

DANCE BASE LIMITED

**DIRECTORS REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**



Company No: 145736 (Scotland)

DANCE BASE LIMITED

DIRECTORS REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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DANCE BASE LIMITED

DIRECTORS ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors are pleased to present their report together with the financial statements of the charity for the year ended 31st March 2019 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Chair's Report

Dance Base has had a successful year in delivering a wide range of community dance and participatory activities to people across many different areas of the community whilst maintaining a stable financial position for the period under review. Due to changes in staff during the period, our fundraising capacity during the year was somewhat limited, however the directors and the senior team will be considering the future approach to fundraising to strengthen this fundamental activity. Our plans are progressing to continue to expand the crucial role Dance Base plays in the Scottish arts sector, as one of the pivotal organisations for supporting and promoting dance and dance artists, and for making dance accessible and enjoyable for everyone.

As noted in our previous year's financial statements, our former Chief Executive Jenny Langlands left the organisation in June 2018 at which time our General Manager Matt Roe took on an Interim Chief Executive position to oversee operational management. Following a recruitment exercise in autumn 2018, Emma Stewart-Jones was appointed as Chief Executive and took up the role at the beginning of [February 2019] however, she left the organisation in [mid-March 2019]. Matt has stepped up to provide appropriate leadership again for the company in the subsequent period, providing continuity of operations together with senior management stability whilst other members of the senior team have also taken on additional responsibilities. The Directors together with the senior management team are reviewing the leadership structure of the company including that of the Chief Executive relative to the future needs of the organisation and will formalise any appropriate changes in due course.

Our Edinburgh Fringe Programme continues to go from strength to strength. For the August 2018 Fringe programme, a record 10,000 tickets were sold. This was accompanied by an excellent press reaction with many five stars and four star reviews. Three out of the five nominations for dance in the Total Theatre Awards were in our programme. Whilst into the next financial year, we would highlight that the Fringe Programme in August 19 has been particularly externally recognised to critical acclaim, with being awarded "Herald Angel" and "Herald Archangel awards. I'm extremely proud that we continue to maintain our reputation for presenting national and international work of a significant and quality standard. While at the same time, as mentioned previously, maintaining our close link with our local community and professional sector.

Following the close of the financial year, we have successfully recruited a new Dance for Health Manager, Megan Bidwell, with part of her responsibilities entailing fundraising for the Dance for Parkinson's Scotland programme and then for other outreach projects.

Our Purposes and Activities

The purposes 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
- 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.

DANCE BASE LIMITED

DIRECTORS ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019 (continued)

The vision that shapes our activities remains:

- Using dance as part of our lifestyle, breaking down cultural barriers, and helping people to be healthier, happier and to have fun
- Engaging more people in dance from all areas of the community
- Raising the standards of professional dance

Dance Base supports new, emerging and established dancers and choreographers across a range of styles. We respond to the changing needs of the professional dance community, cultivating awareness of choreographic trends and teaching styles. We are passionate in our commitment to community engagement and widening participation. And we provide a hub that connects the very best creative talent locally, nationally and internationally and gets more people dancing.

In shaping and planning our activities, our programmes encompass the following aims:

- Providing accessible, enjoyable and diverse artistic programmes of the highest possible quality for dancers of all ages and abilities that increase physical, emotional and creative well-being in all participants and performers
- Ensuring that all Dance Base activities take place within a safe, well-managed environment
- Expanding audiences for dance; increasing public and media awareness of Dance Base's public, professional and outreach activities
- Sourcing and managing the finances of Dance Base in an efficient, transparent and professional manner.

Achievements and Performance

Accessible, enjoyable and diverse artistic programmes for dancers of all ages and abilities

- **Participatory dance opportunities**

Classes

Dance Base has had a successful year to end of March 2019 in delivering a wide range of community dance and participatory activities to people across many different areas of the community.

Key achievements include the delivery of over 100 classes in more than 40 different forms of dance over 36 weeks of the year, embracing cultures and traditions from across the world. Each week, more than 1,800 dancers come through our doors, including mums with babies, toddlers, young dancers and lively groups of older dancers.

This participation programme generates a significant proportion of income from charitable activities but the cost of these classes is regularly assessed to ensure we remain accessible. We had a reasonably successful year, with income from our participation programme of £357,782. This was slightly up on the income for the previous year (£347,819), despite a disappointing attendance at the Easter school and deciding to move our Christmas show in-house, resulting in fewer seats for sale (but also substantially lower costs).

The way that secret shoppers are co-ordinated to visit and monitor our classes was restructured and re-organised during the year to ensure continuity and consistency.

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DIRECTORS ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019 (continued)

Every term we organise a range of different workshops with top-class tutors offering participants the opportunity to hone their skills or try something new. We again ran the hugely popular Summer Sessions and Summer Dance Intensive (for ages 13-19), as well as holiday schools for young people, covering street dance, parkour and puppetry.

Our **Lothians Youth Dance Company** worked with three professional Scottish-based choreographers during the year. They performed in dance festivals in Dundee and Perth, as well as giving nine performances of *Splashmob* in the Dance Base Edinburgh Fringe programme, in collaboration with our elders company, PRIME, and Scottish Dance Theatre's Creative Learning performance group.

We have continued to deliver a range of free classes to people from diverse backgrounds. During the year we delivered:

- **Dance for Parkinson's Scotland:** in partnership with Scottish Ballet we continued the weekly programme of dance workshops in Edinburgh for people living with Parkinson's, their caregivers, family members and friends, as well as delivering training sessions for our teachers, musicians and volunteers. Thanks to a second large grant from the Paul Hamlyn Foundation, we began to roll this programme out across Scotland with a carefully designed programme of training and support for new teachers, musicians and volunteers. The funding enabled us to create two new part-time posts, one for delivery and one for supporting the various partners around the country and ensuring that the roll-out goes as well as possible.
- **Step in Time:** we delivered weekly classes, especially designed for people with very limited mobility, in two day centres. A short film of the activities should be ready soon.
- **Everybody Dance Now:** a weekly programme of dance workshops was delivered in three special schools around Edinburgh to a total of 130 learning disabled young people. This programme was aimed at improving the personal, social, educational and creative development of young people with disabilities.
- **Royal Hospital for Sick Children:** the Sick Kids Foundation has funded the delivery of weekly dance sessions, with our dance artist working with resident physiotherapists at bedsides and in communal areas. This was the subject of a very moving short TV feature on the CBBC *Hospital Superheroes* programme.
- **Great Feats:** a weekly programme for young people not in education, employment and training. This group met on two days a week during term-time to take part in a mixed programme of dance workshops, food preparation and talks designed to improve their confidence and life skills. During the year, it was decided to stop this programme in its current format due to limited take-up from the target group. Instead, we opened discussions with other partners working with this group of vulnerable young people in other venues around the city.

Dance Base continued to deliver the highly valued meetings of the Dancing Scotland network. Three day-long workshops and discussion sessions were organised, usually with theatre performances in the evening to enable members to network unofficially. We have now received a small project grant from Creative Scotland to facilitate the next step in the development of the network as an independent organisation.

- **Professional dance activities**

During the financial year Dance Base delivered an extremely strong professional programme aimed at supporting and developing the professional dance community in Scotland. This has been achieved through the delivery of our:

DANCE BASE LIMITED

DIRECTORS ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019 (continued)

- **Residency programme:** Two studios are dedicated for the exclusive use of dance professionals throughout the year. The studios are used from 9am until 5pm each day, to create new work either alone, or with a company. Artists for each term are selected through an open application process. At the end of the residency, which may be one or two weeks long, there is usually a company showing, open to the public. In all, 50 different artists/companies were supported in this way. In partnership with Live Borders, we also offered 2 residencies in Selkirk.
- **Regular professional classes** are also delivered by first-class teachers and companies in residence. In all, 2,244 (in 2017-18 it was 1,687) dancers took class here.
- **The Fringe programme:** This brings together dance artists from across the world, giving Scottish artists the opportunity to perform their work alongside international artists and to engage with new and established audiences. In August 2018 we presented twenty-four different programmes, including a good representation from Scotland. This programme was an outstanding success, garnering excellent reviews and attracting our highest-ever attendance in a non-British Council year, selling over 10,000 tickets, compared with just over 7,500 in 2016.
- **Showcases:** Our summer showcase takes place during the Fringe and is titled *Heads Up*. We also arranged for Scottish artists to appear in platforms in Newcastle and Leeds.
- In the autumn we trialled a new development of our long-standing termly showcase, by working with Associate Artist Claricia Parinussa on the ID.Y Fest, aiming to celebrate identity, difference and connection. The festival involved live performances, film screenings and a focus on underground ballroom culture including workshops, a panel talk, DJs and a vogue ball. This proved very successful.
- **PRIME:** Scotland's first semi-professional elders company, in conjunction with our own Lothians Youth Dance Company, gave 18 outdoor performances of the newly commissioned *Splashmob*, inspired by the Glasgow 2018 European Championships mascot Bonnie the Seal. They then took part in the *Glimpse* project, a weekend of performances at the Scottish Arts Club in March, thanks to funding from the Royal Military Tattoo New Work fund.
- **Catalyst Dance Management** is Dance Base's strand that provides artist development support to Scottish-based independent dance artists. During the second year of working with our five Associate Artists, all were successful in raising project funds from Creative Scotland; one was selected as one of an international platform's Top Twenty Young Choreographers 2019 and two had international residencies set up for them. Towards the end of the year we advertised for another two Associates to replace two who were moving on; the response was gratifyingly high and in the end three additional high-quality Associates were selected.
- We continued to build on international connections in Taiwan, Korea, India and Scandinavia. In particular, we were able to host two management placements from Hong Kong in summer 2018.

Ensure that all Dance Base activities take place within a safe, well-managed environment

Dance Base has again improved the building's accessibility by commissioning new signage throughout the building, designed to be more friendly for people with dementia or visual impairments. We were delighted to become the first venue to achieve Level 3 accessibility in the new Fringe Venue Access award scheme.

We have made improvements in IT services, improving business processes, Box Office systems and IT infrastructure, together with successfully implementing and sustaining the new practices to enable us to comply with the new General Data Protection Regulations (GDPR).

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DIRECTORS ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019 (continued)

We continued with our process of changing all internal lighting, wherever possible, to LED lighting, to reduce carbon use and costs. We continue to monitor all carbon use in order to reduce output.

The building work next door finished in time for an opening in the spring and did not prove to be anything like as disruptive as we had originally feared.

Expand audiences for dance, and increase public and media awareness of Dance Base's public, professional and outreach activities

Our major success was achieving the largest-ever audience for our Fringe performances in a non-British Council year through an attractive programme combined with a carefully crafted communications strategy, resulting in more than 10,000 tickets sold. This was also the most-praised Fringe campaign to date, with three out of the five shows nominated in the Dance category at the Total Theatre awards being part of the Dance Base programme.

A particular push this year has been to enhance our appearance on social media and engage with a younger audience.

- Our Instagram following more than doubled in the last year, from 1,000 to 2,240
- Our Twitter following has likewise continued to grow and is currently more than 7,700
- Our Facebook page currently has just over 4,500 'likes' and over 4,600 followers

In partnership with Scottish Ballet, we ran a press and media campaign for the roll-out of the Dance for Parkinson's programme, which resulted in coverage on STV, BBC Radio Scotland, BBC Alba and The Times (Scotland).

Dance Base was chosen to be a Gold-level partner with BBC *#DancePassion*, with PRIME appearing in the BBC mobile film *Flight*, filmed in BBC Scotland's headquarters at Pacific Quay in Glasgow.

Source and manage the finances of Dance Base in an efficient, transparent and professional manner

Due to changes in staff, our fundraising capacity during the year was somewhat limited. We did manage to raise £2,000 from the Nancie Massey Trust to support our work with people in day centres and were the recipient of grants totalling £15,772 for dance development work in Dumfries & Galloway.

Financial Review

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

The principal funding sources were participation programme income of £357,782; hire income of £42,877; local authority support of £44,204 and Creative Scotland support of £400,000. This was the first year of our three-year funding agreement with Creative Scotland, which is of course subject to their continuing to receive their own grant from the Scottish Government. The results of the local authority review of its policy towards Third Sector organisations are expected imminently; in the meantime, a slight reduction in funding has been agreed for 2019-20.

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DIRECTORS ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019 (continued)

The organisation's aim has been to achieve a break-even position, or even a small surplus, during each of the past three years in order to cushion the core operating costs in the event of either of our funders not being able to keep their funding at even the present levels. This we have achieved by increasing income from classes and courses, Fringe performance tickets and donations from trusts and foundations.

The balance sheet appears to demonstrate an extremely healthy position where total charity funds are just over £2.3million. It is however important to understand that most of this amount is represented by approximately £2 million 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 had a standard security over the property that would allow the Arts Council to recover the property from the company in the unlikely event of an insolvent position arising. From July 1st 2010 this security has been 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 decided to spread most of the available funds across a range of interest-bearing deposit accounts, with a maximum of £85,000 in each, seeking to achieve a rate on deposit which matches or exceeds inflation as measured by the retail prices index. Due to wider economic circumstances, deposit rates have remained extremely low, so this aim was again not achieved in the year.

Reserves policy

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

The company's policy is to hold a minimum of three months' operating costs in unrestricted reserves. At current rates, this would be around £225,000. At the end of the year under review, unrestricted funds had reduced to £220,611, thus slightly below the minimum requirement. However, the net current assets were only £243,485, which leaves 'free funds' at £159,178 once the restricted funds have been taken out. Given the current situation of continuous and repeated cuts in Government funding, we think it prudent to seek to increase these funds wherever, and whenever possible.

Plans for future periods

As well as our normal programme of classes and workshops, in 2019-20 we plan to achieve the following:

- Sell more than 11,000 tickets for our Fringe performances
- Secure two non-Scottish residencies for Associate Artists
- Support all Associate Artists to submit applications for funding to Creative Scotland
- Set up a Canada-Scotland artist exchange
- Participate in one European Dance House network Atelier
- Develop a working relationship with Shetland Arts
- Organise 8 formal sessions across Scotland of advice and guidance to professional dance artists
- Present PRIME workshops and a performance as part of *Luminate*: Scotland's creative aging festival
- Deliver the dance element of *Urban Arts*, a partnership project for vulnerable young people in partnership with the City of Edinburgh Council Lifelong Learning and other third sector organisations
- Deliver weekly creative dance sessions for older people in two care homes in Edinburgh
- In partnership with Scottish Ballet, deliver 8 classes a week in Edinburgh, Glasgow, Aberdeen, Dundee, Greenock and Kilmarnock under the Dance for Parkinson's Scotland programme
- Support existing DfPS hubs to become self-sustaining by March 2020 and develop 3 new regional hubs
- Secure additional funding of £17,000 for Year 2 of the DfPS programme
- Commission three professional choreographers to produce work for LYDC

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DIRECTORS ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019 (continued)

- Secure additional funding of £15,000 to continue the work for LYDC once the Leverhulme Trust money finishes in autumn 2019
- Develop a new partnership with Intercultural Youth Scotland, by offering a weekly dance class for BAME young people, working towards a dance piece to be performed as part of Black History month
- Support the Dancing Scotland Network to apply for funding to expand the network and the programme
- Organise a youth exchange project incorporating tradition Basque dancing and traditional Highland dancing in collaboration with Atlantikaldia in northern Spain
- Increase our income from the participation programme by reviewing course and drop-in sales, aiming for total income of £329,000
- Explore streaming of Associate Artist residency showings
- Explore possibilities and timeline for a Dance Base rebrand

Directors' responsibilities in relation to the financial statements

The directors, who are trustees for the purposes of charity law, 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, which give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure, of the company for that period. In preparing those financial statements, the directors 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 directors are 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 they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that the accounts have been prepared so as to comply with current statutory requirements, the charity SORP (FRS102) and the company's own governing document.

DANCE BASE LIMITED**DIRECTORS ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019 (continued)****Reference and administrative details**

Scottish Charity number: SC022512

Company registration number: SC145736

Registered Office

14 – 16 Grassmarket, Edinburgh EH1 2JU

Auditors

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

Bankers

CAF Bank Ltd and Bank of Scotland

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:

Edward Crozier (Chair)

Simon Guest (Vice Chair; resigned 19 November 2018)

Paul Blair (resigned 19 November 2018)

Robert Dawson Scott (appointed 25 June 2018)

Fiona Hendry

Kirstee Macbeth

Ashley Shannon (Vice Chair from 19 November 2018)

Councillor Donald Wilson

Elizabeth Mitchell (resigned 25 June 2018)

Donald Simpson (appointed 23 September 2019)

Holly Wagner (appointed 23 September 2019)

Chief Executive Officer:

Vacant (position under review as noted in the Chair's Report above)

Company Secretary

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

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DIRECTORS ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019 (continued)

Structure, Governance and Management

Dance Base Limited is a Scottish registered company limited by guarantee and governed by its Memorandum and Articles of Association dated 28 March 1994, amended on 29 June 2009. 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

New Board members are recruited through public advertisement and personal contact; applicants are provided with a full pack of company information which includes the business plan, current and future budgets, staff information, Board responsibilities and the most recent audited accounts. The Nominations Committee of the Board is responsible for the process of recruitment and appointment, using a current audit of Board skills. The composition of the Board is a regular item on the Board agenda.

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. At the 2015 AGM it was also decided to elect a Vice Chair. There has to be a director appointed from the City of Edinburgh Council and up to 12 further elected directors. Elected Directors are invited to serve an initial 3-year term of office. At the end of this term they may be eligible for one further term. This may be extended for a restricted period and in specific circumstances at the Board's discretion.

Directors' induction and training

All new directors are invited to come and meet senior staff before their first Board meeting as part of their familiarisation and induction process. All 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 five times a year; 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 communications.

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 Creative Scotland. The City of Edinburgh Council contributes towards the costs of the participation department. The scope of the company's work extends to working with theatres, festivals, arts organisations, schools, community centres, local authorities, social services and day centres, primarily in the Edinburgh area but also further afield in Scotland, as well as national and international dance agencies, promoters and companies.

Pay policy

The directors consider the board of directors and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the organisation on a day to day basis. All directors give of their time freely and no director received remuneration in the year. Details of directors' expenses are disclosed in note 3 to the accounts.

DANCE BASE LIMITED

DIRECTORS ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019 (continued)

Directors are guided by the annual change in the CPI and the current financial position of the organisation when determining staff remuneration. Despite the current difficult financial circumstances, the Trustees have managed to increase the pay of all staff by 1% for 2019-20. They recognise the hard work, loyalty and dedication of all paid team members, so will seek to continue to make some sort of pay award, even as the pressure on available funds increases and the full cost of employer pension contributions kicks in. The Board will periodically look at comparable organisations to review posts and pay ranges.

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 is updated and reviewed by the Board annually. A key element in the management of financial risk is the setting of a reserves policy which is also regularly reviewed by the directors. The major risks to the financial performance and position of the charity, all of which have associated mitigation strategies in place, are:

- the withdrawal or reduction in Creative Scotland funding
- a downturn in the income for courses and classes
- a downturn in the ticket income for Fringe Festival performances
- a failure to meet fundraising targets
- failure of financial management
- non-compliance with relevant legislation.

Statement as to disclosure to our auditors

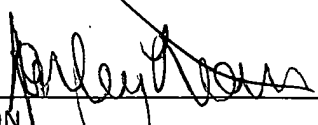
In so far as the directors are aware at the time of approving our directors annual report:

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

The directors confirm that the accounts have been prepared so as to comply with current statutory requirements, the charity SORP (FRS102) and the company's own governing document.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

It was approved by the board on 26 September 2019 and signed on its behalf by:



 A SHANNON
 DIRECTOR, DANCE BASE

DANCE BASE LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND
MEMBERS OF DANCE BASE LIMITED****Opinion**

We have audited the financial statements of Dance Base Ltd for the year ended 31 March 2019 as set out on pages 14 to 32 which comprise the Statement of Financial Activities (including income and expenditure account), the Balance Sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

DANCE BASE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF DANCE BASE 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 directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities (Accounts) Scotland Regulations 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors (who are also trustees of the charitable company under charity 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 directors 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 directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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 section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under 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 the 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 judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

DANCE BASE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF DANCE BASE LIMITED

Auditor's responsibilities for the audit of the financial statements (continued)

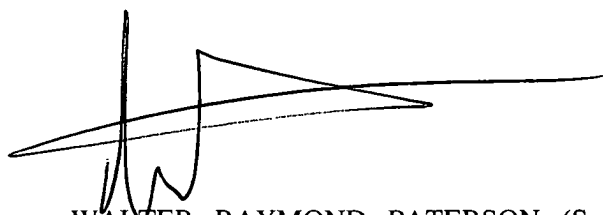
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. 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 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 entity or business activities of the charitable company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006 and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities (Accounts) Scotland Regulations 2006. Our audit work has been undertaken so that we might state to the company's members and Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, the company's members as a body, and the charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

30 September 2019



WALTER RAYMOND PATERSON (Senior Statutory Auditor)

For and on behalf of
McDONALD GORDON & CO LTD
Chartered Certified Accountants
& Statutory Auditor

29 York Place
Edinburgh
EH1 3HP

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

DANCE BASE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2019

		Unrestricted Funds	Restricted Income Funds		2019 Total Funds	2018 Total Funds
	Note	£	(Non-capital) £	(Capital) £	£	£
Income and endowments from:						
Donations and legacies	4	446,620	187,763	-	634,383	617,377
Charitable activities	5	518,637	-	-	518,637	496,806
Investments	6	23,858	-	-	23,858	25,098
Other	7	<u>12,470</u>	<u>-</u>	<u>-</u>	<u>12,470</u>	<u>12,535</u>
Total		<u>1,001,585</u>	<u>187,763</u>	<u>-</u>	<u>1,189,348</u>	<u>1,151,816</u>
Expenditure on:						
Raising funds	8	5,842	-	-	5,842	37,842
Charitable activities	9	1,011,946	184,248	252,462	1,448,656	1,366,855
Other		<u>4,954</u>	<u>-</u>	<u>-</u>	<u>4,954</u>	<u>3,445</u>
Total		<u>1,022,742</u>	<u>184,248</u>	<u>252,462</u>	<u>1,459,452</u>	<u>1,408,142</u>
Net income/(expenditure)		(21,157)	3,515	(252,462)	(270,104)	(256,326)
Transfers between funds		<u>11,082</u>	<u>(11,082)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(10,075)</u>	<u>(7,567)</u>	<u>(252,462)</u>	<u>(270,104)</u>	<u>(256,326)</u>
Reconciliation of funds						
Total funds brought forward		<u>230,686</u>	<u>92,421</u>	<u>2,019,762</u>	<u>2,342,869</u>	<u>2,599,195</u>
Total funds carried forward		<u>220,611</u>	<u>84,854</u>	<u>1,767,300</u>	<u>2,072,765</u>	<u>2,342,869</u>

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

All income and expenditure derive from continuing activities.

The notes on pages 17 to 32 form an integral part of these financial statements.

DANCE BASE LIMITED

BALANCE SHEET
AS AT 31 MARCH 2019

		2019		2018	
	Note	£	£	£	£
Fixed assets					
Tangible assets	15		1,829,280		2,096,587
Current assets					
Stock		1,569		911	
Debtors	16	61,354		63,924	
Investments	17	171,445		170,962	
Cash at bank and in hand	18	<u>162,569</u>		<u>193,473</u>	
		<u>396,937</u>		<u>429,270</u>	
Liabilities					
Creditors falling due within one year	19	<u>(153,452)</u>		<u>(182,988)</u>	
Net current assets			<u>243,485</u>		<u>246,282</u>
Net assets			<u>2,072,765</u>		<u>2,342,869</u>
The funds of the charity					
Unrestricted income funds:					
General		216,611		218,840	
Designated		<u>4,000</u>		<u>11,846</u>	
Total unrestricted funds	21		220,611		230,686
Restricted funds:					
Income		84,854		92,421	
Capital		<u>1,767,300</u>		<u>2,019,762</u>	
Total restricted funds	21		<u>1,852,154</u>		<u>2,112,183</u>
Total charity funds			<u>2,072,265</u>		<u>2,342,869</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 26 September 2019 and signed on its behalf by:-

A Shannon, Director

Registration number: SC145736

The notes on pages 17 to 32 form an integral part of these financial statements.

DANCE BASE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Cash provided by/(used in) operating activities	25	<u>(40,998)</u>	<u>(1,102)</u>
Cash flows from investing activities			
Investment income		23,858	25,098
Purchase of tangible fixed assets		<u>(13,764)</u>	<u>(4,819)</u>
Cash provided by (used in) investing activities		<u>10,094</u>	<u>20,279</u>
Cash used in financing activities		<u>-</u>	<u>-</u>
Increase (decrease) in cash and cash equivalents in the year		<u>(30,904)</u>	<u>19,177</u>
Cash and cash equivalents at the beginning of the year		<u>193,473</u>	<u>174,296</u>
Total cash and cash equivalents at the end of the year		<u><u>162,569</u></u>	<u><u>193,473</u></u>

The notes on pages 17 to 32 form an integral part of these financial statements.

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in compliance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006, and the Charities Accounts (Scotland) Regulations 2006.

Dance Base Ltd meets the definition of a public benefit entity under FRS102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The accounts are prepared in sterling which is the functional currency of the entity.

JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

The estimated useful economic life and residual values used in calculating the depreciation charge in respect of the company's fixed assets, and particularly its building, the carrying value of which is given in note 15 of the accounts.

GOING CONCERN

The accounts have been prepared on a going concern basis which assumes the company will continue in operation for a period of 12 months from the date of approval of the accounts. The Directors do not consider that there are any material uncertainties about the charity's ability to continue as a going concern.

INCOME

Income is classified under the following headings:

Income from donations and legacies 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 income. Income is recognised at such time as there is entitlement, it is probable that the income will be received 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.

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

INCOME (continued)

Investment income comprises interest receivable on cash balances held in interest bearing 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

Donated professional services and donated facilities are recognised as income when Dance Base has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by Dance Base of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102) general volunteer time is not recognised in the accounts.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company. The value is the amount that the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised as expenditure in the period of receipt.

EXPENDITURE

Expenditure is recognised when a liability is incurred ie there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and it can be measured reliably. Contractual arrangements are recognised as goods or services are supplied.

Expenditure is classified under the following activity headings:

Expenditure on raising funds which is the expenditure incurred in attracting grants and donations

Expenditure on charitable activities which is the expenditure associated with the various activities in furtherance of Dance Base's objectives including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

SUPPORT COSTS

Support costs are those costs incurred to facilitate an activity. Support costs have been differentiated between governance costs and other support costs. 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 10.

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2019

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 £1,000 or more are capitalised at cost. Tangible fixed assets are stated at cost, less depreciation.

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.

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 which are either:-
earmarked by the directors to be used for a particular purpose in the future;

or arise where a fixed asset has initially been acquired using a restricted fund and on acquisition of the asset there are no remaining restrictions: a designated fund is created to reflect the book value of the asset.

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.

In the statement of financial activities and accompanying notes restricted income funds have been further sub-divided into: capital and non capital. The former represents restricted funds provided for capital projects, with the latter category representing all other restricted funds of the charity.

DEBTORS

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

DANCE BASE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2018****STOCK**

Stock is included at the lower of cost or net realisable value.

CASH AT BANK AND IN HAND

This is cash and short term highly liquid investments with an original maturity date of three months or less.

CURRENT ASSET INVESTMENTS

This is monies deposited with financial institutions with a maturity periods of 1-2 years including accrued interest.

CREDITORS AND PROVISIONS

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

FINANCIAL INSTRUMENTS

The charity only has financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially measured at transaction value and subsequently measured at their settlement value.

PENSIONS

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

2. GENERAL INFORMATION

The Charity is a company limited by guarantee incorporated in Scotland with registered number SC145736. The address of the registered office is 14-16 Grassmarket, Edinburgh, EH1 2JU. The liability of each member in the event of winding up is limited to £10. The principal activities are as detailed in the Directors Report.

3. TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

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. Travel expenses of £2,099 (2018 - £748) pertaining to the year were refunded to one director.

4. INCOME FROM DONATIONS AND LEGACIES

				2019
	Note	Unrestricted	Restricted	Total
		£	£	£
Grants etc	4A	445,004	185,617	630,621
Sponsorship		500	-	500
Donations		<u>1,116</u>	<u>2,146</u>	<u>3,262</u>
		<u>446,620</u>	<u>187,763</u>	<u>634,383</u>

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2019

4. INCOME FROM DONATIONS AND LEGACIES (continued)

		Unrestricted	Restricted	2018 Total
	Note	£	£	£
Grants etc	4A	455,810	158,735	614,545
Sponsorship		-	-	-
Donations		<u>2,677</u>	<u>155</u>	<u>2,832</u>
		<u>458,487</u>	<u>158,890</u>	<u>617,377</u>

4A. GRANTS AND INCOME FROM TRUSTS AND FOUNDATIONS

	Unrestricted	Restricted	2019 Total
	£	£	£
CS – Revenue	400,000	-	400,000
CS – DDO Network	-	-	-
CS – Great Feats	-	-	-
CEC – Revenue	44,204	-	44,204
Culture Ireland – Festival	-	26,929	26,929
Paul Hamlyn Foundation	-	102,000	102,000
Hollywood Trust	-	15,773	15,773
Robertson Trust	-	-	-
British Council	-	-	-
Other grants etc	800	8,600	9,400
Leverhulme Trust	-	20,065	20,065
Agnes Hunter Charitable Trust	-	-	-
Scottish Ballet	-	<u>12,250</u>	<u>12,250</u>
	<u>445,004</u>	<u>185,617</u>	<u>630,621</u>

	Unrestricted	Restricted	2018 Total
	£	£	£
CS – Revenue	408,333	-	408,333
CS – DDO Network	-	1,493	1,493
CS – Great Feats	-	39,653	39,653
CEC – Revenue	45,677	-	45,677
Culture Ireland – Festival	-	20,477	20,477
Paul Hamlyn Foundation	-	-	-
Hollywood Trust	-	-	-
Robertson Trust	-	15,000	15,000
British Council	-	22,312	22,312
Other grants etc	1,800	12,300	14,100
Leverhulme Trust	-	20,065	20,065
Agnes Hunter Charitable Trust	-	3,500	3,500
Scottish Ballet	-	<u>23,935</u>	<u>23,935</u>
	<u>455,810</u>	<u>158,735</u>	<u>614,545</u>

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2019

4B. GOVERNMENT GRANTS

The charity received funding from the undernoted bodies during the current and previous year which are considered to be government grants as defined in the Charities SORP (FRS102).

	2019	2018
	£	£
Creative Scotland – Revenue	400,000	408,333
Creative Scotland – Other	1,600	41,146
CEC – Revenue	44,204	45,677
Culture Ireland	26,929	20,477
British Council	-	22,312

With the exception of the revenue grants from Creative Scotland and CEC the grants were of a restricted nature being to fund specific projects more information in respect of which can be found in note 21.

5. INCOME FROM CHARITABLE ACTIVITIES

	2019	2018
	Unrestricted Funds	Unrestricted Funds
	£	£
Programme income:		
Participation programme	357,782	347,819
Professional programme	20,992	7,075
Festival Fringe	<u>96,986</u>	<u>95,067</u>
	475,760	449,961
Hires	<u>42,877</u>	<u>46,845</u>
	<u>518,637</u>	<u>496,806</u>

Participation programme income primarily relates to admission fees for classes and workshops. Festival income primarily relates to income from performances during the festival as well as from hires.

6. INVESTMENT INCOME

	2019	2018
	Unrestricted Funds	Unrestricted Funds
	£	£
		(Restated)
Rental income	21,667	22,000
Interest received	<u>2,191</u>	<u>3,098</u>
	<u>23,858</u>	<u>25,098</u>

Rental income was included within other income in the previous year's accounts. It is considered more appropriate that it be disclosed as investment income and the comparatives have been restated accordingly.

7. OTHER INCOME

	2019	2018
	Unrestricted Funds	Unrestricted Funds
	£	(Restated)
	£	£
Miscellaneous income	<u>12,470</u>	<u>12,535</u>

See note 6 above regarding a restatement of the comparatives.

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2019

8. COST OF RAISING FUNDS

	2019	2018
	Unrestricted	Unrestricted
	Funds	Funds
	£	£
Salary costs/support costs – note 10	4,428	36,790
Other costs	<u>1,414</u>	<u>1,052</u>
	<u><u>5,842</u></u>	<u><u>37,842</u></u>

9. ANALYSIS OF CHARITABLE EXPENDITURE

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

	Unrestricted	Restricted	Restricted	2019
	Funds	Funds	Funds	Total
	£	Income	Capital	£
		£	£	
Programme costs:				
Participation programme	163,791	151,986	-	315,777
Professional programme	51,500	4,967	-	56,467
Festival	<u>98,672</u>	<u>26,930</u>	<u>-</u>	<u>125,602</u>
	313,963	183,883	-	497,846
Premises costs	137,609	-	252,462	390,071
Marketing	46,399	-	-	46,399
Support costs – note 10	499,657	365	365	500,022
Governance costs – note 10	<u>14,318</u>	<u>-</u>	<u>-</u>	<u>14,318</u>
	<u><u>1,011,946</u></u>	<u><u>184,248</u></u>	<u><u>252,462</u></u>	<u><u>1,448,656</u></u>

In the opinion of the directors premises costs relate entirely to charitable expenditure.

	Unrestricted	Restricted	Restricted	2018
	Funds	Funds	Funds	Total
	£	Income	Capital	£
		£	£	
Programme costs:				
Participation programme	164,894	76,311	-	241,205
Professional programme	54,679	16,127	-	70,896
Festival	<u>96,848</u>	<u>20,477</u>	<u>-</u>	<u>117,325</u>
	316,511	112,915	-	429,426
Premises costs	147,032	-	252,462	399,494
Marketing	49,779	-	-	49,778
Support costs – note 10	468,814	-	-	468,814
Governance costs – note 10	<u>19,343</u>	<u>-</u>	<u>-</u>	<u>19,343</u>
	<u><u>1,001,478</u></u>	<u><u>112,915</u></u>	<u><u>252,462</u></u>	<u><u>1,366,855</u></u>

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2019

10. ANALYSIS OF SUPPORT COSTS

	Operation of programmes	Cost of raising funds	Governance	2019 Total
	£	£	£	£
External audit	-	-	5,000	5,000
Legal and professional fees	3,528	-	-	3,528
Salary costs	459,757	4,257	8,681	472,695
Telephone, stationery and computer costs	21,259	171	637	22,067
Interest and charges	99	-	-	99
Miscellaneous costs	<u>15,379</u>	<u>-</u>	<u>-</u>	<u>15,379</u>
	<u>500,022</u>	<u>4,428</u>	<u>14,318</u>	<u>518,768</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.

	Operation of programmes	Cost of raising funds	Governance	2018 Total
	£	£	£	£
External audit	-	-	4,900	4,900
Legal and professional fees	4,579	-	-	4,579
Salary costs	419,590	35,366	13,455	468,411
Telephone, stationery and computer costs	18,067	1,424	988	20,479
Interest and charges	99	-	-	99
Miscellaneous costs	<u>26,479</u>	<u>-</u>	<u>-</u>	<u>26,479</u>
	<u>468,814</u>	<u>36,790</u>	<u>19,343</u>	<u>524,947</u>

11. ANALYSIS OF EMPLOYEE COSTS

	2019 Total £	2018 Total £
The aggregate payroll costs were:		
Gross salaries and wages	486,554	470,284
Social security costs	34,999	36,663
Pension costs	5,220	2,843

There were no employees (2018 – nil) who received emoluments above £60,000 during the year.

Remuneration of £93,594 was paid during the year to key management personnel (2018 - £90,786).

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2019

12. STAFF NUMBERS

The average number of staff employed over the course of the year, based on a head count, was 27 (2018 – 28).

13. CORPORATION TAXATION

The company is a registered charity and accordingly is exempt from tax on income and gains falling within Section 505 of the Income and Corporation Taxes Act 1988 and section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. Accordingly, no provision is considered necessary for taxation.

14. NET INCOME/EXPENDITURE FOR THE YEAR

	2019	2018
	£	£
This is stated after charging/(crediting) –		
Depreciation – owned tangible fixed assets	281,071	291,609
Profit on disposal of tangible fixed assets	-	1,667
Auditors remuneration	5,000	4,900
Operating lease rentals – hire of equipment	2,804	1,327

Of the auditor's remuneration: £5,000 (2018 - £4,900) related to the audit and £0 (2018 - £0) related to the provision of additional accountancy services.

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

	Freehold land and buildings £	Shop fit-out costs £	Fixtures & fittings £	Computer equipment £	Total £
Cost:					
As at 1 April 2018	6,431,770	5,564	181,886	16,082	6,635,302
Additions	-	-	11,585	2,179	13,764
Disposals	-	-	<u>(6,188)</u>	-	<u>(6,188)</u>
As at 31 March 2019	<u>6,431,770</u>	<u>5,564</u>	<u>187,283</u>	<u>18,261</u>	<u>6,642,878</u>
Depreciation					
As at 1 April 2018	4,373,193	4,366	148,421	12,735	4,538,715
Charge for the year	257,271	199	20,594	3,007	281,071
Eliminated on disposal	-	-	<u>(6,188)</u>	-	<u>(6,188)</u>
As at 31 March 2019	<u>4,630,464</u>	<u>4,565</u>	<u>162,827</u>	<u>15,742</u>	<u>4,813,598</u>
Net book value					
As at 31 March 2019	<u>1,801,306</u>	<u>999</u>	<u>24,456</u>	<u>2,519</u>	<u>1,829,280</u>
As at 1 April 2018	<u>2,058,577</u>	<u>1,198</u>	<u>33,465</u>	<u>3,347</u>	<u>2,096,587</u>

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2019**15. TANGIBLE FIXED ASSETS (continued)**

The company 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. From 1 July 2010 this security has been transferred to Creative Scotland.

The company's freehold land and buildings consists entirely of the dance studios at 14-16 Grassmarket, Edinburgh. A small (approximately 3.5% by floor space) part of the building is leased to a third party. Charities SORP (FRS102) requires mixed use property to be separated between investment property and property held for operational use. In this instance the directors considered it is not possible without undue cost or effort to determine the element of the cost of the property which relates to investment property. Accordingly the cost of the property is entirely disclosed as land and buildings within tangible fixed assets.

16. DEBTORS	2019	2018
	£	£
Trade debtors	23,219	24,976
Prepayments and accrued income	31,092	34,659
Other debtors	<u>7,043</u>	<u>4,289</u>
	<u>61,354</u>	<u>63,924</u>

17. INVESTMENTS	2019	2018
	£	£
Fixed term deposits	<u>171,445</u>	<u>170,962</u>
	<u>171,445</u>	<u>170,962</u>

Investments consist of monies deposited with financial institutions with maturity periods of 1-2 years.

18. CASH AT BANK/IN HAND	2019	2018
	£	£
Cash at bank and in hand	<u>162,569</u>	<u>193,473</u>
	<u>162,569</u>	<u>193,473</u>

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ON YEAR	2019	2018
	£	£
Trade creditors	41,403	45,530
Taxes and social security costs	20,913	29,382
Accruals	35,381	23,059
Deferred income – note 20	52,139	82,468
Other creditors	<u>3,616</u>	<u>2,549</u>
	<u>153,452</u>	<u>182,988</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2019

20. DEFERRED INCOME

Deferred income comprises programme income relating to 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 etc £	Grants £	2019 Total £
Balance as at 1 April 2018	77,468	5,000	82,468
Amount released to incoming resources	(77,468)	(5,000)	(82,468)
Amount deferred in year	<u>52,139</u>	<u>-</u>	<u>52,139</u>
Balance as at 31 March 2019	<u>52,139</u>	<u>-</u>	<u>52,139</u>

	Programme Income etc £	Grants £	2018 Total £
Balance as at 1 April 2017	66,126	15,000	81,126
Amount released to incoming resources	(66,126)	(15,000)	(81,126)
Amount deferred in year	<u>77,468</u>	<u>5,000</u>	<u>82,468</u>
Balance as at 31 March 2018	<u>77,468</u>	<u>5,000</u>	<u>82,468</u>

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2019

21. ANALYSIS OF CHARITABLE FUNDS

	Balance at 31 March 2018 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2019 £
Unrestricted					
General fund	<u>218,840</u>	<u>1,001,585</u>	<u>(1,014,896)</u>	<u>11,082</u>	<u>216,611</u>
Designated					
Seating bank	6,000	-	(2,000)	-	4,000
Lighting equipment/blackout	<u>5,846</u>	-	<u>(5,846)</u>	-	-
	<u>11,846</u>	-	<u>(7,846)</u>	-	<u>4,000</u>
Total unrestricted	<u>230,686</u>	<u>1,001,585</u>	<u>(1,022,742)</u>	<u>11,082</u>	<u>220,611</u>
Restricted income – non capital					
Prime	-	-	-	-	-
Everybody Dance Now	7,458	-	(2,348)	(235)	4,875
Step in time/Seated Swing	3,250	2,000	(1,943)	(194)	3,113
Festival Fringe	-	26,930	(26,930)	-	-
Great Feats	44,118	-	(19,619)	(5,901)	18,598
Lothians Youth Dance Co	19,095	20,065	(14,406)	(260)	24,494
Dance for Parkinson's	18,500	116,396	(108,786)	(4,459)	21,651
Palestine	-	-	-	-	-
Japan	-	-	-	-	-
Glimpse	-	5,000	(4,967)	(33)	-
Dumfries & Galloway	-	15,772	(4,642)	-	11,130
Other projects	-	<u>1,600</u>	<u>(607)</u>	-	<u>993</u>
	<u>92,421</u>	<u>187,763</u>	<u>(184,248)</u>	<u>(11,082)</u>	<u>84,854</u>
Restricted income – capital					
Grassmarket capital grants	<u>2,019,762</u>	-	<u>(252,462)</u>	-	<u>1,767,300</u>
Total restricted	<u>2,112,183</u>	<u>187,763</u>	<u>(436,710)</u>	<u>(11,082)</u>	<u>1,852,154</u>
TOTAL FUNDS	<u>2,342,869</u>	<u>1,189,348</u>	<u>(1,459,452)</u>	<u>-</u>	<u>2,072,765</u>

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2019

21. ANALYSIS OF CHARITABLE FUNDS (continued)

	Balance at 31 March 2017 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2018 £
Unrestricted					
General fund	<u>228,724</u>	<u>992,926</u>	<u>(1,023,433)</u>	<u>20,623</u>	<u>218,840</u>
Designated					
Seating bank	7,500	-	(1,500)	-	6,000
Lighting equipment/blackout	<u>23,678</u>	-	<u>(17,832)</u>	-	<u>5,846</u>
	<u>31,178</u>	-	<u>(19,332)</u>	-	<u>11,846</u>
Total unrestricted	<u>259,902</u>	<u>992,926</u>	<u>(1,042,765)</u>	<u>20,623</u>	<u>230,686</u>
Restricted income – non capital					
Prime	3,344	-	(3,344)	-	-
Everybody Dance Now	7,214	3,500	(2,962)	(294)	7,458
Step in time/Seated Swing	12,311	-	(6,738)	(2,323)	3,250
Festival Fringe	-	20,477	(20,477)	-	-
Great Feats	6,333	66,553	(23,643)	(5,125)	44,118
Lothians Youth Dance Co	13,126	20,065	(12,185)	(1,911)	19,095
Dance for Parkinson's	24,179	24,090	(25,924)	(3,845)	18,500
Palestine	-	19,312	(12,382)	(6,930)	-
Japan	-	3,000	(2,805)	(195)	-
Glimpse	-	-	-	-	-
Dumfries & Galloway	-	-	-	-	-
Other projects	<u>562</u>	<u>1,893</u>	<u>(2,455)</u>	-	-
	<u>67,069</u>	<u>158,890</u>	<u>(112,915)</u>	<u>(20,623)</u>	<u>92,421</u>
Restricted income – capital					
Grassmarket capital grants	<u>2,272,224</u>	-	<u>(252,462)</u>	-	<u>2,019,762</u>
Total restricted	<u>2,339,293</u>	<u>158,890</u>	<u>(365,377)</u>	<u>(20,623)</u>	<u>2,112,183</u>
TOTAL FUNDS	<u>2,599,195</u>	<u>1,151,816</u>	<u>(1,408,142)</u>	-	<u>2,342,869</u>

PURPOSE OF DESIGNATED FUNDS

Seating bank – The cost of acquiring this asset was met in part via a restricted grant of £10,000 received from the Wolfson Foundation. The initial receipt of these monies was allocated to restricted funds. Thereafter on the basis that there were no further restrictions once the asset was acquired, a designated fund was created to reflect the book value of the element of the asset funded by the Wolfson grant. This designated fund is being reduced over the economic life of the asset in line with its depreciation.

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2019

21. ANALYSIS OF CHARITABLE FUNDS (continued)**PURPOSE OF DESIGNATED FUNDS (continued)**

Lighting equipment/blackout - This represents funding received from Creative Scotland and the Foyle Foundation to fund the acquisition of fixed assets: lighting equipment and a blackout system respectively. The initial receipt of these monies was allocated to restricted funds. Thereafter on the basis that there were no further restrictions once the assets were acquired, a designated fund has been created to reflect the book value of the element of the assets funded by the aforementioned grants/donations. This designated fund is being reduced over the economic life of the assets in line with their depreciation

PURPOSE OF RESTRICTED FUNDS

Everybody Dance Now – this represents funding received in the previous year towards a programme of work with young disabled dancers in Edinburgh.

Step in Time – this represents funding from the Nancie Massey Trust towards a programme of dance development in care homes in Edinburgh and Midlothian.

Festival Fringe – this represents funding from Culture Ireland towards the cost of performances by Irish artists in the Fringe programme.

Great Feats – this represents funding from Creative Scotland and the Robertson Trust (plus several other trusts in the previous years) towards a programme of work with at-risk young people, encouraging them to adopt a creative, healthy and active lifestyle.

Lothian Youth Dance Company – this represents funding from the Leverhulme Trust to develop a performance company of young talented people drawn from Edinburgh and the Lothians.

Dance for Parkinson's Scotland – this represents funding from the Paul Hamlyn Foundation, the Rayne Foundation, the R S MacDonald Charitable Trust, Cairn Energy, The Elizabeth Frankland Moore and Star Foundation, the Cruden Foundation, the W G Edwards Charitable Trust, the Barrack Charitable Trust, the J & J R Wilson Charitable Trust and the Mrs Gladys Row Fogo Charitable Trust to roll out a programme of dance for people with Parkinson's in Edinburgh, Glasgow and five other Scottish centres in partnership with Scottish Ballet.

Glimpse – this represents funding from the Royal Military Tattoo New Work fund towards an inter-generational dance project at the Scottish Arts Club in Edinburgh.

Dumfries & Galloway – this represents funding from the Holywood Trust towards a programme of dance development for young people in Dumfries & Galloway by the Cultured Mongrel professional dance company.

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.

TRANSFERS BETWEEN FUNDS

Where, in relation to a restricted fund, the terms of the funding agreement are such that it allows for a contribution to support costs, this contribution is accounted for as a transfer between restricted and unrestricted funds.

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2019

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Fund £	Designated Funds £	Restricted Funds £	2019 Total £
Tangible fixed assets	57,433	4,000	1,767,847	1,829,280
Net current assets	<u>159,178</u>	<u>-</u>	<u>84,307</u>	<u>243,485</u>
	<u>216,611</u>	<u>4,000</u>	<u>1,852,154</u>	<u>2,072,765</u>
	General Fund £	Designated Funds £	Restricted Funds £	2018 Total £
Tangible fixed assets	64,979	11,846	2,019,762	2,096,587
Net current assets	<u>153,861</u>	<u>-</u>	<u>92,421</u>	<u>246,282</u>
	<u>218,840</u>	<u>11,846</u>	<u>2,112,183</u>	<u>2,342,869</u>

23. OPERATING LEASESOperating lease agreements where the company is lessee:

Future minimum rentals payable under non-cancellable operating leases in respect of various items of equipment are as follows:-

	2019 £	2018 £
Within one year	2,605	1,268
In two to five years	<u>8,464</u>	<u>2,174</u>
	<u>11,069</u>	<u>3,442</u>

Operating lease agreements where the company is lessor:

As per note 15 the company leases part of its building to a third party for use as a café. Future minimum rentals receivable under this, non-cancellable, operating lease are as follows:

	2019 £	2018 £
Within one year	15,000	15,000
In two to five years	<u>11,250</u>	<u>26,250</u>
	<u>26,250</u>	<u>41,250</u>

24. PENSION COSTS

The company operates a defined contribution pension scheme. The scheme and its assets are held by independent managers. The pension charge for the year represents contributions payable by the company to the fund and amounted to £5,220 (2018 - £2,843).

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2019

**25. RECONCILIATION OF NET MOVEMENT IN FUNDS TO
NET CASH FLOW FROM OPERATING ACTIVITIES**

	2019	2018
	£	(Restated)
	£	£
Net movement in funds	(270,104)	(256,326)
Addback depreciation charge	281,071	291,609
Deduct investment income shown in investing activities	(23,858)	(25,098)
(Increase) decrease in stock	(658)	336
(Increase) decrease in debtors	2,570	9,912
(Increase) decrease in investments	(483)	(20,962)
Increase (decrease) in creditors	<u>(29,536)</u>	<u>(573)</u>
Net cash provided by/(used in) operating activities	<u>(40,998)</u>	<u>(1,102)</u>

The comparatives have been restated to reflect the reclassification of rental income as investment income. See note 6 for further information.