,806	-	24,806
Other legal and professional fees	43,879	-	43,879
Total governance costs	<u>119,162</u>	<u>-</u>	<u>119,162</u>
	<u><u>692,156</u></u>	<u><u>-</u></u>	<u><u>692,156</u></u>

14. NET OUTGOING RESOURCES

Net outgoing resources for the year are stated after charging:

	Group 2017 £	Charity 2017 £	Group 2016 £	Charity 2016 £
Auditors' remuneration	28,519	27,519	24,806	23,806
Interest payable on finance leases and hire purchase	7,944	7,944	323	323
Depreciation/ amortisation:				
(i) Owned assets (tangible and intangible)	280,772	280,772	318,470	318,470
(ii) Leased assets	-	-	-	-
Rentals under operating leases:				
(i) Land and buildings	209,308	209,308	57,673	57,673

D&AD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

15. ANALYSIS OF STAFF COSTS

Staff costs comprise:	£ 2017	£ 2016
Wages and salaries (including temporary and short-term contract staff)	2,499,056	2,434,249
Social security costs	264,200	219,052
Pension costs	78,002	85,275
Recruitment and training	232,487	210,511
Redundancy and termination payments	4,636	28,895
	<hr/>	<hr/>
	3,078,381	2,977,982
	<hr/>	<hr/>

The number of employees whose emoluments (salaries and benefits in kind) excluding pensions fell within the following bands was:

	2017	2016
£60,001 - £70,000	2	2
£70,001 - £80,000	3	-
£80,001 - £90,000	1	-
£90,001 - £100,000	-	1
£100,001 - £110,000	-	2
£110,001 - £120,000	1	-
£140,001 - £150,000	1	1
	<hr/>	<hr/>
	8	6
	<hr/>	<hr/>

Where no employee falls into a salary banding above, this banding has been excluded.

The number of employees earning more than £60,000 for whom pension contributions have been paid in the year is 8 (2016: 5). The total pension contributions paid by the charity during the year for an employee earning more than £60,000 was £30,372 (2016: £18,865). Contributions outstanding at the year end were £16,569 (2016: £3,179).

16. STAFF NUMBERS

The average number of employees (including temporary and short-term contract staff), calculated on a full time equivalent basis, analysed by function was:

	2017 number	2016 number
Charitable activities	54	53
Income generation	5	4
Administration and support	12	12
	<hr/>	<hr/>
	71	69
	<hr/>	<hr/>

D&AD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

17. TRUSTEES AND KEY MANAGEMENT PERSONNEL

During the year a total of £1,000 was paid for work performed by 1 trustee on behalf of the charity (2016: £861 for 1 trustee).

During the year £1,064 was paid to 3 trustees in respect of expenses incurred on behalf of the charity (2016: £1,046 paid to 2 trustees).

The charity purchased trustee indemnity insurance costing £1,685 (2016: £1,685) to protect the charity from loss arising from neglect or default of its trustees and employees.

The amount shown above in wages and salaries includes remuneration of £25,000 (2016: £25,000) paid to the non-executive Chairman who is not a trustee of the charity.

Key management personnel include the Trustees, Chief Executive (and senior staff reporting directly to the Chief Executive). The total employee benefits of the charity's key management personnel were £825,530 (2016: £642,541).

18. TAXATION

The company is a registered charity and no provision is considered necessary for taxation as the charity is exempt from tax on its charitable income to the extent that it is applied to charitable purposes.

19. INTANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Website and software
	£
Cost or valuation	
As at 1 September 2016	1,563,135
Additions	83,935
Disposals	-
	<hr/>
As at 31 August 2017	1,647,070
	<hr/>
Amortisation	
As at 1 September 2016	1,437,129
Charge for the year	110,354
Eliminated on disposal	-
	<hr/>
As at 31 August 2017	1,547,483
	<hr/>
Net book value	
As at 31 August 2017	99,588
	<hr/>
As at 31 August 2016	126,006
	<hr/>

D&AD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

20. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Leasehold Improvements	Office Equipment	Total
	£	£	£
Cost or valuation			
As at 1 September 2016	189,356	584,135	773,491
Additions	898,301	224,879	1,123,180
Disposals	-	-	-
As at 31 August 2017	1,087,657	809,014	1,896,671
Depreciation			
As at 1 September 2016	186,981	475,855	662,836
Charge for the year	89,584	80,834	170,418
Eliminated on disposal	-	-	-
As at 31 August 2017	276,565	556,689	833,254
Net book value			
As at 31 August 2017	811,093	252,325	1,063,418
As at 31 August 2016	2,375	108,281	110,656

21. INVESTMENTS IN SUBSIDIARIES

The charity has an investment in the following subsidiary undertakings:

	Country of registration	Principal activity	% Ownership
The School of Communication Arts Limited	England and Wales	Non-trading	100 %
D&AD Trading Limited	England and Wales	Trading	100%
		2017	2016
		£	£
Cost at beginning and end of year		1,001	1,001

The School of Communication Arts Limited has been excluded from consolidation for the reason that it has never traded since incorporation and has no material effect on the surplus or net assets of the group.

The financial activities shown in the consolidated statement includes those of the D&AD and its wholly owned trading subsidiary D&AD Trading Limited. The company donates all of its profits to the charity under Gift Aid as a dividend. A summary of the trading results is shown below.

	2017 £	2016 £
Profit & Loss Account		
Turnover	240,917	160,490
Cost of sales	(214,550)	(70,035)
Gross profit	26,367	90,455
Administration expenses	(1,587)	(1,598)
Profit on ordinary activities	24,780	88,857

D&AD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

	2017	2016
	£	£
Balance sheet		
Current assets	6,424	6,424
Creditors: amounts falling due within one year	(1,460)	(1,460)
Total net assets	<u>4,964</u>	<u>4,964</u>
Called up share capital	1,000	1,000
Retained profit	<u>3,964</u>	<u>3,964</u>
Shareholders' funds	<u>4,964</u>	<u>4,964</u>

22. FINANCIAL INSTRUMENTS

	Group	Group	Charity	As restated
	2017	2016	2017	Charity
	£	£	£	2016
				£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	392,836	366,710	392,836	331,773
	<u>392,836</u>	<u>366,710</u>	<u>392,836</u>	<u>331,773</u>
Carrying amount of financial liabilities				
Measured at amortised cost	705,126	491,244	733,759	578,640
	<u>705,126</u>	<u>491,244</u>	<u>733,759</u>	<u>578,640</u>

23. DEBTORS

	Group	Group	Charity	As restated
	2017	2016	2017	Charity
	£	£	£	2016
				£
Trade debtors	356,102	308,492	356,102	306,359
Other debtors	71,574	58,218	76,848	58,218
Owed from subsidiary undertakings	-	-	-	-
Prepayments and accrued income	44,232	37,479	44,232	37,479
	<u>471,907</u>	<u>404,189</u>	<u>477,181</u>	<u>402,056</u>

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24. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2017 £	Group 2016 £	Charity 2017 £	As restated Charity 2016 £
Trade creditors	52,057	123,105	52,057	123,105
Other creditors	126,646	23,837	125,146	21,704
Taxation and social security	71,009	67,786	71,009	67,786
Accrued expenses	342,418	344,302	340,958	342,842
Deferred income	178,132	18,000	178,132	18,000
Owed to subsidiary undertakings	-	-	31,594	90,989
	<u>770,263</u>	<u>577,030</u>	<u>798,896</u>	<u>664,426</u>

The charity has a debenture in respect of the Royal Bank of Scotland PLC, which is secured by a fixed and floating charge over the charity and its assets, present and future.

25. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Net obligations under hire purchase contracts	184,005	-	184,005	-
	<u>184,005</u>	<u>-</u>	<u>184,005</u>	<u>-</u>
Net obligations under hire purchase contracts				
	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Repayable between two and five years	184,005	-	184,005	-
Included in liabilities falling due within one year	108,577	-	108,577	-
	<u>292,582</u>	<u>-</u>	<u>292,582</u>	<u>-</u>

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26. ANALYSIS OF CHARITABLE FUNDS

Analysis of unrestricted fund movements

	Balance 1 September 2016 £	Income £	Extraordinary Income £	Expenditure, gains and losses £	Balance 31 August 2017 £
General fund	<u>2,267,898</u>	<u>6,667,605</u>	<u>250,000</u>	<u>(6,624,129)</u>	<u>2,561,374</u>

	Balance 1 September 2015 £	Income £	Extraordinary Income £	Expenditure, gains and losses £	Balance 31 August 2016 £
General fund	<u>1,296,057</u>	<u>5,247,939</u>	<u>913,959</u>	<u>(5,190,057)</u>	<u>2,267,898</u>

Unrestricted funds realised by the subsidiary company and included in the above amounts: £3,964
(2016: £3,964)

Analysis of restricted fund movements

Restricted fund income comprises donations, support and grant received for, and allocated to, specific purposes:

	Balance 1 September 2016 £	Income £	Expenditure £	Balance 31 August 2017 £
College and student educational programmes	100,029	451,000	(255,161)	295,868
Public education and creative awareness programmes	31,398	150,000	(247,768)	(66,370)
Awards programme	402,794	-	-	402,794
	<u>534,221</u>	<u>601,000</u>	<u>(502,929)</u>	<u>632,292</u>

	Balance 1 September 2015 £	Income £	Expenditure £	Balance 31 August 2016 £
College and student educational programmes	91,553	231,500	(223,024)	100,029
Public education and creative awareness programmes	136,308	50,000	(154,910)	31,398
Awards programme	376,794	324,833	(298,833)	402,794
	<u>604,655</u>	<u>606,333</u>	<u>(676,767)</u>	<u>534,221</u>

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26. ANALYSIS OF CHARITABLE FUNDS (CONTINUED)

The restricted funds have been allocated for awards ceremony, White Pencil programme, student awards programme, graduate academy project, show and tell project, and education council. Income for these funds originates from sponsorship of, or donations to, a particular project or event and are expensed as required with unspent funds carried forward to be used against future expenditure.

27. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

As at 31 August 2017	Unrestricted Funds £	Restricted Funds £	2017 Total £
Fixed assets			
Intangible assets	99,588	-	99,588
Tangible assets for use by the charity	1,063,418	-	1,063,418
Investment in subsidiary	1	-	1
Current assets			
Debtors	411,908	60,000	471,908
Cash at bank and in hand	1,940,727	572,292	2,513,021
Current liabilities	(770,263)	-	(770,263)
Long Term Liabilities	(184,005)	-	(184,005)
	<u>2,561,374</u>	<u>632,292</u>	<u>3,193,668</u>

As at 31 August 2016	Unrestricted Funds £	Restricted Funds £	2016 Total £
Fixed assets			
Intangible assets	126,006	-	126,006
Tangible assets for use by the charity	110,656	-	110,656
Investment in subsidiary	1	-	1
Current assets			
Debtors	344,189	60,000	404,189
Cash at bank and in hand	2,264,077	474,223	2,738,300
Current liabilities	(577,030)	-	(577,030)
Long Term Liabilities	-	-	-
	<u>2,267,898</u>	<u>534,223</u>	<u>2,802,121</u>

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28. OPERATING LEASE COMMITMENTS

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Charity and Group 2017 £	Charity and Group 2016 £
Within one year	218,833	166,750
Between two and five years	682,649	833,334
Within 5+ years	-	52,083
	<u>890,982</u>	<u>1,052,167</u>

29. PENSIONS AND OTHER POST-RETIREMENT BENEFIT COMMITMENTS

The Charitable Group operates a defined contribution scheme which is administered independently of the Group. The cost to the Group for the year was £78,002 (2016: £85,275). At the Balance Sheet date the amount due to the pension scheme administrators was £16,569 (2016: £19,799). The expected cost to the charity in the coming year, if all staff take up their pension option, is approximately £108,000 (2016: £95,000).

30. RELATED PARTY TRANSACTIONS

During the year the following related party transactions were carried out.

£1,000 was paid to LA Ronayne for presenting a training session. LA Ronayne is a Director of D&AD.

Sales of £5,000 were made to Design Bridge London, where Graham Shearsby is a trustee.

Sales of £2,930 were made to Dalton Magg Ltd, where Bruno Dalton is a Director.

Sales of £12,979 (2016 £5,207) and purchases of £10,246 (2016 £12,000) to/from Turner Duckworth Ltd, a company where Bruce Duckworth is a Director.

Sales of £214,550 (2016: £70,035) and purchases of £240,917 (2016: £160,490) were made to D&AD Trading Limited, a wholly owned subsidiary of D&AD. At the balance sheet date there was an amount owed to the subsidiary of £6,813 (2016: £2133).

At the balance sheet date, no amounts were outstanding in respect of these transactions. No amounts have been written off or provided for in relation to these balances during the year.

31. PRIOR YEAR ADJUSTMENTS

The Financial Reporting Council have completed their first triennial review of FRS 102 and have ruled that Gift Aid payments from charity trading subsidiaries should not be recorded in the profit and loss account and instead are treated as dividends on the date of payment and cannot be accrued. Accordingly, Gift Aid receipts of £88,857 relating to 2016 have been included in 2017 when paid across, with the opening reserves position and prior year creditor due to the trading subsidiary restated.

32. ULTIMATE CONTROLLING PARTY

The charitable company is under the control of its members. No one member has sufficient voting rights to control the charitable company.