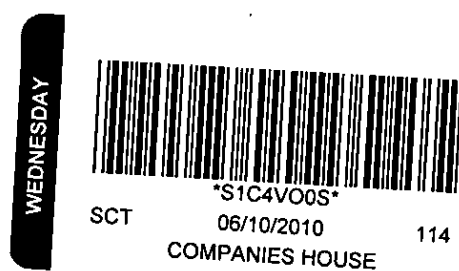


**DANCE BASE LIMITED**

**DIRECTORS REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010**

**Company No: 145736 (Scotland)**



**DANCE BASE LIMITED**  
**DIRECTORS REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**

**CONTENTS**

	<b>Page</b>
Report of the Directors	1 - 7
Report of the Auditors	8 – 9
Income and Expenditure Account	10
Statement of Financial Activities	11
Balance Sheet	12
Notes to the Financial Statements	13 - 21

**DANCE BASE LIMITED****DIRECTORS ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2010**

The directors are pleased to present their report together with the financial statements of the charity for the year ended 31st March 2010.

**Reference and administrative details**

Charity number: SC022512

Company number: SC145736

**Registered Office**

14 – 16 Grassmarket, Edinburgh EH1 2JU

**Auditors**

McDonald Gordon & Co Ltd, Chartered Certified Accountants and Statutory Auditors,  
29 York Place, Edinburgh, EH1 3HP

**Bankers**

CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ  
Bank of Scotland, 38 St Andrew Square, Edinburgh, EH2 2YR

**Solicitors**

MacLay Murray & Spens, 3 Glenfinlas Street, Edinburgh, EH3 6AQ

**Directors**

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. Throughout this report they are collectively referred to as the directors.

The directors serving during the year and since the year end were as follows:

David Rutherford (Chair)  
Joanna Bleau (appointed 08.02.10)  
Lesley Boyd  
Councillor David Beckett (appointed 29.06.09)  
Councillor Deirdre Brock (resigned 24.06.09)  
Ian Coldwell (resigned 30.11.09)  
Annie Griffin (appointed 30.11.09)  
Simon Guest (appointed 30.11.09)  
Fiona Hendry (appointed 08.02.10)  
Alix Meekison (appointed 30.11.09)  
Steven Mitchell  
Karen Koren (resigned 30.11.09)  
Steinvor Palsson  
Caroline Parkinson (appointed 30.11.09)

**Chief Executive Officer:**

Katie Stuart

**Company Secretary**

Cowan & Partners, 60 Constitution Street, Edinburgh, EH6 6RR

## **DANCE BASE LIMITED**

### **DIRECTORS ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2010**

#### **Structure, Governance and Management**

Dance Base limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 28 March 1994. It is registered as a charity with the Office of the Scottish Charity Regulator. Members of the company may be directors and such other persons approved by the directors. All directors are also members and each agrees to contribute £10 in the event of the charity winding up.

#### **Appointment of directors**

As set out in the Articles of Association the Board has to appoint one of their members to be Chairman at such time and at such periods as they see fit. There also has to be an appointed director from the City of Edinburgh Council and up to 12 further elected directors. At each annual general meeting one third of the elected directors have to retire. All members are circulated with invitations to nominate directors prior to the AGM advising them of the retiring directors and requesting nominations for the AGM.

#### **Directors induction and training**

New directors are provided with a full pack of company information which includes the business plan, current and future budgets, staff information, Board responsibilities and recent audited accounts. All new directors are encouraged to attend appropriate external training events to assist in effective understanding and undertaking of their role.

#### **Organisation**

The Board of Directors administers the charity. The Board meets quarterly; there are also informal meetings in specialist groupings covering various operational areas as required between formal meetings. A Chief Executive is appointed by the directors to manage the day-to-day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the directors, for operational matters including artistic programming, venue management, financial management and marketing and publicity.

#### **Related parties**

The charity has close relationships with numerous organisations in Edinburgh, across Scotland and in the UK. It receives core funding for all aspects of its professional dance programme from the Scottish Arts Council. The City of Edinburgh Council contributes towards the core overheads required to operate the Outreach Department. The scope of the company's work extends to working with theatres, festivals, UK national dance agencies, international promoters and companies, schools, nurseries, community centres, social services and leisure centres.

#### **Risk management**

The directors have a risk management strategy which comprises:

- an annual review of the financial and operational risks the charity may face
- the establishment of systems and procedures to mitigate those risks identified in the plan
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

The directors have formalised the risk assessment by creating a risk register which will be updated annually by the directors. A key element in the management of financial risk is the setting of a reserves policy and its regular review by the directors.

**DANCE BASE LIMITED****DIRECTORS ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2010****Objectives and activities**

The objects of the charity are:

- to advance public education by the promotion and development of the arts, and in particular the art of dance in all its forms
- to further the appreciation of dance by the provision of classes, training, workshops and performances

*The charity's mission is to encourage and celebrate the potential for dance in everyone.*

*As a National Dance Centre we offer a vibrant and uplifting focal point which reaches out and inspires well-being and creativity, and cultivates a future for dance in our local and national communities.*

**Dance Base core aims:****\* To programme a wide range of accessible community classes**

We have over 130 classes in over 40 different forms of dance throughout the year embracing cultures and traditions from across the world. Each week more than 2,000 dancers come through our doors.

**\* To develop a strong and sustainable outreach programme**

Our outreach programme is fully inclusive and works with individuals and groups with a wide range of interests and abilities. Weekly, we have up to 100 people dancing, from toddlers to octogenarians, throughout Edinburgh and beyond.

**\* To encourage and promote the development of professional dance**

We organise residencies, performances, classes and workshops, as well as offering resources, information and support for the professional dance community in Scotland. We work with national and international partners to promote and attract dancers, choreographers and dance companies of international renown.

**\* To nurture and maintain a positive relationship with our local community**

We work with local agencies to establish partnerships in which dance is recognised as an integral and beneficial part of all-round health and well-being.

Dance Base is a unique venue in the Edinburgh Fringe Festival, presenting a diverse programme of Scottish and international professional dance performance (around 15 companies each year) over a three-week period.

## DANCE BASE LIMITED

### DIRECTORS ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2010

#### Significant achievements in the year include:

##### Artistic programme

- We created a bursary and mentoring scheme for newly graduated young dancers
- We won the Jack Tinker Spirit of the Fringe Award 2009 for the Festival programme
- Together with the Festival Theatre and Unique Events, we created a platform of large-scale Scottish and internationally acclaimed work which toured Scotland to excellent reviews.
- We ran the extremely successful Dance:Film 09, a bi-annual dance film festival which was unique in the UK in its scope and reach
- We received more demand for professional residency space than we have available
- Our Artistic Director was invited to join Creative Scotland's Reference Group for the Performing Arts
- Our community classes are growing in number and popularity, with performance groups for teenagers and older dancers being created.

##### Marketing and PR

- We changed the sales pattern for courses to increase customer loyalty, spread the bookings workload more evenly and allow greater attention to be paid to new customers.
- We initiated regular taster days for new customers to try free classes.
- We worked with an outside supplier to build a new website (launched December 2008) and online booking system. Using the knowledge gained through this process, staff went on to create a completely new site (launched March 2010) without external assistance
- We restructured the Festival programme to increase seating capacity by 100% and audiences by 138% in 2009
- We successfully marketed a new 'Dance Base @ Out of the Blue Drill Hall' venue in the 2009 Festival Fringe, with the RAW aerial performance playing to 75% capacity.
- We set up a strategic partnership with The Skinny magazine to invent *The Shimmy Skinny* independent Festival dance magazine.
- We secured support from Scottish Arts Council's 'ambITion' programme to develop a new inhouse social networking site.
- We began to use social networking as a viral marketing tool to gain support from Dance Base users.
- We refreshed the Dance Base brand with an updated logo and new design scheme throughout all print and online publications, launched in March 2010.
- We trained seven student placements in various areas of marketing and PR.
- We increased the marketing support staff to 1.5 FTE by making savings in other areas of the standstill marketing budget.

##### Bookings and Front of House

- We successfully managed the new Festival schedule, with 9 shows on the hour every hour, thanks to the creation of a Tickets Coordinator's role for the month.
- By placing greater emphasis on part-time Duty Managers, we made it possible to open more frequently on Sundays
- Relocating the reception desk to a better position allowed greater control of building security and created a warmer and more immediate welcome for visitors to the building.
- We continued and improved the 'Moving On Up' advance booking scheme
- We started to offer online bookings for drop-in classes on the day of the class, shortening queues at busy times and making it easier for our customers to get what they want.

## DANCE BASE LIMITED

### DIRECTORS ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2010

#### Outreach

- **Creative Identities**
- This year has been dominated by the Creative Identities work supported by the 'Cashback to Communities' funding. This is a year-long Scottish Government programme targeting Looked After Children and Young Carers aged 12 to 19 years. We have delivered dance workshops for young carers and young people in care across the east of Scotland and they have been a notable success. Pilton Video is our partner in this work; other partners have included Barnardos, Scottish Young Carers, Howden Park Centre, and many others.
- **Wester Hailes Education Centre (WHEC) and the DanceFilm:09 Festival**  
The Outreach Programme was invited to submit a short film for this year's Dance Film Festival.
- **Skills Development Scotland: More Choices More Chances**  
In partnership with Skills Development Scotland, 4 young people were identified for our More Choices More Chances Programme. All 4 young people were Looked After and one was also a Young Carer. A selection of weekly classes was identified as suitable for the group to attend at Dance Base with support from our youth dance worker.
- **Panmure St Anne's Young People's Centre**  
Panmure St Anne's works with excluded young people preparing them for return to mainstream school provision. Now scheduled twice yearly into their school leavers programme, we now have as many as 10 transition-stage young people meeting for their classes at Dance Base.
- **Run Amuck performance group**  
*Run Amuck* is our first youth performance group. Their first public event was with the BBC who invited us to contribute to World Mental Health Day on October 10<sup>th</sup>. This film is currently on the BBC Video Nation website. The participants of *Run Amuck* are selected young people from outreach groups and community classes which the youth dance worker has taught.

#### Finance and administration

- We achieved an operating surplus for year to end March 2010 despite the widespread influence of economic recession, entirely through increasing our earned income
- We substantially increased the annual income from hires and events through the appointment of a dedicated member of staff. Demand for space has continued to grow.
- We met or exceeded all targets set in the funding agreement with the City of Edinburgh Council (CEC) and subsequently our grant was reduced by just a small percentage despite deep cuts across the Council.
- We achieved SAC project funding for: £8000 to run POOL a showcase of current new work from Scottish choreographers in partnership with The Traverse Theatre; £30,000 for GOLDEN a 2-year project to create a performance group of older dancers; £68,842 from the Resilience Fund to operate a 2-year pilot project to expand Dance Base's core programme to a new venue in Leith; £25,000 for the Catalyst Dance Management project; and £1,200 towards a stand at the British Dance Edition 2010 trade fair promoting Scottish dance artists.
- We received a Scottish Screen grant of £19,910 towards the very successful Dance:Film 09 festival.
- After successfully transforming the previously unused shop space at 16 Grassmarket into a hairdressing salon, we started to receive the rental income this year.
- Seven new directors have been appointed onto the Board

## DANCE BASE LIMITED

### DIRECTORS ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2010

#### **Financial Review**

The Board acknowledges the financial support of its principal funders: Scottish Arts Council and The City of Edinburgh Council, and the many charitable trusts and foundations that have contributed to supporting our revenue activities.

The principal funding sources were admission fees of £392,219, local authority core support of £53,000 and Scottish Arts Council core support of £303,000.

Four years ago our accounts were restated to be in accordance with the Accounting Standard Board's Statement of Recommended Practice (SORP) for Charities 2005. As a result, the balance sheet appears to demonstrate an extremely healthy position where total charity funds are just over £4.2 million. It is however important to understand that the majority of this amount is represented by £4,039,458 in respect of capital grants received to fund the construction of our four-studio dance centre in the Grassmarket in Edinburgh. The major part came from Scottish Arts Council Lottery funds. Under the terms of the grant award, Scottish Arts Council has a standard security over the property that would allow the Arts Council to repossess the property from the company in the unlikely event of an insolvent position arising. From July 1<sup>st</sup> 2010 this lien will be transferred to Creative Scotland.

#### **Investment Powers**

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the directors wish. The directors, having regard to the liquidity requirements of operating Dance Base and to the reserves policy, have previously operated a policy of depositing available funds on to the Money Market for two-month periods, seeking to achieve a rate of interest to match or exceed inflation as measured by the retail prices index. This year the interest rates available for such short-term deposits have been too low for this aim to be realised.

#### **Reserves policy**

The directors recognise their corporate responsibility to ensure that the company has sufficient reserves to fund present and future liabilities.

The company is working towards holding approximately three months' operating costs in reserve. At current rates, this would be around £100,000.

#### **Plans for future periods:-**

- Dance Base is proud to have been awarded £68,842 by SAC to refurbish the Thomas Morton Hall at Leith Theatre, turning it into the first satellite venue for Dance Base, with classes commencing September 2010
- We will continue to balance income generation from hires against the increasing size of the in-house artistic programme, incorporating the Thomas Morton Hall into this process
- We will fine-tune the Festival structure with a view to increasing accessibility and audience numbers.
- We will run a mini Dance:Film 10 festival and begin to plan Dance:Film 11
- We will further improve the web sales facilities.
- We will act as producers for the presentation of Scottish dance at the Shanghai Expo
- We will continue to find creative ways to maximise staff contribution with limited resources for remuneration
- We will update the software used on office computers
- We will continue to focus on energy efficiency and making the building environmentally friendly



**DANCE BASE LIMITED****DIRECTORS ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2010****STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the 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 company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the case of each of the persons who are directors at the time when the directors report is approved:

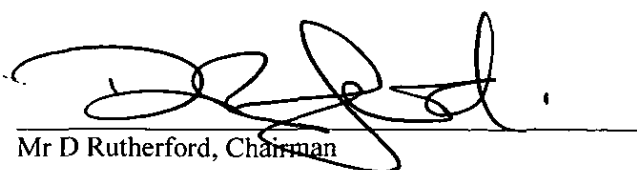
- so far as the director is aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Auditors**

McDonald Gordon & Co Ltd were appointed auditors to the company and are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

The directors confirm that the report has been prepared so as to comply with current statutory requirements and the charity SORP.

The report of the directors has been prepared taking advantage of the small companies exemption of Section 415A of the Companies Act 2006. It was approved by the board on 27 Sep<sup>r</sup> 2010 and signed on its behalf by:



Mr D Rutherford, Chairman

**DANCE BASE LIMITED****INDEPENDENT AUDITORS REPORT TO THE TRUSTEES AND MEMBERS OF  
DANCE BASE LIMITED**

We have audited the financial statements of Dance Base Ltd for the year ended 31 March 2010 which comprise the Statement of Financial Activities, Income and Expenditure Account, the Balance Sheet, and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditors**

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Directors' Responsibilities.

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with those Acts.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with those financial statements.

We also report to you if, in our opinion, the charity has not kept adequate and proper accounting records, if the charity's financial statements are not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Director's Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

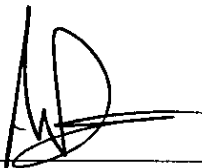
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard – Provisions Available for Small Entities, in the circumstances set out in note 14 to the financial statements.

**DANCE BASE LIMITED****INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF  
DANCE BASE LIMITED (continued)****Opinion**

In our opinion

- the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.



Walter Raymond Paterson, Senior Statutory Auditor

Date

5 October 2010

for and on behalf McDonald Gordon & Co Ltd, Chartered Certified Accountants and Statutory Auditors  
29 York Place  
Edinburgh  
EH1 3HP

McDonald Gordon & Co Ltd is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**DANCE BASE LIMITED****INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2010**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>	1,089,131	997,488
Cost of sales	<u>(893,643)</u>	<u>(840,939)</u>
<b>Gross surplus</b>	195,488	156,549
Administration expenses	<u>(400,285)</u>	<u>(371,345)</u>
<b>Operating deficit</b>	(204,797)	(214,796)
Interest receivable	865	3,727
Interest payable and similar charges	<u>-</u>	<u>-</u>
<b>Deficit on ordinary activities before and after taxation for the year</b>	(203,932)	(211,069)
Transfer from restricted capital funds	<u>252,462</u>	<u>253,068</u>
<b>Retained surplus for the year</b>	<u>48,530</u>	<u>41,999</u>

All results relate to continuing activities.

A statement of Total Recognised Gains and Losses is not shown as all gains and losses are recognised in the Income and Expenditure Account.

The notes on pages 13 to 21 form an integral part of these financial statements.

## DANCE BASE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2010

		Unrestricted Funds	Restricted Funds		2010 Total Funds	2009 Total Funds
	Note	£	Income £	Capital £	£	£
<b>Incoming resources</b>						
Incoming resources from generated funds:						
Voluntary income	4	376,881	196,989	-	573,870	521,179
Investment income	5	865	-	-	865	3,727
Incoming resources from charitable activities:						
Programme income	6	426,236	-	-	426,236	395,657
Hires		61,180	-	-	61,180	39,748
Other income	7	<u>22,161</u>	<u>5,684</u>	<u>-</u>	<u>27,845</u>	<u>40,904</u>
<b>Total incoming resources</b>		<u>887,323</u>	<u>202,673</u>	<u>-</u>	<u>1,089,996</u>	<u>1,001,215</u>
<b>Resources expended</b>						
Costs of generating funds:						
Costs of generating voluntary income	8	18,398	-	-	18,398	22,178
Charitable activities	9	810,610	185,058	252,462	1,248,130	1,137,251
Governance costs	10	15,810	-	-	15,810	14,453
Other expenditure		<u>5,906</u>	<u>5,684</u>	<u>-</u>	<u>11,590</u>	<u>38,402</u>
<b>Total resources expended</b>		<u>850,724</u>	<u>190,742</u>	<u>252,462</u>	<u>1,293,928</u>	<u>1,212,284</u>
<b>Net incoming/(outgoing) resources before transfers</b>		36,599	11,931	(252,462)	(203,932)	(211,069)
Gross transfers between funds		<u>2,843</u>	<u>(2,843)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net movement of funds in year</b>		<u>39,442</u>	<u>9,088</u>	<u>(252,462)</u>	<u>(203,932)</u>	<u>(211,069)</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>95,098</u>	<u>45,698</u>	<u>4,291,920</u>	<u>4,432,716</u>	<u>4,643,785</u>
<b>Total funds carried forward</b>		<u>134,540</u>	<u>54,786</u>	<u>4,039,458</u>	<u>4,228,784</u>	<u>4,432,716</u>

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

The notes on pages 13 to 21 form an integral part of these financial statements.

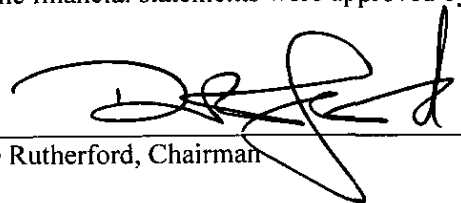
## DANCE BASE LIMITED

BALANCE SHEET  
AS AT 31 MARCH 2010

		2010		2009	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	15		4,136,204		4,393,703
<b>Current assets</b>					
Debtors	16	44,630		43,637	
Stock		344		-	
Cash at bank and in hand		<u>229,121</u>		<u>144,109</u>	
		<u>274,095</u>		<u>187,746</u>	
<b>Liabilities</b>					
Creditors falling due within one year	17	<u>(181,515)</u>		<u>(148,733)</u>	
<b>Net current assets</b>			<u>92,580</u>		<u>39,013</u>
<b>Net assets</b>			<u>4,228,784</u>		<u>4,432,716</u>
<b>The funds of the charity</b>					
Unrestricted income funds:					
General		114,540		95,098	
Designated		<u>20,000</u>		<u>-</u>	
Total unrestricted funds	19		134,540		95,098
Restricted funds:					
Income		54,786		45,698	
Capital		<u>4,039,458</u>		<u>4,291,920</u>	
Total restricted funds	19		<u>4,094,244</u>		<u>4,337,618</u>
<b>Total charity funds</b>			<u>4,228,784</u>		<u>4,432,716</u>

The accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board on 27 September 2010 and signed on its behalf by:-



\_\_\_\_\_  
D Rutherford, Chairman

Registration number: SC145736

The notes on pages 13 to 21 form an integral part of these financial statements.

**DANCE BASE LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2010****1. ACCOUNTING POLICIES****BASIS OF PREPARATION**

The financial statements have been prepared under the historic cost convention and in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Companies Act 2006. The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to prepare a cashflow on the grounds that it is a small company. The principal accounting policies adopted in the preparation of the financial statements are set out below.

**INCOMING RESOURCES**

Voluntary income comprises: all incoming resources from grants that provide core funding or are of a general nature, donations, legacies and sponsorships. Grants which do not have particular service requirements are included within this category of incoming resources. Income is recognised at such time as there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is only deferred where: The donor specifies that the grant or donation may only be expended in future accounting periods or conditions imposed by the donor which must be met before the charity has unconditional entitlement to the grant or donation have not been attained. In such circumstances income is credited to deferred income and accounted for as a liability.

Investment income comprises interest receivable on cash balances held in interest bearing deposits plus the interest on occasional Money Market deposits.

Income from charitable activities comprises income received under contract or where entitlement to grant funding is subject to particular service requirements. Such income is recognised as earned as the related services are provided. Income in this category principally relates to charges for the provision of dance classes and to income in connection with the hire of the charity's studio facilities. Income is deferred when hire income is received in respect of a future period or charges are made in advance of the event or services to which they relate.

**SPONSORSHIP IN KIND AND DONATED SERVICES AND FACILITIES**

Where services are provided to the charity as a donation or sponsorship in kind that would normally be purchased from our suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity.

**RESOURCES EXPENDED**

Expenditure is recognised when a liability is incurred. Contractual arrangements are recognised as goods or services are supplied.

- Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in activities that raise funds.
- Expenditure on charitable activities consists of expenditure associated with the various activities in furtherance of the charity's objectives and includes both the direct costs and support costs relating to these activities.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs relating to a specific activity are allocated directly to that activity. Where support costs relate to several activities they have been apportioned as set out in note 8.

## DANCE BASE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2010

#### OPERATING LEASES

Rental charges payable under operating leases where substantially all of the benefits and risk of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the terms of the lease.

#### TANGIBLE FIXED ASSETS

Individual fixed assets costing £500 or more are capitalised at cost.

Tangible fixed assets are depreciated on a straight line basis over their estimated useful lives as follows:-

Shop fit out	10 years straight line
Freehold land and buildings	4% straight line basis
Fixtures and fittings	20% straight line basis
Computers	33.3% straight line basis

#### GRANTS FOR THE PURCHASE OF FIXED ASSETS

Grants received by the Charity which are specifically for the purchase of fixed assets are recognised as incoming resources in the Statement of Financial Activities when receivable. The relevant fund in which the net book value of assets so acquired is reflected is then reduced over the economic life of the asset in line with its depreciation.

Capital grant releases are recognised as transfers to the income & expenditure account.

#### FUNDS STRUCTURE

The Charity has various types of funds which require to be separately disclosed as follows:-

**Unrestricted funds** are funds which are expendable at the discretion of the Board in furtherance of the objects of the charity.

**Designated funds** are unrestricted funds earmarked by the directors to be used for a particular purpose in the future.

**Restricted funds** are funds to account for situations where a donor requires that a donation can only be spent on a particular purpose or where funds have been raised for a specific purpose. Related expenditure is identified to the fund, together with a fair reflection of support costs.

Restricted funds are further sub-divided into **Capital restricted funds** and **Income restricted funds**. The former represents restricted funds provided for capital projects, with the latter category representing all other restricted funds of the charity.

## 2. LEGAL STATUS OF THE CHARITY

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

## 3. TRANSACTIONS WITH DIRECTORS

None of the directors of the company received any remuneration during the year or in the previous year for acting in the capacity of director. During the year one of the directors, Steinvor Palsson, was paid £6,626 (2009 - £8,489) for teaching classes and workshops



## DANCE BASE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2010**

**4. VOLUNTARY INCOME**

		<b>Unrestricted</b>	<b>Restricted</b>	<b>2010</b>	<b>2009</b>
	<b>Note</b>	<b>£</b>	<b>£</b>	<b>Total</b>	<b>Total</b>
				<b>£</b>	<b>£</b>
Grants including income from trusts and foundations	4A	359,000	196,989	555,989	488,081
Sponsorship in kind		-	-	-	-
Public donations		<u>17,881</u>	<u>-</u>	<u>17,881</u>	<u>33,098</u>
		<u>376,881</u>	<u>196,989</u>	<u>573,870</u>	<u>521,179</u>

**4A. GRANTS INCLUDING INCOME FROM TRUSTS AND FOUNDATIONS**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>	<b>Total</b>	<b>Total</b>
			<b>£</b>	<b>£</b>
SAC – Revenue	303,000	-	303,000	303,000
SAC – Organisational development	-	18,097	18,097	30,000
SAC – Dublin festival	-	-	-	30,000
SAC – Catalyst productions	-	25,000	25,000	12,000
SAC – LEARN project	-	-	-	6,250
SAC – POOL	-	8,000	8,000	619
SAC – Other	-	4,398	4,398	2,575
Dance : Film 09	-	20,810	20,810	-
CEC – Other	3,000	-	3,000	4,000
CEC – Revenue	53,000	-	53,000	53,000
Youth dance work	-	-	-	40,331
Festival grant	-	64,026	64,026	-
Other project grants	-	56,658	56,658	556
Other income	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,750</u>
	<u>359,000</u>	<u>196,989</u>	<u>555,989</u>	<u>488,081</u>

**5. INVESTMENT INCOME**

The Charity's investment income arises from an interest bearing deposit account plus the interest on occasional Money Market deposits.

## DANCE BASE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2010**

**6. PROGRAMME INCOME**

The income primarily relates to admission fees to the dance programmes operated by the charity.

	Unrestricted £	Restricted £	2010 Total £	2009 Total £
Community programme	365,724	-	365,724	353,782
Professional programme	26,495	-	26,495	23,993
Educational and outreach programme	1,456	-	1,456	3,568
Other income	<u>32,561</u>	<u>-</u>	<u>32,561</u>	<u>14,314</u>
	<u>426,236</u>	<u>-</u>	<u>426,236</u>	<u>395,657</u>

**7. OTHER INCOME**

	Unrestricted £	Restricted £	2010 Total £	2009 Total £
Rental income	15,591	-	15,591	1,167
Scottish Executive secondment	-	5,684	5,684	32,633
Other income	<u>6,570</u>	<u>-</u>	<u>6,570</u>	<u>7,104</u>
	<u>22,161</u>	<u>5,684</u>	<u>27,845</u>	<u>40,904</u>

**8. ANALYSIS OF COST OF GENERATING VOLUNTARY INCOME**

	Unrestricted £	Restricted £	2010 Total £	2009 Total £
Salary costs	16,798	-	16,798	19,944
Support costs - note 10	890	-	890	802
Other costs	<u>710</u>	<u>-</u>	<u>710</u>	<u>1,432</u>
	<u>18,398</u>	<u>-</u>	<u>18,398</u>	<u>22,178</u>

**9. ANALYSIS OF CHARITABLE EXPENDITURE**

The charity undertakes direct charitable activities only and does not make grant payments.

	Unrestricted Funds £	Income £	Restricted Funds Capital £	Restricted Funds Total £	2010 Total £	2009 Total £
Programme/project costs	277,537	157,637	-	157,637	435,174	370,931
Premises costs	111,238	-	252,462	252,462	363,700	364,460
Marketing	73,111	10,069	-	10,069	83,180	67,146
Support costs – note 10	<u>348,724</u>	<u>17,352</u>	<u>-</u>	<u>17,352</u>	<u>366,076</u>	<u>334,714</u>
	<u>810,610</u>	<u>185,058</u>	<u>252,462</u>	<u>437,520</u>	<u>1,248,130</u>	<u>1,137,251</u>

## DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 MARCH 2010

## 10. ANALYSIS OF SUPPORT COSTS

	Operation of programmes	Cost of generating voluntary Income	Governance	2010 Total	2009 Total
	£	£	£	£	£
External audit	-	-	3,800	3,800	3,625
Legal and professional fees	14,458	-	-	14,458	8,413
Salary costs	309,304	-	11,214	320,518	295,944
Telephone, stationery and computer costs	22,001	890	796	23,687	21,318
Interest and charges	869	-	-	869	2,891
Miscellaneous costs	<u>18,520</u>	<u>-</u>	<u>-</u>	<u>18,520</u>	<u>17,778</u>
	<u>365,152</u>	<u>890</u>	<u>15,810</u>	<u>381,852</u>	<u>349,969</u>

Salary costs have been allocated to activities on the basis of an estimate of the time spent by a particular member of staff on an activity. Other costs which cannot be directly allocated to a specific activity have been allocated to activities based on estimated usage.

## 11. ANALYSIS OF STAFF COSTS

	2010 Total	2009 Total
	£	£
Salaries and wages	372,620	396,888
Social security costs	31,025	32,749

There were no employees (2009 – nil) who received emoluments above £60,000 during the year.

## 12. STAFF NUMBERS

The average number of full-time equivalent employees (including casual and part time staff) during the year was as follows:-

	2010 Number	2009 Number
Education and outreach programme	2	2
Box office and front of house	7	7
Other staff	9	9
Fundraising	1	1

It is not possible to allocate staff members disclosed as “other staff” to specific activities as they participate in a number of activities.

## 13. TAXATION

The company is a registered charity and as such its activities fall within the exemptions afforded by Section 505 of the Income and Corporation Taxes Act 1988. Accordingly, no provision is considered necessary for taxation.

## DANCE BASE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2010**

**14. NET MOVEMENT OF FUNDS IN YEAR**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
This is stated after charging –		
Depreciation – owned tangible fixed assets	267,781	270,021
Auditors remuneration	3,800	3,625
Operating lease rentals – hire of equipment	6,848	6,440

The auditor's remuneration of £3,800 (2009 - £3,625) related solely to the audit with additional accountancy work undertaken of £0 (2009 - £0).

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statements.

**15. TANGIBLE FIXED ASSETS**

	<b>Freehold land and buildings £</b>	<b>Shop fit-out costs £</b>	<b>Fixtures &amp; fittings £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost:</b>					
As at 1 April 2009	6,431,770	3,569	87,673	18,536	6,541,548
Additions	-	-	4,711	4,770	9,481
Disposals	-	-	<u>(13,480)</u>	<u>(5,276)</u>	<u>(18,756)</u>
As at 31 March 2010	<u>6,431,770</u>	<u>3,569</u>	<u>78,904</u>	<u>18,030</u>	<u>6,532,273</u>
<b>Depreciation</b>					
As at 1 April 2009	2,057,755	357	73,831	15,026	2,146,969
Charge for the year	257,271	357	5,128	5,100	267,856
Eliminated on disposal	-	-	<u>(13,480)</u>	<u>(5,276)</u>	<u>(18,756)</u>
As at 31 March 2010	<u>2,315,026</u>	<u>714</u>	<u>65,479</u>	<u>14,850</u>	<u>2,396,069</u>
<b>Net book value</b>					
As at 31 March 2010	<u>4,116,744</u>	<u>2,855</u>	<u>13,425</u>	<u>3,180</u>	<u>4,136,204</u>
As at 1 April 2009	<u>4,374,015</u>	<u>3,212</u>	<u>12,966</u>	<u>3,510</u>	<u>4,393,703</u>

The company has granted a security over its freehold land and buildings to the Scottish Arts Council in respect of all obligations undertaken in terms of the funding agreement between the company and SAC.

**16. DEBTORS**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Trade debtors	9,497	9,727
Other debtors	107	826
Prepayments and accrued income	<u>35,026</u>	<u>33,084</u>
	<u>44,630</u>	<u>43,637</u>

## DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 MARCH 2010

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ON YEAR	2010	2009
	£	£
Trade creditors	18,991	43,710
Taxes and social security costs	29,482	28,279
Other creditors and accruals	19,930	25,840
Deferred income – note 18	<u>113,112</u>	<u>50,904</u>
	<u>181,515</u>	<u>148,733</u>

## 18. DEFERRED INCOME

Deferred income comprises programme income relating to a future events together with the element of grant funding which the donor has either specified must be spent in a future period or where the donor has imposed various conditions in relation to the grant which have not been attained as at the balance sheet date.

	Programme Income £	Grants £	2010 Total £	2009 Total £
Balance as at 1 April 2009	50,904	-	50,904	71,344
Amount released to incoming resources	(50,904)	-	(50,904)	(71,344)
Amount deferred in year	<u>85,484</u>	<u>27,628</u>	<u>113,112</u>	<u>50,904</u>
Balance as at 31 March 2010	<u>85,484</u>	<u>27,628</u>	<u>113,112</u>	<u>50,904</u>

## 19. ANALYSIS OF CHARITABLE FUNDS

	Balance at 31 March 2009 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2010 £
<b>Unrestricted</b>					
General fund	<u>95,098</u>	<u>887,323</u>	<u>(850,724)</u>	<u>(17,157)</u>	<u>114,540</u>
<b>Designated</b>					
Major repairs & maintenance	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
<b>Total unrestricted</b>	<u>95,098</u>	<u>887,323</u>	<u>(850,724)</u>	<u>2,843</u>	<u>134,540</u>
<b>Restricted – income funds</b>					
Youth dance work	6,368	-	(3,577)	-	2,791
Catalyst Productions	-	25,000	(25,000)	-	-
LEARN project	6,092	-	(1,830)	-	4,262
POOL project	-	8,000	(6,777)	(1,223)	-
Organisational Development	28,238	18,097	(14,140)	-	32,195
HBOS – Community Foundation	5,000	-	(4,098)	-	902
Scottish Executive secondment	-	5,684	(5,684)	-	-
Culture Ireland	-	64,026	(62,406)	(1,620)	-
Dance : Film 09	-	20,810	(20,810)	-	-
Scottish Screen – Creative Identities	-	52,258	(37,622)	-	14,636
Other restricted funds	<u>-</u>	<u>8,798</u>	<u>(8,798)</u>	<u>-</u>	<u>-</u>
<b>Total restricted</b>	<u>45,698</u>	<u>202,673</u>	<u>(190,742)</u>	<u>(2,843)</u>	<u>54,786</u>
<b>Restricted – capital funds</b>					
Grassmarket capital grants	<u>4,291,920</u>	<u>-</u>	<u>(252,462)</u>	<u>-</u>	<u>4,039,458</u>
<b>Total restricted</b>	<u>4,337,618</u>	<u>202,673</u>	<u>(443,204)</u>	<u>(2,843)</u>	<u>4,094,244</u>
<b>TOTAL FUNDS</b>	<u>4,432,716</u>	<u>1,089,996</u>	<u>(1,293,928)</u>	<u>-</u>	<u>4,228,784</u>

## DANCE BASE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2010**

**19. ANALYSIS OF CHARITABLE FUNDS (continued)****RESTRICTED FUNDS**

**Youth dance work** – this represents funding from a number of sources towards working in dance with young people who have additional support needs.

**Catalyst Productions** – this represents funding received from SAC to continue to provide management services to selected dance companies and individual artists.

**LEARN project** – this represents funding received from SAC towards the cost of training dance teachers to support disadvantaged young people.

**POOL project** – this represents funding received from SAC towards the costs of a programme of new Scottish work selected by four Scottish dance centres.

**Organisational Development** - this represents funding received from SAC towards a training and mentoring programme for artistic directors of dance companies.

**HBOS Community Foundation** - this represents funding received from HBOS towards the installation of play equipment for children and young people with additional support needs.

**Scottish Government secondment** - this represents monies received from the Scottish Government in connection with the secondment of one of Dance Base's employees to that body.

**Grassmarket capital grants** - this represents funding received from a number of bodies towards the cost of the purchase and improvement of the building in the Grassmarket.

**Culture Ireland** – this represents funding towards the presentation of Irish dance performances in the Festival.

**Dance:Film 09** – this represents funding received from Scottish Screen towards the costs of a dance film festival in May 2009.

**Creative Identities** – this represents funding received towards the cost of an outreach programme targeted at Looked After children and Young Carers.

**TRANSFERS BETWEEN FUNDS**

Where, after accounting for direct costs, there is a surplus in relation to a project funded by a restricted fund, it is the charity's policy to make a charge of approximately 10% of the direct costs as a contribution to premises and support costs. This is accounted for as a transfer between restricted and unrestricted funds.

**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>General Fund £</b>	<b>Designated Funds £</b>	<b>Restricted Funds £</b>	<b>Total £</b>
Tangible fixed assets	96,746	-	4,039,458	4,136,204
Cash at bank and in hand	154,335	20,000	54,786	229,121
Other net current assets/(liabilities)	<u>(136,541)</u>	<u>-</u>	<u>-</u>	<u>(136,541)</u>
	<u>114,540</u>	<u>20,000</u>	<u>4,094,244</u>	<u>4,228,784</u>

**DANCE BASE LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 MARCH 2010****21. OPERATING LEASE COMMITMENTS**

At 31 March 2010 the company had annual commitments under non-cancellable operating leases in respect of various items of equipment as follows:-

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Expiry date:		
Within one year	6,117	5,026