

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 2023

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FOR THE YEAR ENDED 31 AUGUST 2023**

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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 2023. 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

Jack Renwick (President)

Richard Brim (Ex President)

Resigned 11 April 2024

Liza Enebeis

Ravi Amarantuga Hitchcock

Fura Johannesdottir

Hannah Kelly

Jonathan Kneebone

Russie Miessi

Kwamena Taylor-Hayford

Rebecca Wright

Chairman

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:

Jo Jackson

Chief Executive Officer

Dara Lynch

Chief Operating Officer

Paul Drake

Foundation Director

Pippa Irvine

Digital Director

Donal Keenan

Awards Director

Laura Kelly (resigned October 2023)

Marketing Director

Sammi Vaughan

Director of Partnerships

D&AD
REPORT OF THE TRUSTEES

Registered Office

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

Auditor

Moore Kingston Smith LLP,
Chartered Accountants
6th Floor
9 Appold Street
London
EC2A 2AP

Solicitors

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

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 the 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.

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 27 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 offices located within Shoreditch. Staff have continued 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.
- USA INC, a trading company.
- D&AD Hong Kong Ltd, a 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 and significant global events.

D&AD REPORT OF THE TRUSTEES

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 £2.1m);
- to 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 £5,826,737 (2022: £5,873,833).

The reserves policy is reviewed and agreed by trustees on an ongoing basis. In recognition of global economic risk, the trustees consider a risk based reserves model to be a more appropriate method of safeguarding future financial sustainability, and a policy to this effect will be developed within the coming financial year.

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 2022/23 the charity's principal objectives for the year were:

- To continue to build to levels determined by the charity's reserves policy.
- To continue to develop a fully integrated brand communications and marketing strategy across programmes.
- To continue to reposition the education model through 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 continuously 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.

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REPORT OF THE TRUSTEES

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.
- 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 initiatives 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 currently runs twice a year in London and New York as well as in Sydney, Berlin and Sao Paulo. On average 70% of its recruits find employment within the creative industries.
- 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.
- During the year the charity continued the initiative to involve and engage the public in the creative process and the best in creative work.

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.
- Diversity, equity, equality, sustainability and inclusion through D&AD DEI and ESG policies.

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

Despite adverse global events and economic uncertainties, D&AD has demonstrated resilience and adaptability in continuing to successfully deliver its educational and awards programmes. We have seamlessly transitioned back to in-person events while maintaining and enhancing our digital services and applications. This dual approach has enabled us to deliver a cohesive and accessible programme of events and initiatives, effectively reaching an ever-growing and increasingly diverse global community.

Global awareness of the charity has continued to rise, significantly enhancing our impact and reach. The development of the D&AD archive, the Digital Annual, and other digital content continues to progress, positioning these resources as major sources of creative reference. This ongoing evolution ensures that our materials remain relevant and valuable to our audience, further solidifying D&AD's role as a leader in the creative education sector.

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

Objective in 2022-23	Achievements in 2022-23
To maintain reserves at levels determined by the charity's reserves policy.	The group reported reserves of £6.5m (2022: £6.0m) of which free unrestricted reserves are £5.8m (2022: £5.9m).
To continue to develop a fully integrated brand communications and marketing strategy across programmes.	Increased international involvement especially with growing our awards programme and also increasing our education and learning programmes across Masterclasses and New Blood including our New Blood Awards, festival and exhibition, New Blood Academy and New Blood Shift, globally in London, New York, Sydney, Berlin and San Paola.
To continue to invest in the digital strategy to deliver an online offer to D&AD's stakeholders, thereby building D&AD's community.	Continued investment and delivery in the charity's digital activities including the freely available Digital Annual (in place of a physical Annual), and the digital delivery of selected programmes including Education and Masterclasses amongst others.
To review and extend markets and audience beyond UK and Europe post Brexit.	Continued to achieve worldwide media coverage to extend beyond the UK and Europe, with appointed international representatives in USA, Japan, Australia, India and Brazil.
To continually develop the redefined professional development strategy.	Establishment of a clear and coherent voice across all communication platforms and continuing to raise the company profile, both UK and internationally.
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.
To continue the development of our diversity, equality, equity and inclusion both within D&AD and within the industry, communities and society we are a part of.	D&AD have an established diversity, equality, equity and inclusion policy which is applied and underpins activities, processes and culture in every aspect of the organisation.
To establish an appropriate environmental sustainability policy and framework.	D&AD has appointed a head of sustainability alongside working with external consultants to develop a sustainability plan, measure carbon emissions and to publish this plan and the associated data.
To fully utilise D&AD head office in Shoreditch.	Events are now happening more regularly, building relations with the wider creative community and saving on external costs.

D&AD REPORT OF THE TRUSTEES

5. Financial review

A standard program of income generation resulted in incoming resources being £1.1m higher than the previous twelve-month period, which incorporated increases in Professional Development of £148,000, Professional Awards of £560,000, Partnerships of £126,000, and New Blood of £274,000 reflecting significant sponsorship for the New Blood Shift programme.

A return to physical events incurred significant venue and associated costs, which, together with higher inflationary pressures, resulted in costs increasing by £2.3m against the previous twelve months.

The effect of this was a group net funds inflow of £526,000 (2022: £1,713,000) for the twelve months ended 31st August 2023.

Principal funding sources

Entry income for the professional awards scheme was higher by £560,000 compared to the previous year, mainly as a result of an increased number of entries from the larger networks.

Funds

Group funds at 31 August 2023 amounted to £6,490,195 (2022: £5,964,376) of which £nil were restricted (2022: £nil). There was a surplus of unrestricted funds of £6,490,195 (2022: £5,964,376). 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.

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6. Future plans and subsequent events

The charity's key strategic policies as stated in these statements remain as relevant for 2022/23. 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 2023-24 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.	Continue to develop a clear and coherent voice across all communication platforms 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 significantly progress the significant review and redesign of D&AD's digital architecture across all platforms.
To review and extend markets and audience beyond the UK and Europe.	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. Potentially focussing on the USA, considering the feasibility of establishing a physical personnel presence and resource on the ground.
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. Focussing on larger corporations and contracts with more global reach to achieve a greater outreach.
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 already in place across key locations in Germany, India, Australia, Brazil, USA, China & Japan.

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Objective for 2023-24 and beyond	Target
To continue the development of our diversity, equality, equity and inclusion both within D&AD and within the industry, communities and society we are a part of.	<p>To continue development of the D&AD strategy through our three established pillars:</p> <ul style="list-style-type: none"> ● Creating a culture where everyone feels welcome, belongs and is able to be themselves. ● Creating a more diverse industry through our programmes & platforms. ● Ensuring representation within D&AD to reflect the rich diversity of the London working society, including at senior levels.
To establish an appropriate environmental sustainability policy and framework	<p>D&AD has appointed a head of sustainability alongside working with external consultants to develop a sustainability plan, measure its carbon emissions and to publish this plan and the associated data.</p> <p>D&AD is currently measuring its carbon emission both operationally and also in relation to its external events with a view to reducing its carbon emission and an ambition of decarbonising all its activities, within a time frame to be confirmed, but looking towards 2030 to be a carbon free organisation and employer.</p> <p>This includes reducing energy consumption and waste, incorporating sustainability into its procurement practices and processes, prioritising suppliers and service providers that share D&AD's value toward carbon neutrality.</p>
To fully utilise D&AD head office in Shoreditch.	To further 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 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.

5/30/2024

Signed on behalf of the Trustees on

DocuSigned by:

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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) (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2023 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2023 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 the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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.

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 course of 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 themselves. 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 [strategic report and the] trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- [the strategic report 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 their 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 misstatement resulting from fraud is higher than for one resulting from error, as fraud may

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

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are [the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

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

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

DocuSigned by:

Andrew Stickland

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Date: 5/30/2024

Andrew Stickland (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street
London
EC2A 2AP

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
(incorporating an income and expenditure account)
FOR THE YEAR ENDED 31 AUGUST 2023



		Unrestricted	Total	Total
		2023	2023	2022
	Note	£	£	£
Income from				
Trading income from subsidiary	4	591,827	591,827	440,720
<i>Charitable activities:</i>				
Awards	5	5,495,781	5,495,781	4,935,555
Partnerships		180,333	180,333	54,675
Professional Development		382,870	382,870	386,051
New Blood		1,584,721	1,584,721	1,311,023
Total charitable activities		<u>7,643,705</u>	<u>7,643,705</u>	<u>6,687,304</u>
Investment income and interest	6	46,101	46,101	3,008
Other income	6	3,468	3,468	21,526
Total income		<u>8,285,101</u>	<u>8,285,101</u>	<u>7,152,558</u>
Expenditure on				
Raising funds	7	2,169,285	2,169,285	1,871,767
Trading subsidiary costs	8	237,432	237,432	151,074
		<u>2,406,717</u>	<u>2,406,717</u>	<u>2,022,841</u>
<i>Charitable activities:</i>				
Awards	9	3,159,223	3,159,223	1,859,614
Partnerships		463,887	463,887	428,139
Professional Development		534,364	534,364	367,764
New Blood		1,195,091	1,195,091	761,240
Total charitable activities		<u>5,352,565</u>	<u>5,352,565</u>	<u>3,416,757</u>
Total expenditure		<u>7,759,282</u>	<u>7,759,282</u>	<u>5,439,598</u>
Net income / (expenditure)		525,819	525,819	1,712,960
Transfer between funds	23	-	-	-
Total funds brought forward	22, 23	5,964,376	5,964,376	4,251,416
Total funds carried forward		<u>6,490,195</u>	<u>6,490,195</u>	<u>5,964,376</u>

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 2023



	Note	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Fixed assets					
Intangible assets	17	604,730	12,576	604,730	12,576
Tangible assets	18	58,728	77,967	58,728	77,967
Investments	19	-	-	1,000	1,000
		<u>663,458</u>	<u>90,543</u>	<u>664,458</u>	<u>91,543</u>
Current assets					
Debtors	20	807,040	1,007,801	807,040	1,007,801
Cash at bank and in hand		6,747,278	6,670,454	6,736,552	6,659,693
		<u>7,554,318</u>	<u>7,678,255</u>	<u>7,543,592</u>	<u>7,667,494</u>
Current liabilities					
Creditors falling due within one year	21	(1,727,581)	(1,804,422)	(2,074,715)	(2,086,771)
		<u>5,826,737</u>	<u>5,873,833</u>	<u>5,468,877</u>	<u>5,580,723</u>
Net current assets					
		<u>6,490,195</u>	<u>5,964,376</u>	<u>6,133,335</u>	<u>5,672,266</u>
Total assets less current liabilities					
		<u>6,490,195</u>	<u>5,964,376</u>	<u>6,133,335</u>	<u>5,672,266</u>
Net assets					
		<u>6,490,195</u>	<u>5,964,376</u>	<u>6,133,335</u>	<u>5,672,266</u>
Accumulated funds					
Unrestricted funds	22, 23	6,490,195	5,964,376	6,133,335	5,672,266
Total accumulated funds		<u>6,490,195</u>	<u>5,964,376</u>	<u>6,133,335</u>	<u>5,672,266</u>

As permitted by s408 Companies Act 2006, the company has not presented its own statement of financial activities and

5/30/2024

The financial statements were approved by the trustees on and signed on their behalf by:

DocuSigned by:

Jack Kenwick

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Trustee

Company registration number 00883234

D&AD
CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 31 AUGUST 2023



	2023	2022
	£	£
Cash inflow from operating activities		
Net cash provided by operating activities	753,773	1,967,519
Cash flow from investing activities		
Investment income and interest received	46,101	3,008
Payments to acquire tangible and intangible fixed assets	(723,050)	(34,035)
	<u>(676,949)</u>	<u>(31,027)</u>
Net increase in cash and cash equivalents	76,824	1,936,492
Cash and cash equivalents at beginning of year	6,670,454	4,733,962
Cash and cash equivalents at close of year	<u>6,747,278</u>	<u>6,670,454</u>

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

	2023	2022
	£	£
Net income / (deficit) for the reporting period	525,819	1,712,960
Adjustments for:		
Depreciation charges	150,135	183,135
Investment income	(46,101)	(3,008)
(Increase) / decrease in debtors	200,761	(271,938)
Increase in creditors	(76,841)	346,370
Net cash provided by operating activities	<u>753,773</u>	<u>1,967,519</u>
Analysis of cash and cash equivalents		
Cash at bank and in hand	<u>6,747,278</u>	<u>6,670,454</u>



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. Monetary amounts within these financial statements are rounded to the nearest pound.

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), 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. 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 statements.

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.

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 raising 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 5 years straight line
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j) Tangible fixed assets

Tangible fixed assets of a value of £1,000 and over are capitalised, and are stated at cost less accumulated 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 17 and 18 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 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 19.

D&AD
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 AUGUST 2023



	Unrestricted 2023 £	Unrestricted 2022 £
4. TRADING SUBSIDIARY INCOME		
Income generated in D&AD Trading Limited	591,827	440,720
	591,827	440,720
5. INCOME FROM CHARITABLE ACTIVITIES		
Awards	5,495,781	4,935,555
Partnerships	180,333	54,675
Professional Development	382,870	386,051
New Blood	1,584,721	1,311,023
Total income from charitable activities	7,643,705	6,687,304
6. INVESTMENT INCOME, INTEREST AND OTHER INCOME		
Bank deposit interest	46,101	3,008
Rental income from subleased premises	-	16,839
Other income	3,468	4,687
	49,569	24,534
7. COST OF RAISING FUNDS		
Fund raising costs	2,169,285	1,871,767
	2,169,285	1,871,767
8. TRADING SUBSIDIARY COSTS		
Costs incurred by D&AD Trading Limited	237,432	151,074
	237,432	151,074
9. COSTS OF ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTIVES		
Awards	3,159,223	1,859,614
Partnerships	463,887	428,139
Professional Development	534,364	367,764
New Blood	1,195,091	761,240
Total expenditure on charitable activities	5,352,565	3,416,757

D&AD
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 AUGUST 2023



10. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Direct staff costs	Other direct costs	Support & Governance costs	Total
	£	£	£	£
Year to 31 August 2023				
Costs of activities in furtherance of the charity's objectives				
Awards	895,451	1,570,256	693,516	3,159,223
Partnerships	297,143	73,428	93,316	463,887
Professional Development	187,774	260,479	86,111	534,364
New Blood	395,414	565,029	234,648	1,195,091
	1,775,782	2,469,192	1,107,591	5,352,565
Other expenditure				
Cost of raising funds	895,534	932,482	341,269	2,169,285
Trading costs	-	237,432	-	237,432
	895,534	1,169,914	341,269	2,406,717
Total	2,671,316	3,639,106	1,448,860	7,759,282

Year to 31 August 2022

Costs of activities in furtherance of the charity's objectives				
Awards	722,851	562,233	574,530	1,859,614
Partnerships	267,599	43,994	116,546	428,139
Professional Development	126,669	171,172	69,923	367,764
New Blood	243,812	354,885	162,543	761,240
	1,360,931	1,132,284	923,542	3,416,757
Other expenditure				
Cost of raising funds	687,103	802,760	381,904	1,871,767
Trading costs	-	151,074	-	151,074
	687,103	953,834	381,904	2,022,841
Total	2,048,034	2,086,118	1,305,446	5,439,598

D&AD
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 AUGUST 2023



	Unrestricted	Unrestricted
	2023	2022
	£	£
11. SUPPORT AND GOVERNANCE COSTS		
Support		
Staff and related costs	199,568	208,100
Depreciation	56,075	183,134
Other support costs	693,815	591,899
Total support costs	949,458	983,133
Governance		
Salaries	439,348	234,576
Audit fees	24,500	26,313
Other legal and professional fees	35,554	61,424
Total governance costs	499,402	322,313
Total	1,448,860	1,305,446

12. NET OUTGOING RESOURCES

Net outgoing resources for the year are stated after charging:

	Group	Group	Charity	Charity
	2023	2022	2023	2022
	£	£	£	£
Auditors remuneration	27,500	28,831	24,500	26,313
Depreciation / amortisation:				
Owned assets (tangible and intangible)	150,135	183,135	150,135	183,135
Rentals under operating leases: land and buildings	145,531	221,344	145,531	221,344

D&AD
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 AUGUST 2023



13. ANALYSIS OF STAFF COSTS

Staff costs comprise:	2023	2022
	£	£
Wages and salaries	2,745,347	2,027,129
Social security costs	297,912	231,492
Pension costs	245,587	198,280
Recruitment and training	42,011	19,637
Redundancy and termination payments	21,389	33,810
Total staff costs	3,352,246	2,510,348

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

£60,001 - £70,000	-	1
£70,001 - £80,000	3	2
£80,001 - £90,000	1	2
£90,001 - £100,000	2	-
£100,001 - £110,000	1	-
£110,001 - £120,000	-	1
£130,001 - £140,000	-	-
£140,001 - £150,000	1	1
	8	7

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 11 (2022: 6). The total pension contributions paid by the charity during the year for employees earning more than £60,000 was £118,086 (2022: £62,398)

14. STAFF NUMBERS

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

	2022	2022
	number	number
Charitable activities	36	30
Income generation	14	13
Administration and support	6	5
	56	48

15. TRUSTEES AND KEY MANAGEMENT PERSONNEL

During the year £nil was paid to trustees in respect of expenses incurred on behalf of the charity (2022: £nil)

The charity purchased trustee indemnity insurance costing £2,223 (2022: £776) 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 £1,065,605 (2022: £719,026)

D&AD
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 AUGUST 2023



16. 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.

17. INTANGIBLE FIXED ASSETS - GROUP AND CHARITY

	Website and software
	£
Cost or valuation	
As at 1 September 2022	373,003
Additions	673,823
Disposals	(373,003)
As at 31 August 2023	673,823
Amortisation	
As at 1 September 2022	360,427
Charge for the year	81,669
Eliminated on disposal	(373,003)
As at 31 August 2023	69,093
Net book value	
As at 31 August 2023	604,730
As at 31 August 2022	12,576

18. TANGIBLE FIXED ASSETS - GROUP AND CHARITY

	Leasehold improvements	Office equipment	Total
	£	£	£
Cost or valuation			
As at 1 September 2022	1,122,715	522,762	1,645,477
Additions	-	49,227	49,227
Disposals	-	(174,286)	(174,286)
As at 31 August 2023	1,122,715	397,703	1,520,418
Depreciation			
As at 1 September 2022	1,081,138	486,372	1,567,510
Charge for the year	41,577	26,889	68,466
Eliminated on disposal	-	(174,286)	(174,286)
As at 31 August 2023	1,122,715	338,975	1,461,690
Net book value			
As at 31 August 2023	-	58,728	58,728
As at 31 August 2022	41,577	36,390	77,967

D&AD
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 AUGUST 2023



19. INVESTMENTS IN SUBSIDIARIES

The charity has an investment in the following subsidiary undertakings:

	Registered office	Status	% Ownership
D&AD Trading Limited	64 Cheshire Street, London E2 6EH	Trading	100%
D&AD Limited	Suite 1201, Tower 2, The Gateway,	Non-trading	100%
D&AD USA Inc.	Frankfurt Kurnit Klein and Selz, P.C.	Non-trading	100%

	2023	2022
	£	£
Cost at the beginning and end of the year	1,000	1,000

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. A summary of the trading results is shown below.

	2023	2022
	£	£
Profit & Loss Account		
Turnover	591,827	440,720
Cost of sales	(230,258)	(147,988)
Gross profit	361,569	292,732
Administration expenses	(8,674)	(4,586)
Profit on ordinary activities	352,895	288,146
Balance sheet		
Current assets	460,260	442,270
Creditors: amounts falling due within one year	(102,400)	(149,160)
Total net assets	357,860	293,110
Called up share capital	1,000	1,000
Retained profit	356,860	292,110
Shareholders' funds	357,860	293,110

D&AD
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 AUGUST 2023



	Group	Group	Charity	Charity
	2023	2022	2023	2022
	£	£	£	£
20. DEBTORS				
Trade debtors	541,211	607,756	541,211	607,756
Other debtors	88,865	123,469	88,865	123,469
Prepayments and accrued income	176,964	276,576	176,964	276,576
	<u>807,040</u>	<u>1,007,801</u>	<u>807,040</u>	<u>1,007,801</u>
21. CREDITORS				
Trade creditors	371,689	337,104	371,689	337,104
Other creditors	41,288	59,452	41,288	59,452
Taxation and social security	94,524	78,742	94,524	78,742
Accrued expenses	502,163	391,625	499,163	388,895
Deferred income	717,917	937,499	618,517	791,069
Owed to subsidiary undertakings	-	-	449,534	431,509
	<u>1,727,581</u>	<u>1,804,422</u>	<u>2,074,715</u>	<u>2,086,771</u>

D&AD
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 AUGUST 2023



22. ANALYSIS OF CHARITABLE FUNDS

Analysis of unrestricted fund movements

	Balance 01-Sep 2022 £	Income £	Expenditure gains and losses £	Transfer to restricted funds £	Balance 31-Aug 2023 £
General fund	5,964,376	8,285,101	(7,759,282)	-	6,490,195

	Balance 01-Sep 2021 £	Income £	Expenditure gains and losses £	Transfer to restricted funds £	Balance 31-Aug 2022 £
General fund	4,116,147	7,152,558	(5,304,329)	-	5,964,376

Unrestricted funds realised by the subsidiary company and included in the above amounts: £nil (2022: £nil)

Analysis of restricted fund movements

	Balance 01-Sep 2022 £	Income £	Expenditure £	Transfer general funds £	Balance 31-Aug 2023 £
EU Bridging the Creativity Gap	-	-	-	-	-
	-	-	-	-	-

	Balance 01-Sep 2021 £	Income £	Expenditure £	Transfer general funds £	Balance 31-Aug 2022 £
EU Bridging the Creativity Gap	135,269	-	(135,269)	-	-
	135,269	-	(135,269)	-	-

Income for restricted funds originates from sponsorship grants or donations to a particular project or event and are expensed as required, with unspent funds carried forward to be used against future expenditure.

Restricted funds represent:

EU Bridging the Creativity Gap

Funding to address the gap between the changing needs of the creative sector against the availability of a highly skilled workforce at EU level.

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23. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted £	Total £
As at 31 August 2023		
Fixed assets		
Intangible assets	604,730	604,730
Tangible assets for use by the charity	58,728	58,728
Investment in subsidiary	-	-
Current assets		
Debtors	807,040	807,040
Cash at bank and in hand	6,747,278	6,747,278
Current liabilities	(1,727,581)	(1,727,581)
Long term liabilities	-	-
	6,490,195	6,490,195

As at 31 August 2022

Fixed assets		
Intangible assets	12,576	12,576
Tangible assets for use by the charity	77,967	77,967
Investment in subsidiary	-	-
Current assets		
Debtors	1,007,801	1,007,801
Cash at bank and in hand	6,670,454	6,670,454
Current liabilities	(1,804,422)	(1,804,422)
Long term liabilities	-	-
	5,964,376	5,964,376

24. 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 2023 £	Charity and Group 2022 £
Within one year	213,955	125,000
Between two and five years	798,677	1,375,000
	1,012,632	1,500,000

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25. 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 £245,587 (2022: £198,280). At the Balance Sheet date, the amount due to the pension scheme administrators was £20,376 (2022: £16,030). The expected cost to the charity in the coming year, if all staff take up their pension option, is approximately £229,000 (2022: £216,000).

26. RELATED PARTY TRANSACTIONS

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

Sales of £4,423 (2022: £3,370) were made to Pentagram Design Limited where Naresh Ramchandani is a director. Naresh is also a director of D&AD.

Sales of £238,932 (2022: £152,574) and purchases of £617,827 (2022: £440,720) 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 £449,534 (2022: £431,509).

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.

27. 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.