

**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 2020**



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FOR THE YEAR ENDED 31 AUGUST 2020**

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## **D&AD 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 2020. 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**

Mrs Kate Stanners (President)	Appointed on 18 <sup>th</sup> September 2019
Mr Ben Terrett	Appointed on 18 <sup>th</sup> September 2019
Mr Patrick Burgoyne	Appointed on 18 <sup>th</sup> September 2019
	Resigned 14 <sup>th</sup> November 2019
Mr Richard Brim	Appointed on 18 <sup>th</sup> September 2019
Mr Naresh Ramchandani (Deputy President)	Appointed on 18 <sup>th</sup> September 2019
Mrs Fura Johannesdottir	Appointed on 18 <sup>th</sup> September 2019
Mrs Rebecca Wright	Appointed on 18 <sup>th</sup> September 2019
Mr Kai Hsuing	Appointed on 18 <sup>th</sup> September 2019
Mrs Cheyne Robinson	Appointed on 18 <sup>th</sup> September 2019
Mr Jack Renwick	Appointed on 18 <sup>th</sup> September 2019

#### **Chief Executive**

Patrick Burgoyne	Appointed on 14 <sup>th</sup> November 2019
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Mr Timothy Lindsay	Resigned 30 <sup>th</sup> November 2019
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#### **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>	
Paul Drake	<i>Foundation Director</i>	
Sammi Vaughan	<i>Head of Partnerships</i>	
Donal Keenan	<i>Awards Director</i>	
Mike Mc Evoy	<i>Finance Director</i>	Resigned 31 <sup>st</sup> October 2020
Laura Kelly	<i>Marketing Director</i>	
Chairman	Dick Powell	Resigned 30 <sup>th</sup> November 2019
Chairman	Tim Lindsay	Appointed 1 <sup>st</sup> December 2019

**D&AD**  
**REPORT OF THE TRUSTEES**

**Registered Office**

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

**Auditor**

Moore 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.

#### **Objects**

The Charity's objects are specifically restricted to the following:

To advance the education of the community by encouraging the understanding, application 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.

#### **Appointment of trustees**

Any person who is willing to act as a Trustee who is permitted by law to do so, and who is eligible to become a Trustee in accordance with any rules or by-laws made in accordance with the Articles of Association adopted by special resolution in 2017, may be appointed to be a trustee by a resolution of the Trustees.

#### **Powers**

The Board of Trustees has overall responsibility for the strategic leadership, governance and appropriate management control of D&AD.

It has three primary functions:

- To ensure the organisation stays focused on its mission and strategy.
- To make policy decisions.
- To provide support and constructive challenge to the management team, in particular the Chief Operating Officer and Chief Executive.

Members of the Board of Trustees are also Directors of the charity for the purposes of company law.

Each year vacancies for new members of the Board of Trustees 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. Successful candidates who fill the vacancies for each Industry sector are elected to serve as trustees on the charity's Board 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 Board of Trustees. 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 serving 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.

#### **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.

#### **Trustee appointment as CEO**

During the year Mr Patrick Burgoyne resigned from the Board as a Trustee and Director, and was appointed CEO of the Charity.

## **D&AD REPORT OF THE TRUSTEES**

### **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 16 and note 29 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.

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 recently constructed offices located within Shoreditch, although, as a direct impact of the coronavirus pandemic, and in accordance with government guidance and restrictions imposed since March 2020, staff have experienced periods of both home based and hybrid working. The Board of Trustees 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, Marketing, 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 Board of Trustees meets 10 to 12 times a year.

### **Subsidiary Companies**

The charity has the following 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.
- USA INC, a recently formed trading company which has not yet commenced trading.
- D&AD Hong Kong Ltd, a recently formed trading company which has not yet commenced trading.

### **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 and the loss of revenue due to Covid-19.

## **D&AD REPORT OF THE TRUSTEES**

### **Covid-19**

As a result of the worldwide Covid-19 pandemic and lockdown from March 2020, events were cancelled with resulting loss of revenue and related direct costs. The Board revised their plans for the rest of 2020 and 2021 to run a significantly reduced programme. Advantage has been taken of the government job retention scheme but at the same time a restructuring plan is being implemented that will lead to a reduction of headcount. Revised forecasts have been prepared through to 2022 that confirm that the actions taken together with the reserves available will ensure that the Charity remains a going concern and will continue to be able to settle its debts as they fall due.

### **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 maintain unrestricted reserves for the following purposes:

- Working capital equal to a level of six months' running costs to mitigate potential timing differences between expenditure obligations and income receipts (six months running costs equate to approximately £1,900,000);
- following the impact of COVID-19, provide additional funds to mitigate the impact of unforeseen volatilities through significant events;
- to maintain an adequate infrastructure to enable relevant strategy in the event of such conditions;
- to fund growth and development in charity activities.

Free unrestricted reserves total £2,818,329 (2019: £3,104,934).

The reserves policy is reviewed and agreed by trustees on an ongoing basis.

## **D&AD 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 2019/20 the charity's principal objectives for the year were:

- To continue to build to levels determined by the charity's reserves policy.
- To restructure the original 2019/20 business plan in line with the impacts of Covid-19 to ensure it remains a going concern
- To continue to develop a fully integrated brand communications and marketing strategy across programmes.
- To continue 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 continue to invest in the digital strategy to deliver online content to D&AD's stakeholders and to redesign D&AD as a digital first organisation.
- To reconsider the role of membership within the organisation.

#### **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.



## **D&AD REPORT OF THE TRUSTEES**

- 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.
- 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 was replaced by a digital version in 2020 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. The digital version allows for a broader more diverse and accessible reach to the global community

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.
- Shift, continued to evolve a talent program aimed at a more diverse talent. Having launched in 2016. It now runs in London and New York twice a year in each city with on average a 70% of its recruits finding employment in the creative industries.
- 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 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.

## D&AD REPORT OF THE TRUSTEES

### 4. Achievements and performance

The adverse economic climate as a result of Covid-19, impacted on the Charities financial result for 2020. Fortunately, the charity took an immediate and pre-emptive response to the potential impacts of covid-19 to mitigate the scale of the financial risk through the immediate cancellation of live events and the use of the governments furlough scheme thereby protecting its financial security. It continued to deliver successfully its educational programmes through the use of digital services and applications. This resulted in increased interest and attendance at all its initiatives and digital events. The programmes to be more accessible to larger and broader community globally. 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 2019-20	Achievements in 2019-20
To continue to build reserves to levels determined by the charity's reserves policy.	The group reported reserves of £3,143,329 (2019: £3,600,756) of which free unrestricted reserves are £2,818,329 (2019: £3,104,934).
To restructure the original 2019/20 business plan in line with the impacts of Covid-19 to ensure it remains a going concern.	The group revenues decreased by £1,916,874 but total costs due to the restructuring also decreased by £1,201,524. Although the result is a deficit for the year of £457,427, this restructuring plan significantly reduced the risk of a more significant financial impact on the charity's reserves.
To continue to develop a fully integrated brand communications and marketing strategy across programmes.	Increased international involvement with the charity especially with increased interest from the Japanese market in the awards scheme and from the Middle East in the professional development programme.
To continue 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 investment in delivering the Educational programmes digitally allowing a broader and more accessible programmes for the community.
Continue to raise the charity's profile.	Continued to achieve worldwide media coverage with appointed international representatives in Europe, USA, Japan, Australia, India and Brazil.
To continue to invest in the digital strategy to deliver online content to D&AD's stakeholders.	Covid-19 accelerated the investment and delivery in the charity's digital activities including the launch of the first freely available Digital Annual and the cessation of producing a physical Annual. It also delivered all its programmes digitally including its Education programmes, Masterclasses, Awards Ceremony amongst others.
To reconsider the role of Membership within the organisation.	With the cessation of a physical Annual being produced which was a core benefit of membership. The charity is reconsidering the future of membership as a core programme.

**D&AD**  
**REPORT OF THE TRUSTEES**

**5. Financial review**

A standard program of income generation resulted in incoming resources being £1,917,000 below the previous twelve-month period including Professional Awards entries decrease of £698,000; Professional Awards Festival ticket revenue decrease of £655,000; Partnerships revenue increased by £443,000; and an increase in Foreign exchange gains serving to impact the overall increase in revenues. Standard forecast activity resulted in costs decreasing by £1,201,000 against the previous twelve months to 31<sup>st</sup> August 2019. The effect of this was a group net funds outflow of £457,000 (2019: £258,000 inflow) for the twelve months ended 31<sup>st</sup> August 2020.

**Principal funding sources**

Entry income for the professional awards scheme was down by £698,000 compared to the previous year, mainly as a result of a decreased number of entries from the larger networks as a result of covid-19. Partnerships income was up by £443,000 across New Blood Awards, Shift sponsorship.

**Funds**

Group funds at 31 August 2020 amounted to £3,143,329 (2019: £3,600,756) of which £325,000 was restricted (2019: £495,822). There was a surplus of unrestricted funds of £2,818,329 (2019: £3,104,934). 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 due to investment in streamlined systems and automation.

## D&AD REPORT OF THE TRUSTEES

### 6. Future plans and subsequent events

The charity's key strategic policies as stated in these statements remain as relevant for 2020/21. In addition, the increase in unrestricted funds to a level both 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 2020/21 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 review and extend markets and audience beyond UK and Europe post Brexit.	To continue to reach diverse audiences who represent the breadth of commercial creative community. Focus on segments which we can penetrate effectively; likely to be design & production agencies, in-house creative & design teams and consultancies. To continue to reach larger audiences outside London and the UK. Focus on growth cities which we can penetrate most effectively.
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 2020.
To fully utilise D&AD head office in Shoreditch.	To utilise the space to enhance and build relations within the wider community and serve the creative community. Events are now happening more regularly saving on external costs/hire and generating a small revenue stream.

**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 in the 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.

**Small Companies Exemption**


This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

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

**Auditors**

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

Signed on behalf of the Trustees on 16/11/2021

  
Dara Lynch  
Secretary

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

### **Opinion**

We have audited the financial statements of D&AD Limited for the year ended 31 August 2020 which comprise the Group Statement of Financial Activities, 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 2020 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.

### **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 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.

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

### **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 group and parent charitable 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 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 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

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

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.

### 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 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.

Andrew Stickland (Senior Statutory Auditor)

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

*Moore Kingston Smith LLP*

Devonshire House  
60 Goswell Road  
EC1M 7AD

Date: 24 November 2021

Moore 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 2020**

		<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
		<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2019</b>
	<b>Note</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income from</b>					
Grants and donations	4	355,238	-	355,238	-
Trading income from subsidiary	5	136,192	-	136,192	238,320
Investment income and interest	6	3,537	-	3,537	3,446
Charitable activities	7	4,626,556	609,000	5,235,556	7,305,631
<b>Total income</b>		<b>5,121,523</b>	<b>609,000</b>	<b>5,730,523</b>	<b>7,547,397</b>
<b>Expenditure on</b>					
Raising funds	8	1,057,045	-	1,057,045	1,132,299
Charitable activities	9	4,191,036	845,730	5,036,766	6,082,740
Trading subsidiary costs	10	94,139	-	94,139	74,435
<b>Total expenditure</b>		<b>5,342,220</b>	<b>845,730</b>	<b>6,187,950</b>	<b>7,289,474</b>
<b>Net income / (expenditure)</b>		<b>(220,697)</b>	<b>(236,730)</b>	<b>(457,427)</b>	<b>257,923</b>
<b>Transfer between funds</b>	24	<b>(65,908)</b>	<b>65,908</b>	<b>-</b>	<b>-</b>
<b>Total funds brought forward</b>	24, 25	<b>3,105,934</b>	<b>495,822</b>	<b>3,601,756</b>	<b>3,343,833</b>
<b>Total funds carried forward</b>		<b>2,819,329</b>	<b>325,000</b>	<b>3,144,329</b>	<b>3,601,756</b>

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.

**D&AD**  
**BALANCE SHEETS - GROUP AND CHARITY**  
**AS AT 31 AUGUST 2020**

	Note	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
<b>Fixed assets</b>					
Intangible assets	18	114,949	148,078	114,949	148,078
Tangible assets	19	507,054	797,883	507,054	797,883
Investments	20	1	1	1,001	1,001
		<u>622,004</u>	<u>945,962</u>	<u>623,004</u>	<u>946,962</u>
<b>Current assets</b>					
Debtors	21	465,724	962,408	465,724	962,408
Cash at bank and in hand		3,071,964	2,269,315	3,061,839	2,259,055
		<u>3,537,688</u>	<u>3,231,723</u>	<u>3,527,563</u>	<u>3,221,463</u>
<b>Current liabilities</b>					
Creditors falling due within one year	22	(1,015,363)	(575,869)	(1,052,716)	(735,458)
<b>Net current assets</b>		<u>2,522,325</u>	<u>2,655,854</u>	<u>2,474,847</u>	<u>2,486,005</u>
<b>Total assets less current liabilities</b>		3,144,329	3,601,816	3,097,851	3,432,967
<b>Long term liabilities</b>					
Creditors falling due after more than one year	23	-	(60)	-	(60)
<b>Net assets</b>		<u>3,144,329</u>	<u>3,601,756</u>	<u>3,097,851</u>	<u>3,432,907</u>
<b>Accumulated funds</b>					
Restricted funds	24, 25	325,000	495,822	325,000	495,822
Unrestricted funds	24, 25	2,819,329	3,105,934	2,772,851	2,937,085
<b>Total accumulated funds</b>		<u>3,144,329</u>	<u>3,601,756</u>	<u>3,097,851</u>	<u>3,432,907</u>

As permitted by s408 Companies Act 2006, the company has not presented its own statement of financial activities and related notes. The charity's deficit for the year was £336,055 (2019: £211,946 surplus)

The financial statements were approved by the trustees on 16 / 11 / 2021 and signed on their behalf by:

  
 .....  
 Trustee  
 Company registration number 00883234

**D&AD**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**AS AT 31 AUGUST 2020**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Cash inflow / (outflow) from operating activities</b>		
Net cash (used in) / provided by operating activities	905,591	371,599
<b>Cash flow from investing activities</b>		
Investment income and interest received	3,537	3,446
Payments to acquire tangible and intangible fixed assets	(106,479)	(76,988)
	(102,942)	(73,542)
<b>Net increase in cash and cash equivalents</b>	<b>802,649</b>	<b>298,057</b>
Cash and cash equivalents at beginning of year	2,269,315	1,971,258
<b>Cash and cash equivalents at close of year</b>	<b>3,071,964</b>	<b>2,269,315</b>

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Net (deficit) / income for the reporting period</b>	<b>(457,427)</b>	<b>257,923</b>
<b>Adjustments for:</b>		
Depreciation charges	430,435	459,679
Investment income	(3,537)	(3,446)
Decrease / (increase) in debtors	496,684	(317,946)
(Decrease) / increase in creditors	439,436	(24,611)
<b>Net cash (used in) / provided by operating activities</b>	<b>905,591</b>	<b>371,599</b>

**Analysis of cash and cash equivalents**

Cash at bank and in hand	<b>3,071,964</b>	<b>2,269,315</b>
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**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 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.

**b) Going concern**

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 including the impact of Covid-19. As a result of the lockdown, planned events have been cancelled with a consequent reduction in revenue and associated costs. The charity has taken advantage of the governments job retention scheme and implemented a restructuring programme to reduce costs. The trustees have considered forecasts for a period of at least one year from the date of approval of the financial statements taking these steps in to account. On the basis of these projections and the reserves available to the charity, 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

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

**c) 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.

**d) 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.

**e) 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.

**f) Charitable expenditure**

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

**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.

**g) 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.

**h) 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.

**i) 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
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**j) 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.

**k) 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.

**l) 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.

**m) Irrecoverable VAT**

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

**n) 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.

**o) 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 18 and 19 for the carrying amount of the property, plant and equipment and intangible assets.

**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.

**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 20.

**D&AD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Unrestricted 2020 £	Unrestricted 2019 £	
<b>4. GRANTS AND DONATIONS</b>			
IBM Gift in Kind: Digital Transformation Project	100,000	-	
Coronavirus Job Retention Scheme Grant	255,238	-	
	<b>355,238</b>	-	
<b>5. TRADING SUBSIDIARY INCOME</b>			
Income generated in D&AD Trading Limited	136,192	238,320	
	<b>136,192</b>	<b>238,320</b>	
<b>6. INVESTMENT INCOME AND INTEREST</b>			
Bank deposit Interest	3,537	3,446	
	<b>3,537</b>	<b>3,446</b>	
<b>7. INCOME FROM CHARITABLE ACTIVITIES</b>			
	Unrestricted £	Restricted £	Total £
<b>Year to 31 August 2020</b>			
Members subscriptions	67,169	-	67,169
University & College Network subscriptions and student awards scheme	397,430	428,000	825,430
Educational publications	50,792	-	50,792
Public lectures, seminars, exhibitions and creative awareness projects	126,216	181,000	307,216
Operation of D&AD Global Awards Programme	3,984,949	-	3,984,949
	<b>4,626,556</b>	<b>609,000</b>	<b>5,235,556</b>
<b>Year to 31 August 2019</b>			
Members subscriptions	81,201	-	81,201
University & College Network subscriptions and student awards scheme	270,141	365,000	635,141
Educational publications	67,604	-	67,604
Public lectures, seminars, exhibitions and creative awareness projects	324,302	150,000	474,302
Operation of D&AD Global Awards Programme	6,047,383	-	6,047,383
	<b>6,790,631</b>	<b>515,000</b>	<b>7,305,631</b>
<b>8. COST OF RAISING FUNDS</b>			
	Unrestricted 2020 £	Unrestricted 2019 £	
Fund raising costs	1,057,045	1,132,299	
	<b>1,057,045</b>	<b>1,132,299</b>	

**D&AD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**9. COSTS OF ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTIVES**

	Unrestricted £	Restricted £	Total £
<b>Year to 31 August 2020</b>			
College and student training programmes	361,471	442,936	804,407
Educational publications and material	49,499	-	49,499
Lectures, seminars, exhibitions and creative awareness projects	299,393	-	299,393
Costs relating to the D&AD Global Awards scheme	3,480,673	402,794	3,883,467
	<b>4,191,036</b>	<b>845,730</b>	<b>5,036,766</b>
<b>Year to 31 August 2019</b>			
College and student training programmes	358,326	309,257	667,583
Educational publications and material	1,614,384	-	1,614,384
Lectures, seminars, exhibitions and creative awareness projects	209,100	271,196	480,296
Costs relating to the D&AD Global Awards scheme	3,320,477	-	3,320,477
	<b>5,502,287</b>	<b>580,453</b>	<b>6,082,740</b>

**10. TRADING SUBSIDIARY COSTS**

	Unrestricted 2020 £	Unrestricted 2019 £
Costs incurred by D&AD Trading Limited	94,139	74,435
	<b>94,139</b>	<b>74,435</b>



**D&AD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**11. ANALYSIS OF TOTAL RESOURCES EXPENDED**

	Direct staff Costs	Other direct Costs	Governance & support costs	Total
	£	£	£	£
<b>Year to 31 August 2020</b>				
<b>Costs of activities in furtherance of the charity's objectives</b>				
College and student training programmes	232,828	260,955	310,626	804,409
Educational publications and material	14,327	16,058	19,114	49,499
Lectures, seminars, exhibitions and creative awareness projects	86,656	97,125	115,612	299,393
Costs relating to the D&AD Global Awards scheme	1,124,028	1,259,818	1,499,619	3,883,465
	<b>1,457,839</b>	<b>1,633,956</b>	<b>1,944,971</b>	<b>5,036,766</b>
<b>Other expenditure</b>				
Cost of raising funds	532,402	524,643	-	1,057,045
Trading costs	-	94,139	-	94,139
	<b>532,402</b>	<b>618,782</b>	<b>-</b>	<b>1,151,184</b>
<b>Total</b>	<b>1,990,241</b>	<b>2,252,738</b>	<b>1,944,971</b>	<b>6,187,950</b>

**Year to 31 August 2019**

<b>Costs of activities in furtherance of the charity's objectives</b>				
College and student training programmes	330,349	113,031	1,171,004	1,614,384
Educational publications and material	209,098	271,198	-	480,296
Lectures, seminars, exhibitions and creative awareness projects	358,326	309,257	-	667,583
Costs relating to the D&AD Global Awards scheme	820,785	2,499,692	-	3,320,477
	<b>1,718,558</b>	<b>3,193,178</b>	<b>1,171,004</b>	<b>6,082,740</b>
<b>Other expenditure</b>				
Cost of raising funds	627,617	504,682	-	1,132,299
Trading costs	-	74,435	-	74,435
	<b>627,617</b>	<b>579,117</b>	<b>-</b>	<b>1,206,734</b>
<b>Total</b>	<b>2,346,175</b>	<b>3,772,295</b>	<b>1,171,004</b>	<b>7,289,474</b>

**D&AD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**12. SUPPORT COSTS**

	Unrestricted £	Restricted £	Total £
<b>Year to 31 August 2020</b>			
<b>Support</b>			
Staff and related costs	433,072	-	433,072
Depreciation	430,437	-	430,437
Other support costs	527,117	-	527,117
<b>Total support costs</b>	<b>1,390,626</b>	<b>-</b>	<b>1,390,626</b>
<b>Governance</b>			
Salaries and allocation of operating costs	487,558	-	487,558
Audit fees	25,070	-	25,070
Other legal and professional fees	41,717	-	41,717
<b>Total governance costs</b>	<b>554,345</b>	<b>-</b>	<b>554,345</b>
<b>Total</b>	<b>1,944,971</b>	<b>-</b>	<b>1,944,971</b>
<b>Year to 31 August 2019</b>			
<b>Support</b>			
Staff and related costs	510,522	-	510,522
Depreciation	311,415	-	311,415
Other support costs	(29,422)	-	(29,422)
<b>Total support costs</b>	<b>792,515</b>	<b>-</b>	<b>792,515</b>
<b>Governance</b>			
Salaries and allocation of operating costs	326,302	-	326,302
Audit fees	20,535	-	20,535
Other legal and professional fees	31,652	-	31,652
<b>Total governance costs</b>	<b>378,489</b>	<b>-</b>	<b>378,489</b>
<b>Total</b>	<b>1,171,004</b>	<b>-</b>	<b>1,171,004</b>

**13. NET OUTGOING RESOURCES**

Net outgoing resources for the year are stated after charging:

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Auditors remuneration	27,764	20,535	25,070	20,535
Interest payable on finance leases and hire purchase	2,584	10,075	2,584	10,075
Depreciation / amortisation:				
Owned assets (tangible and intangible)	430,437	459,680	430,437	459,680
Rentals under operating leases: land and buildings	222,917	222,917	222,917	222,917

**D&AD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**14. ANALYSIS OF STAFF COSTS**

<b>Staff costs comprise:</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries (including temporary and short-term contract staff)	2,370,385	2,576,407
Social security costs	248,103	256,036
Pension costs	343,587	112,077
Recruitment and training	50,531	236,630
Redundancy and termination payments	100,141	10,000
<b>Total staff costs</b>	<b>3,112,747</b>	<b>3,191,150</b>

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

£60,001 - £70,000	2	3
£80,001 - £90,000	3	3
£120,001 - £130,000	-	1
£130,000 - £140,000	1	-
£150,001 - £160,000	-	1
	<b>6</b>	<b>8</b>

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 6 (2019: 8). The total pension contributions paid by the charity during the year for employees earning more than £60,000 was £43,084 (2019: £46,633)

**15. STAFF NUMBERS**

The average number of employees including temporary and short-term contract staff analysed by function was:

	<b>2020</b>	<b>2019</b>
	<b>number</b>	<b>number</b>
Charitable activities	41	50
Income generation	5	6
Administration and support	10	12
	<b>56</b>	<b>68</b>

**16. TRUSTEES AND KEY MANAGEMENT PERSONNEL**

During the year £1,591 was paid to trustees in respect of expenses incurred on behalf of the charity (2019: Nil)

The charity purchased trustee indemnity insurance costing £1,781 (2019: £1,781) to protect the charity from loss arising from neglect or default of its trustees and employees.

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 £710,217 (2019: £646,998)

**D&AD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**17. 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 and to the extent that it is applied to charitable purposes.

**18. INTANGIBLE FIXED ASSETS - GROUP AND CHARITY**

	Website and software £
<b>Cost or valuation</b>	
As at 1 September 2019	340,058
Additions	60,756
Disposals	(27,811)
<b>As at 31 August 2020</b>	<b>373,003</b>
<b>Amortisation</b>	
As at 1 September 2019	191,980
Charge for the year	93,885
Eliminated on disposal	(27,811)
<b>As at 31 August 2020</b>	<b>258,054</b>
<b>Net book value</b>	
As at 31 August 2020	114,949
As at 31 August 2019	148,078

**19. TANGIBLE FIXED ASSETS - GROUP AND CHARITY**

	Leasehold improvements £	Office equipment £	Total £
<b>Cost or valuation</b>			
As at 1 September 2019	1,122,715	507,748	1,630,463
Additions	-	45,723	45,723
Disposals	-	(64,745)	(64,745)
<b>As at 31 August 2020</b>	<b>1,122,715</b>	<b>488,726</b>	<b>1,611,441</b>
<b>Depreciation</b>			
As at 1 September 2019	495,859	336,721	832,580
Charge for the year	224,543	112,009	336,552
Eliminated on disposal	-	(64,745)	(64,745)
<b>As at 31 August 2020</b>	<b>720,402</b>	<b>383,985</b>	<b>1,104,387</b>
<b>Net book value</b>			
As at 31 August 2020	402,313	104,741	507,054
As at 31 August 2019	626,856	171,027	797,883

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**20. INVESTMENTS IN SUBSIDIARIES**

The charity has an investment in the following subsidiary undertakings:

	<b>Registered office</b>	<b>Status</b>	<b>% Ownership</b>
The School of Communication Arts Limited	64 Cheshire Street, London E2 6EH	Non-trading	100%
D&AD Trading Limited	64 Cheshire Street, London E2 6EH	Trading	100%
D&AD Limited	Suite 1201, Tower 2, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	Non-trading	100%
D&AD USA Inc.	Frankfurt Kurnit Klein and Selz, P.C. 488 Madison Avenue, NY 10022, USA	Non-trading	100%

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Cost at the beginning and end of the year	<u>1,001</u>	<u>1,001</u>

The School of Communication Arts Limited, D&AD Limited Hong Kong and D&AD USA Inc. have been excluded from consolidation for the reason they are dormant non-trading organisations and have no material effect on the surplus or net assets of the group.

The financial activities shown in the consolidated statement includes those of 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 as a dividend. A summary of the trading results is shown below.

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Profit &amp; Loss Account</b>		
Turnover	136,192	238,320
Cost of sales	(92,504)	(72,810)
Gross profit	<u>43,688</u>	<u>165,510</u>
Administration expenses	(1,635)	(1,625)
<b>Profit on ordinary activities</b>	<u>42,053</u>	<u>163,885</u>

<b>Balance sheet</b>		
Current assets	49,711	170,349
Creditors: amounts falling due within one year	(2,694)	(1,500)
Total net assets	<u>47,017</u>	<u>168,849</u>
Called up share capital	1,000	1,000
Retained profit	46,017	167,849
<b>Shareholders' funds</b>	<u>47,017</u>	<u>168,849</u>

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	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Charity 2020 £</b>	<b>Charity 2019 £</b>
<b>21. DEBTORS</b>				
Trade debtors	78,480	659,581	78,480	659,581
Other debtors	46,342	129,388	46,342	129,388
Owed from subsidiary undertakings	-	-	-	-
Prepayments and accrued income	340,902	173,439	340,902	173,439
	<u>465,724</u>	<u>962,408</u>	<u>465,724</u>	<u>962,408</u>

<b>22. CREDITORS</b>				
Trade creditors	2,160	127,248	2,160	127,248
Other creditors	31,757	125,500	31,757	126,500
Taxation and social security	144,881	71,694	144,881	71,694
Accrued expenses	558,953	251,427	556,260	249,927
Deferred income	277,612	-	277,612	-
Owed to subsidiary undertakings	-	-	40,046	160,089
	<u>1,015,363</u>	<u>575,869</u>	<u>1,052,716</u>	<u>735,458</u>

**23. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

Net obligations under hire purchase contracts	-	60	-	60
	<u>-</u>	<u>60</u>	<u>-</u>	<u>60</u>

<b>Net obligations under hire purchase contracts</b>				
Repayable between two and five years	-	60	-	60
Included in liabilities falling due within one year	-	97,726	-	97,726
	<u>-</u>	<u>97,906</u>	<u>-</u>	<u>97,906</u>

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**24. ANALYSIS OF CHARITABLE FUNDS**

**Analysis of unrestricted fund movements**

	Balance 01-Sep 2019 £	Income £	Expenditure gains and losses £	Transfer to restricted funds £	Balance 31-Aug 2020 £
General fund	3,105,934	5,121,523	(5,342,220)	(65,908)	2,819,329
	Balance 01-Sep 2018 £	Income £	Expenditure gains and losses £	Transfer to restricted funds £	Balance 31-Aug 2019 £
General fund	2,782,556	7,032,397	(6,709,019)	-	3,105,934

Unrestricted funds realised by the subsidiary company and included in the above amounts: Enil (2019: Enil)

**Analysis of restricted fund movements**

	Balance 01-Sep 2019 £	Income £	Expenditure £	Transfer general funds £	Balance 31-Aug 2020 £
College and student educational programmes	339,936	428,000	(442,936)	-	325,000
Public education and creative awareness programmes	(246,908)	181,000	-	65,908	-
Awards programme	402,794	-	(402,794)	-	-
	495,822	609,000	(845,730)	65,908	325,000
	Balance 01-Sep 2018 £	Income £	Expenditure £	Transfer general funds £	Balance 31-Aug 2019 £
College and student educational programmes	284,193	365,000	(309,257)	-	339,936
Public education and creative awareness programmes	(125,712)	150,000	(271,196)	-	(246,908)
Awards programme	402,794	-	-	-	402,794
	561,275	515,000	(580,453)	-	495,822

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.

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**25. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS**

	Unrestricted £	Restricted £	Total £
<b>As at 31 August 2020</b>			
<b>Fixed assets</b>			
Intangible assets	114,949	-	114,949
Tangible assets for use by the charity	507,054	-	507,054
Investment in subsidiary	1	-	1
<b>Current assets</b>			
Debtors	465,724	-	465,724
Cash at bank and in hand	2,746,964	325,000	3,071,964
<b>Current liabilities</b>	(1,015,363)	-	(1,015,363)
<b>Long term liabilities</b>	-	-	-
	<b>2,819,329</b>	<b>325,000</b>	<b>3,144,329</b>

**As at 31 August 2019**

<b>Fixed assets</b>			
Intangible assets	148,078	-	148,078
Tangible assets for use by the charity	797,883	-	797,883
Investment in subsidiary	1	-	1
<b>Current assets</b>			
Debtors	962,408	-	962,408
Cash at bank and in hand	1,773,493	495,822	2,269,315
<b>Current liabilities</b>	(575,869)	-	(575,869)
<b>Long term liabilities</b>	(60)	-	(60)
	<b>3,105,934</b>	<b>495,822</b>	<b>3,601,756</b>

**26. OPERATING LEASE COMMITMENTS**

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

	Charity and Group 2020 £	Charity and Group 2019 £
Within one year	300,137	249,833
Between two and five years	375,171	80,500
Within 5+ years	-	-
	<b>675,308</b>	<b>330,333</b>

**27. 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 £343,587 (2019: £112,077). At the Balance Sheet date, the amount due to the pension scheme administrators was £18,580 (2019: £28,773). The expected cost to the charity in the coming year, if all staff take up their pension option, is approximately £99,046 (2019: £181,447).



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**28. RELATED PARTY TRANSACTIONS**

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

£nil (2019: £4,750) was paid to Alexandra Taylor for presenting training sessions. Alexandra Taylor was a Director of D&AD and resigned on 18 September 2019.

Sales of £3,035 (2019: 3,682) were made to Superunion, a company employing Katherina Tudball as a Creative Director. Katherina was also a director of D&AD and resigned on 18 September 2019.

Sales of £nil (2019: £11,590) were made to Saatchi & Saatchi Group Ltd where Kate Stanners is Chairwoman and Global Chief Creative Officer. Kate Stanners is a director of D&AD.

Sales of £33,620 (2019: £19,531) were made to BBDO Ltd where Stephen Spence is a director. Stephen Spence was a director of D&AD.

Sales of £1,684 (2019: £Nil) were made to Pentagram Design Limited where Naresh Ramchandani is a director. Naresh is also a director of D&AD.

Sales of £81,527 (2019: £72,935) and purchases of £136,191 (2019: £238,320) 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 £40,046 (2019: £3,961).

No amounts are outstanding in respect of these transactions and no amounts have been written off or provided for in relation to these balances during the year.

**29. 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.