



DANCE BASE LIMITED

**DIRECTORS REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**



Company No: 145736 (Scotland)

DANCE BASE LIMITED
DIRECTORS REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

CONTENTS

	Page
Report of the Directors	1 - 10
Report of the Auditors	11 – 14
Statement of Financial Activities	15
Balance Sheet	16
Statement of Cash Flows	17
Notes to the Financial Statements	18 - 35

DANCE BASE LIMITED

DIRECTORS ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors are pleased to present their report together with the financial statements of the charity for the year ended 31st March 2022. These are 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

Despite optimistic predictions that, with vaccinations in place, the worst of the Covid pandemic was in sight by the time this year began, it has continued to haunt Dance Base (DB) plans and programmes throughout the year. On the positive side, with special funding from the Scottish government (Performance Arts and Venues Recovery Fund (PAVRF) £223,827), and in collaboration with The Traverse, the Gilded Balloon and Zoo Venues, we were able to mount a limited live Edinburgh Festival Fringe programme in August 2021. This was staged not in our own premises but in "Multistory", a purpose built, largely open-air venue in the Castle Terrace car park (credit for the witty title name must go to the Gilded Balloon) which proved both popular and compliant with prevailing social distancing requirements. We were also able to return to the provision of public classes in person while continuing to maintain an online offer. But on the negative side, trading conditions continued to be extremely challenging as mutations of the virus proliferated and restrictive government regulations came and went. Attendance at dance classes was significantly lower than pre-pandemic, partly due to restricted sizes but also because many clients were either unwell themselves or cautious about returning to crowded indoor spaces. Had it not been for considerable relief from successive tranches of the PAVRF emergency government funding channelled through Creative Scotland, it is difficult to say where Dance Base would now be.

As it is, Dance Base therefore remains a going concern, thanks to skilful and determined management responses. See Financial Review and Risk Management below for more detail. DB also managed to maintain a professional programme, supporting dance artists to develop their skills, and giving employment to many dancers in teaching roles. Some of this work was showcased at Christmas, though a resurgence of the Omicron variant at that time prevented this being as widely seen as we would have liked and led to the cancellation of a major- fund-raising event 'Sundancer' (now scheduled for October 2022).

A final, if belated, payment of PAVRF at the very end of the year allowed Dance Base to improve its trading position for the year. In addition, cash reserves increased by a surplus of £9,708 to £205,034 (from £195,326 in 2021) due to the increase of unrestricted funds compared to unrestricted for the financial year. This outcome is the result of successfully balancing costs with a clear approach to risk by the Board which enabled Dance Base to continue to pursue its fundamental purposes.

Staff recruitment

Among the considerable progress that has been made behind the scenes, we have completed a wholesale overhaul of the senior management team. Joining those who were already in place from last year, we welcomed the arrival of Emili Astrom to head up our Health and Wellbeing unit. She brings many years of experience in the relevant field (and see below under Board Activity for further strengthening in this area). Following the retirement of Fiona Dick, who has served Dance Base as head of finance over many years, we were able to recruit Helen Day, an experienced management accountant, to take over as head of finance. In her first year she has migrated our entire accounting, invoicing, and salary/payment systems on to new architecture, a long overdue upgrade.

DANCE BASE LIMITED

DIRECTORS ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022 (continued)

However, as previewed in last year's report, the most significant change was in the artistic leadership of the organisation, the first for a generation. Morag Deyes, MBE, who joined Dance Base shortly before it moved into purpose-built premises in the Grassmarket, has led the organisation from the front, giving it an international as well as national profile far beyond its actual size. Her contribution to the development of dance in Scotland is incalculable. After an exhaustive process, the person chosen to follow her was Tony Mills. Tony brings a new generation to Dance Base with experience of running his own company, Room 2 Manoeuvre, and wide interaction with dance in Scotland and elsewhere. Having carried out an international search, the Board was pleased ultimately to be able to make an appointment from within Scotland. We would like to thank those artists and administrators who assisted in the appointment process including Jackie Wylie, CEO of the National Theatre of Scotland, Joan Cleville, artistic director of Scottish Dance Theatre, Paul Burns from Creative Scotland, Sheila Creevey, CEO of Dance Ireland and dancer / artistic director Seeta Patel. To the satisfaction of all concerned, Ms Deyes handed over the overall artistic directorship in September 2021 but was retained for a further year in order to programme Dance Base's Fringe programme for 2022 which will be a fitting send-off to her regime.

The consequence of these appointments means that the entire senior management of Dance Base has been renewed within the last 18 months. Although there are obvious risks in such rapid wholesale changes, not least the loss of organisational memory, I am pleased to report that, despite the pandemic, the new team has come together remarkably quickly and shows all the signs of being a formidable unit.

Board activity

Following the completion of the governance review announced last year, board structures and procedures were revised and updated. The Articles of Association were fully overhauled and approved at a specially convened EGM in December 2021. In a further related development, the board established a nominations committee and were pleased to confirm the appointment of Christine Devaney, the artistic director of Curious Seed dance company, to strengthen artistic representation on the board, and Dr Wendy Timmons, lecturer in dance science & education at Moray House School of Education and Sport in the University of Edinburgh whose experience and research background will assist the development of our Health and Wellbeing offer. The remainder of the board remains the same as at last year's AGM.

Future plans and challenges

The most important strategic development in the years was the development of a detailed business plan for the next four years, building on the vision and mission identified in last year's report. Both staff and board were directly involved in this process and the resulting document should form the basis of Dance Base activity for the medium term future including applications to Creative Scotland and Edinburgh City Council for continuing funding and status as a Regularly Funded Organisation. However, the ink was barely dry on the final document when Russia invaded Ukraine, sparking a steep rise in energy prices and an inflationary spiral which look likely to be the dominant external factors for the coming years. The Board acknowledges its duty to ensure that Dance Base remains a going concern able to withstand these external shocks. While remaining focused on the delivery of the full set of Business Plan objectives in the medium term, the board has agreed a survival and recovery plan for the organisation, in consultation with core funders. This will reduce costs, increase income and reduce risk, balancing the books while ensuring the organisation's core support to dance artists and dancers continues.

Our Objectives 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

DANCE BASE LIMITED

DIRECTORS ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022 (continued)

We have a vision of a Scotland where everyone has the opportunity to experience the benefits of engaging with dance, where dance artists are supported to achieve national and international success, and where Dance Base is celebrated as the epicentre of all things dance.

Our mission is threefold:

- to ensure ALL Scotland's dance artists have opportunities to develop successful careers at home and internationally, through investment and collaboration.
- to build awareness of dance and its health and wellbeing benefits, and to enable as many people as possible across Scotland to experience these.
- to attract support and resources by advocacy on the importance and benefits of the dance sector to funders and policy makers.

We have seven aims that together deliver this mission:

1. Build a sustainable dance ecology in Scotland that attracts and supports a wide diversity of dance artists to develop successful careers
2. Develop an audience across Scotland eager to engage with a range of dance and to facilitate the supply of dance for them.
3. Support Scottish dance artists to connect and collaborate with their peers across the world
4. Develop dance class provision that benefits participants from diverse groups and backgrounds and provides meaningful income for dance artists and Dance Base
5. Promote across Scotland the use of dance to support physical and mental health and wellbeing, particularly in a post COVID context
6. Ensure that Dance Base is an industry leader in equality, diversity and inclusion and environmental sustainability, and is supporting the development of best practice across the sector.
7. Build a reputation for Dance Base as an effective organisation, attracting people and organisations to support us and work with us.

ACHIEVEMENTS AND PERFORMANCE

We developed plans for the year under the three main areas of activity; a professional programme supporting dance artists, a public programme providing paid dance activity open to all, and a health and wellbeing programme supporting activity for specific groups delivering agreed benefits to mental and physical health and wellbeing.

Although COVID once again had a significant impact on the organisation, we were able to deliver the majority of activity outlined in our annual plans to core funder Creative Scotland and were able to deliver significant additional activity that supported our mission and aims through an application to the second round of the Performing Arts Venues Relief Fund.

Key achievements and challenges included:

Public Programme

We restarted public classes in September 2021 after an eighteen-month hiatus. We reduced the total number of classes, as well as the number of participants in each class for both terms to provide a COVID safe experience. There was strong initial demand from loyal customers and an autumn term that exceeded expectations. The spring term was adversely affected by the omicron outbreak during the booking period, but stronger demand for drop-in classes later in the term went some way to making up for the poor start. Over two terms we delivered 2,300 individual classes with nearly 27,000 attendances

DANCE BASE LIMITED

DIRECTORS ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022 (continued)

Professional Programme

We offered a full programme of support for professional dance artists across Scotland that included:

- A full programme of artist residency opportunities with linked sharings
- An artist support programme offering practical and tailored advice
- The Dancers Emerging Bursary Scheme for artists new to dance
- A programme of regular professional classes
- A winter public showcase
- A COVID-compliant Fringe programme of installations, pop up performances and the development of a new outdoor venue with Traverse Theatre, Gilded Balloon and Zoo Venues
- A restart of our PRIME elder company
- International partnership with Senegal
- A restart of the Lothian Youth Dance Company
- A continuation of the LoveDanceScotland partnership with Scottish Dance Theatre, Tramway Glasgow and new partner Citymoves Aberdeen

Health and Wellbeing Programme

The challenges of COVID, particularly in the health and social care sector have made progress slower than anticipated in this area, however we have built important relationships and set up pilot projects that will put us in a good position for further expansion in following years. Highlights include:

- Restarting in person Dance for Parkinson's Scotland activity in Edinburgh, Perth and Peebles
- Delivering the Dance/Connect research project with University College London
- Building a working relationship with Luminate Scotland
- Agreeing and starting to deliver pilot activity in healthcare settings with Tonic Arts, the NHS Lothian charity

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 public programme income of £238,621 in 2022 (compared to £55,829 in 2021) rental income of £25,515 (£19,125 2021); local authority support of £50,000 and sponsorship of £15,000 and Creative Scotland regular funding of £408,333 (£417,000 2021), as well as the emergency Performing Arts Venue Relief funding of £223,827 (£256,200 in 2021). There is a commitment from Creative Scotland to extend their regular funding at the same cash amounts until March 2025, and from the City of Edinburgh to March 2024.

The organisation's aim has been to achieve a break-even position, or even a small surplus, during each of the three years of the current business plan. This has not proved possible during a year of unprecedented events and continuing volatility. We made strenuous efforts to keep our expenditure to an absolute minimum, but some tough choices have had to be made.

Strategies to manage financial risk are detailed in the 'risk management' section below.

The balance sheet, on initial review, presents a reasonably healthy position where total charity funds are £1,563,133 (2021 £1,839,812). It is however important to understand that most of this amount is represented by £1,140,674 (2021 £1,386,909) 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.

DANCE BASE LIMITED

DIRECTORS ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022 (continued)

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 event of an insolvent position arising. From 1st July 2010 this security has been transferred to Creative Scotland. Also note that total reserves are made up of £1,354,176 (2021 £1,644,486) of restricted funds.

Investment Powers

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the directors wish. In this year, it was recognised that liquidity as a protection against collapse was necessary, so most of the funds not immediately required were moved to accounts with easy or short-term access.

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 (subjective assessment) in unrestricted reserves. At current rates, this would be around £188,000 (2021 £225,000). On 31 March 2022, whilst there are total unrestricted funds of £208,957 (2021 £195,326), the net current assets were £271,146 (2021 £310,843), of which £166,980 (2021 £162,602) are free reserves.

We hope that this cushion will help us to emerge from the economic devastation wrought by the pandemic and sharp increases in energy costs because of the Ukrainian war. Although not entirely confident of that outcome, the measures put in place to change our operating model and downsize our Public Programme operations in areas of lower margins, will assist in achieving this objective. In addition, new income opportunities with better margins are being sought with the assistance of Scot Inform. The board is looking to build up reserves to the policy level with immediate effect.

Plans for future periods

In the 2022 – 2026 business plan we have agreed the following initial areas of activity which will commence or continue in 22/23:

1. Dance Base as a hub

We will develop the use of the Dance Base building to cement Dance Base as a social hub/social space for dance artists and those who love dance, by creating an environment that is warm, welcoming, safe, stimulating, and which builds a sense of community and reduces inequity.

2. Working with early career artists

Dance Base will deliver a robust programme to support the professional development of early career artists across Scotland, starting in 2022 by building on the work of previous years and running a series of annual programmes until 2026.

3. Working with experienced artists

We will provide artistic development opportunities and support for established artists at the mid to late career level to continue to grow and develop and provide clear exit strategies. This will be focused on creating opportunities based on the following areas:

- Levelling up/Evolution of artistic practice
- Working large scale
- Long term development:

4. Year-round support for all dance artists

We will deliver a robust year-round programme of activity from 2022 – 2026 that will support the professional dance community of Scotland to develop their practice, build their professional networks and to create and present work both in Scotland and internationally.

DANCE BASE LIMITED

DIRECTORS ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022 (continued)

5. **Dance performance in Edinburgh**

Dance Base is already a home for dance in Scotland with the Edinburgh Festival Fringe Programme in August. We will continue, and provide additional opportunities for dance artists to showcase new, in progress and complete work throughout the year.

6. **Supporting dance across Scotland through #LoveDanceScotland partnership**

We will help develop a network of dance organisations with shared values to create and deliver opportunities and pool resources, supporting dance artists in new ways to deliver large scale, ambitious work.

7. **Supporting international working for Scottish dance artists**

Dance Base will support and deliver an annual programme of international work from 2023 – 2026 providing exchange projects and building towards presentation opportunities for Scotland based artists with organisations and artists from across the world.

8. **Engaging people across Scotland in a National Dance Initiative**

Dance Base will engage in a scoping period to understand the viability and potential of running a 'National Dance Initiative' in Scotland within the next four years.

9. **Public sector advocacy**

We will work with government and public bodies in Scotland to understand the sector and its potential and bring additional resource into dance in Scotland.

10. **Deliver a programme of public classes in Edinburgh and beyond**

11. **Design and test a future model for public classes**

12. **Design and deliver programmes with and for specific groups and communities**

Within the public programme, Dance Base will expand the number and diversity of specific classes and projects that engage with and provide opportunities to take part in dance and creative movement activities for specific groups of people

13. **Design and deliver a dance for health and wellbeing programme**

There are two potential streams to this work – one around supporting the health & wellbeing of the professional dance sector (in Scotland) and one around supporting the health and wellbeing of diverse public group and communities through dance.

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.

DANCE BASE LIMITED

DIRECTORS ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022 (continued)

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 to comply with current statutory requirements, the charity SORP (FRS102) and the company's own governing document.

Reference and administrative details

Scottish Charity number: SC022512

Company registration number: SC145736

Registered Office

14 – 16 Grassmarket, Edinburgh EH1 2JU (also Principal Office)

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

Solicitors

Dentons, 15 Lauriston Place, Edinburgh, EH3 9EP

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:

Robert Dawson Scott
Jill Breingan
Lorna Finley
Joan Lopez Cleville
Cate Nelson-Shaw
Donald Simpson
Holly Wagner
Jane Mcfadzean
Councillor Donald Wilson (resigned 5 May 2022)
Ethelinda Lashley-Scott
Andrew Brownlie
Christine Devaney (appointed 1 December 2021)
Wendy Timmons (appointed 1 December 2021)
Councillor Val Walker (appointed 5 October 2022)

Chief Executive Officer:

Jim Hollington

Company Secretary

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

DANCE BASE LIMITED**DIRECTORS ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022 (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 by a nominations committee 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 Chair at such time and at such periods as they see fit. At the 2015 AGM it was also decided to elect a Vice Chair. One director has to be 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 with all meetings held by Zoom since the start of the pandemic; 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 that 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.

Directors are guided by the annual change in the CPI and the current financial position of the organisation when determining staff remuneration. As a result, a pay rise of 4% was offered to all staff this year. In addition, a job grading exercise was carried out to group similar roles, working with other Edinburgh cultural venues. Consequently, five roles received pay rises above 4% to reflect how they sit alongside others.

DANCE BASE LIMITED

DIRECTORS ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022 (continued)

Risk management

The directors have a risk management strategy which comprises:

- a quarterly review of the financial and operational risks the charity may face
- the use of a risk register maintained by the Executive Leadership Team to record risk, identify and monitor mitigation to minimise any potential impact

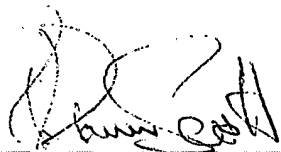
At the time of preparation of the accounts the top five risks to the financial performance and position of the charity, along with mitigation strategies, are:

Risk Description	Mitigation measures
1. Significant energy cost increases	<ol style="list-style-type: none"> 1. Working with agents and other organisations to understand cost implications 2. Report commissioned into short and long term measures needed to reduce energy consumption (and head to net zero)
2. Creative Scotland static or reduced funding from April 2024	<ol style="list-style-type: none"> 1. Creation and delivery of coherent strategy that delivers benefit for the sector 2. Continued focus on rebuilding and developing other sources of income using financial scenario modelling 3. Effective stakeholder management of CS relationship 4. scenario planning for different levels of funding e.g. reduced programme, revised staffing structure
3. Significant staff salary and freelance rate increases	<ol style="list-style-type: none"> 1. Working with other organisations to agree a combined approach and lobbying to funders/others 2. Review of overall staff/hourly paid/freelance complement
4. Participants do not return to class, e.g. because of financial issues and changed working patterns, suitability of programme, competitors	<ol style="list-style-type: none"> 1. Working with partners such as ScotInform to better understand and segment market 2. Revised website, brand and improved marketing campaigns 3. Researching and testing of new pricing and product mixes and delivery models 4. researching and testing programming approach 5. research into advantages and disadvantages of withdrawing from direct teaching
5. Team members workloads and amounts of change are too high	<ol style="list-style-type: none"> 1. focus through leadership team on prioritising and scheduling activity, in consultation with staff this this directly & indirectly affects and paying attention to what, when and how we share information 2. effective use of staff meeting and other fora to keep team updated 3. use of objective/deliverable setting and appraisal system to prioritise 4. more regular (and informal) 1-2-1 check-ins with all colleagues 5. development of anonymous staff survey

DANCE BASE LIMITED**DIRECTORS ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022 (continued)**

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 15 December 2022 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Robert Dawson Scott', is written over a horizontal line.

ROBERT DAWSON SCOTT
CHAIR, 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 2022 as set out on pages 15 to 35 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 2022 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 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

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 report in accordance with regulations made under that Act.

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.

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

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

We gained an understanding on the laws and regulations relevant to the Charity and made enquiries of management with regard to compliance.

We focused on specific laws and regulations which may have a direct material effect on the financial statements or the operations of the charity, including the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), employment laws and health and safety legislation.

We assessed the extent of compliance with the laws and regulations identified above by inspecting any legal correspondence and any correspondence from regulators and making enquiries of management.

We assessed the susceptibility of the financial statements to material misstatement, including an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations

To address the risk of fraud through management bias and override of controls, we:

- identified internal controls established to mitigate any risks
- performed analytical procedures to identify any unusual movements
- assessed whether judgements and assumptions made in determining accounting estimates were indicative of potential bias
- reviewed for journal entries to identify any unusual transactions
- identified related parties

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- setting a level of materiality at the planning stage including the basis for determining this
- agreeing financial statement disclosures to supporting documentation
- enquiring of management as to any actual or potential litigation and claims
- reviewing correspondence from regulators
- reviewed minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising

DANCE BASE LIMITED

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

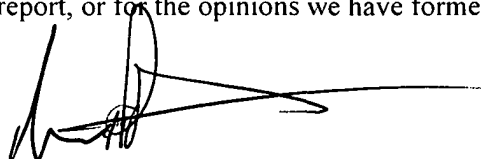
We did not identify any key audit matters relating to irregularities, including fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, 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.



29 York Place
Edinburgh
EH1 3HP

WALTER RAYMOND PATERSON (Senior Statutory Auditor)

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

15 December 2022

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 2022

		Unrestricted Funds	Restricted Income Funds		2022 Total Funds	2021 Total Funds
	Note	£	(Non-capital) £	(Capital) £	£	£
Income and endowments from:						
Donations and legacies	4	460,820	420,842	5,885	887,547	1,022,743
Charitable activities	5	300,504	7,240	-	307,744	68,015
Investments	6	25,885	-	-	25,885	20,768
Other	7	15,390	-	-	15,390	-
Total		<u>802,599</u>	<u>428,082</u>	<u>5,885</u>	<u>1,236,566</u>	<u>1,111,526</u>
Expenditure on:						
Raising funds	8	16,738	-	-	16,738	15,700
Charitable activities	9	776,909	471,401	248,197	1,496,507	1,270,798
Other		-	-	-	-	-
Total		<u>793,647</u>	<u>471,401</u>	<u>248,197</u>	<u>1,513,245</u>	<u>1,286,498</u>
Net income/(expenditure)		8,952	(43,319)	(242,312)	(276,679)	(174,972)
Transfers between funds		<u>4,679</u>	<u>(756)</u>	<u>(3,923)</u>	-	-
Net movement in funds		<u>13,631</u>	<u>(44,075)</u>	<u>(246,235)</u>	<u>(276,679)</u>	<u>(174,972)</u>
Reconciliation of funds						
Total funds brought forward		<u>195,326</u>	<u>148,241</u>	<u>1,496,245</u>	<u>1,839,812</u>	<u>2,014,784</u>
Total funds carried forward		<u>208,957</u>	<u>104,166</u>	<u>1,250,010</u>	<u>1,563,133</u>	<u>1,839,812</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 18 to 35 form an integral part of these financial statements.

DANCE BASE LIMITED

BALANCE SHEET
AS AT 31 MARCH 2022

		2022		2021	
	Note	£	£	£	£
Fixed assets					
Tangible assets	16		1,026,987		1,263,969
Investment property	17		265,000		265,000
Current assets					
Stock		-		1,565	
Debtors	18	47,476		29,458	
Investments	19	-		85,000	
Cash at bank and in hand	20	<u>408,767</u>		<u>418,265</u>	
		<u>456,243</u>		<u>534,288</u>	
Liabilities					
Creditors falling due within one year	21	<u>(185,097)</u>		<u>(223,445)</u>	
Net current assets			<u>271,146</u>		<u>310,843</u>
Net assets			<u>1,563,133</u>		<u>1,839,812</u>
The funds of the charity					
Unrestricted income funds:					
General		205,034		195,326	
Designated		<u>3,923</u>		<u>-</u>	
Total unrestricted funds	23		208,957		195,326
Restricted funds:					
Income		104,166		148,241	
Capital		1,140,674		1,386,909	
Capital – revaluation reserve		<u>109,336</u>		<u>109,336</u>	
Total restricted funds	23		<u>1,354,176</u>		<u>1,644,486</u>
Total charity funds			<u>1,563,133</u>		<u>1,839,812</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 15 December 2022 and signed on its behalf by:-



Robert Dawson Scott, Director and Chair

Registration number: SC145736

The notes on pages 18 to 35 form an integral part of these financial statements.

DANCE BASE LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Cash provided by/(used in) operating activities	27	<u>(10,351)</u>	<u>159,577</u>
Cash flows from investing activities			
Investment income		25,885	20,768
Purchase of tangible fixed assets		<u>(25,032)</u>	<u>(1,070)</u>
Cash provided by (used in) investing activities		<u>853</u>	<u>19,698</u>
Cash used in financing activities		<u>-</u>	<u>-</u>
Increase (decrease) in cash and cash equivalents in the year		<u>(9,498)</u>	<u>179,275</u>
Cash and cash equivalents at the beginning of the year		<u>418,265</u>	<u>238,990</u>
Total cash and cash equivalents at the end of the year		<u>408,767</u>	<u>418,265</u>

The notes on pages 18 to 35 form an integral part of these financial statements.

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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) – second edition issued October 2019. 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 and rounded to the nearest £1.

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 16 of the accounts.

The fair value of the investment property and the estimated original cost of this is given in note 17.

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 2022

INCOME (continued)

Investment income comprises interest receivable on cash balances held in interest bearing deposits and rental income receivable from investment property.

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 2022**

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

INVESTMENT PROPERTY

Investment property is measured initially at cost. Investment property is subsequently revalued to its fair value at each reporting date and any changes in fair value are recognised in the Statement of Financial Activities including Income and Expenditure Account. Depreciation is not provided on investment property.

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. Debtors are assessed for impairment at each balance sheet date. An impairment loss/provision is required if the expected cash flow is less than the carrying amount.

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022**

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. No travel expenses pertaining to the year were refunded to the directors (2021: £237, one director).

4. INCOME FROM DONATIONS AND LEGACIES

		Unrestricted	Restricted	2022 Total
	Note	£	£	£
Grants etc	4A	458,333	426,727	885,060
Donations		<u>2,487</u>	<u>-</u>	<u>2,487</u>
		<u>460,820</u>	<u>426,727</u>	<u>887,547</u>

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

4. INCOME FROM DONATIONS AND LEGACIES (continued)

		Unrestricted	Restricted	2021 Total
	Note	£	£	£
Grants etc	4A	468,767	520,750	989,517
Donations		<u>33,226</u>	<u>-</u>	<u>33,226</u>
		<u>501,993</u>	<u>520,750</u>	<u>1,022,743</u>

4A. GRANTS AND INCOME FROM TRUSTS AND FOUNDATIONS

	Unrestricted	Restricted	2022 Total
	£	£	£
CS – Revenue	408,333	-	408,333
CEC – Revenue	50,000	-	50,000
Paul Hamlyn Foundation	-	105,529	105,529
Hollywood Trust	-	50,333	50,333
Digital Boost Grant	-	5,884	5,884
Other grants etc	-	1,000	1,000
British Council – African Exchange	-	24,405	24,405
Foundation Scotland	-	-	-
Performing Arts Venues Recovery Fund	-	223,827	223,827
Hunter Foundation	-	-	-
Ernest Hecht – LYDC	-	-	-
HMRC – Coronavirus Job Retention Scheme	<u>-</u>	<u>15,749</u>	<u>15,749</u>
	<u>458,333</u>	<u>426,727</u>	<u>885,060</u>

	Unrestricted	Restricted	2021 Total
	£	£	£
CS – Revenue	417,000	-	417,000
CEC – Revenue	50,000	-	50,000
Paul Hamlyn Foundation	-	91,000	91,000
Hollywood Trust	-	45,000	45,000
Digital Boost Grant	-	-	-
Other grants etc	767	1,000	1,767
British Council – African Exchange	-	-	-
Foundation Scotland	1,000	4,475	5,475
Performing Arts Venues Recovery Fund	-	256,200	256,200
Hunter Foundation	-	10,764	10,764
Ernest Hecht – LYDC	-	5,990	5,990
HMRC – Coronavirus Job Retention Scheme	<u>-</u>	<u>106,321</u>	<u>106,321</u>
	<u>468,767</u>	<u>520,750</u>	<u>989,517</u>

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

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).

	2022	2021
	£	£
Creative Scotland – Revenue	408,333	417,000
Creative Scotland – Other	-	-
Creative Scotland – Performing Arts Venues Recovery	223,827	256,200
CEC – Revenue	50,000	50,000
HMRC – Coronavirus Job Retention Scheme	15,749	106,321

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 23.

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2022 Total £
Programme income:			
Participation programme	233,901	4,720	238,621
Professional programme	4,205	2,520	6,725
Festival Fringe	<u>32,680</u>	<u>-</u>	<u>32,680</u>
	270,786	7,240	278,026
Hires	<u>29,718</u>	<u>-</u>	<u>29,718</u>
	<u>300,504</u>	<u>7,240</u>	<u>307,744</u>
	Unrestricted Funds	Restricted Funds	2021 Total
Programme income:			
Participation programme	55,281	548	55,829
Professional programme	6,800	2,000	8,800
Festival Fringe	<u>-</u>	<u>-</u>	<u>-</u>
	62,081	2,548	64,629
Hires	<u>3,386</u>	<u>-</u>	<u>3,386</u>
	<u>65,467</u>	<u>2,548</u>	<u>68,015</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.

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

6. INVESTMENT INCOME

	2022	2021
	Unrestricted	Unrestricted
	Funds	Funds
	£	£
Rental income	25,515	19,125
Interest received	<u>370</u>	<u>1,643</u>
	<u>25,885</u>	<u>20,768</u>

7. OTHER INCOME

	2022	2021
	Unrestricted	Unrestricted
	Funds	Funds
	£	£
Miscellaneous income	390	-
Sponsorship	<u>15,000</u>	<u>-</u>
	<u>15,390</u>	<u>-</u>

8. COST OF RAISING FUNDS

	2022	2021
	Unrestricted	Unrestricted
	Funds	Funds
	£	£
Salary costs/support costs – note 10	16,703	14,803
Other costs	<u>35</u>	<u>897</u>
	<u>16,738</u>	<u>15,700</u>

9. ANALYSIS OF CHARITABLE EXPENDITURE

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

	Unrestricted		Restricted	Restricted	2022
	Funds		Funds	Funds	
	£	Income	Capital	Total	Total
	£	£	£	£	£
Programme costs:					
Participation programme	216,163	171,683	-	171,683	387,846
Professional programme	153,557	152,178	-	152,178	305,735
Festival	<u>40,818</u>	<u>14,000</u>	<u>-</u>	<u>14,000</u>	<u>54,818</u>
	410,538	337,861	-	337,861	748,399
Premises costs	145,756	-	246,235	246,235	391,991
Marketing	28,095	-	-	-	28,095
Support costs – note 10	179,014	133,540	1,962	135,502	314,516
Governance costs – note 10	<u>13,506</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,506</u>
	<u>776,909</u>	<u>471,401</u>	<u>248,197</u>	<u>719,598</u>	<u>1,496,507</u>

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

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

9. ANALYSIS OF CHARITABLE EXPENDITURE (continued)

	Unrestricted Funds	Income	Restricted Funds Capital	Restricted Funds Total	2021 Total
	£	£	£	£	£
Programme costs:					
Participation programme	48,335	129,418	-	129,418	177,753
Professional programme	16,580	123,226	-	123,226	139,806
Festival	<u>1,158</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,158</u>
	66,073	252,644	-	252,644	318,717
Premises costs	105,873	-	246,235	246,235	352,108
Marketing	10,357	-	-	-	10,357
Support costs – note 10	466,016	110,431	-	110,431	576,447
Governance costs – note 10	<u>13,169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,169</u>
	<u>661,488</u>	<u>363,075</u>	<u>246,235</u>	<u>609,310</u>	<u>1,270,798</u>

10. ANALYSIS OF SUPPORT COSTS

	Operation of programmes	Cost of raising funds	Governance	2022 Total
	£	£	£	£
External audit	-	-	5,450	5,450
Legal and professional fees	7,911	-	-	7,911
Salary costs	269,703	15,746	7,737	293,186
Telephone, stationery and computer costs	34,536	957	319	35,812
Interest and charges	240	-	-	240
Miscellaneous costs	11,626	-	-	11,626
Impairment of debtors	<u>(9,500)</u>	<u>-</u>	<u>-</u>	<u>(9,500)</u>
	<u>314,516</u>	<u>16,703</u>	<u>13,506</u>	<u>344,725</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.

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

10. ANALYSIS OF SUPPORT COSTS (continued)

	Operation of programmes	Cost of raising funds	Governance	2021 Total
	£	£	£	£
External audit	-	-	5,000	5,000
Legal and professional fees	7,928	-	-	7,928
Salary costs	521,993	13,846	7,850	543,689
Telephone, stationery and computer costs	30,800	957	319	32,076
Interest and charges	147	-	-	147
Miscellaneous costs	6,079	-	-	6,079
Impairment of debtors	<u>9,500</u>	<u>-</u>	<u>-</u>	<u>9,500</u>
	<u>576,447</u>	<u>14,803</u>	<u>13,169</u>	<u>604,419</u>

11. ANALYSIS OF EMPLOYEE COSTS

	2022 Total £	2021 Total £
The aggregate payroll costs were:		
Gross salaries and wages	513,504	543,102
Social security costs	38,582	34,632
Pension costs	9,731	9,625

There were no employees (2021 – nil) who received emoluments above £60,000 during the year.

Remuneration of £116,200 was paid during the year to key management personnel (2021 - £72,400).

12. REDUNDANCY PAYMENTS

Total payments made during the year in relation to redundancy pay was £1,819 (2021: £38,477). The payments are recognised as expenditure within the Statement of Financial Activities.

13. STAFF NUMBERS

The average number of staff employed over the course of the year, based on a head count, was 25 (2021 – 27).

14. 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.

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

15. NET INCOME/EXPENDITURE FOR THE YEAR

	2022 £	2021 £
This is stated after charging/(crediting) –		
Depreciation – owned tangible fixed assets	262,014	263,036
Profit on disposal of tangible fixed assets	-	-
Auditors remuneration	5,450	5,000
Impairment of debtors	(9,500)	9,500
Operating lease rentals – hire of equipment	2,785	2,627

Of the auditor's remuneration: £5,450 (2021 - £5,000) related to the audit and £0 (2021 - £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.

16. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Shop fit-out costs £	Fixtures & fittings £	Computer equipment £	Total £
Cost:					
As at 1 April 2021	6,276,106	5,564	189,046	15,404	6,486,120
Additions	-	-	11,892	13,140	25,032
Disposals	-	-	(2,303)	(1,382)	(3,685)
As at 31 March 2022	<u>6,276,106</u>	<u>5,564</u>	<u>198,635</u>	<u>27,162</u>	<u>6,507,467</u>
Depreciation					
As at 1 April 2021	5,020,473	4,963	182,547	14,168	5,222,151
Charge for the year	251,044	200	5,510	5,260	262,014
Eliminated on disposal	-	-	(2,303)	(1,382)	(3,685)
As at 31 March 2022	<u>5,271,517</u>	<u>5,163</u>	<u>185,754</u>	<u>18,046</u>	<u>5,480,480</u>
Net book value					
As at 31 March 2022	<u>1,004,589</u>	<u>401</u>	<u>12,881</u>	<u>9,116</u>	<u>1,026,987</u>
As at 1 April 2020	<u>1,255,633</u>	<u>601</u>	<u>6,499</u>	<u>1,236</u>	<u>1,263,969</u>

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) (Update Bulletin 2 published 5 October 2018) requires mixed use property to be separated between investment property (note 17) and property held for operational use.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

17. INVESTMENT PROPERTY

	£	Total £
Value:		
As at 1 April 2021 and At 31 March 2022	265,000	265,000
Carrying value:		
As at 1 April 2021 and At 31 March 2022	<u>265,000</u>	<u>265,000</u>

A valuation was carried out by J & E Shepherd Chartered Surveyors on 20 July 2020. The value of the property at this date was £265,000. The directors consider the value at 31 March 2022 is not materially different to the valuation carried out in July 2020.

The estimated historical cost of the property is £155,664.

18. DEBTORS

	2022 £	2021 £
Trade debtors	10,653	-
Prepayments and accrued income	25,906	21,431
Other debtors	<u>10,917</u>	<u>8,027</u>
	<u>47,476</u>	<u>29,458</u>

Included in other debtors is a loan totalling £10,000 to an employee. This has been repaid following the year end.

19. INVESTMENTS

	2022 £	2021 £
Fixed term deposits	—	<u>85,000</u>
	—	<u>85,000</u>

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

20. CASH AT BANK/IN HAND

	2022 £	2021 £
Cash at bank and in hand	<u>408,767</u>	<u>418,265</u>
	<u>408,767</u>	<u>418,265</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.

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ON YEAR

	2022 £	2021 £
Trade creditors	65,285	32,105
Taxes and social security costs	9,796	8,994
Accruals	36,310	46,632
Deferred income – note 22	73,031	135,661
Other creditors	<u>675</u>	<u>53</u>
	<u>185,097</u>	<u>223,445</u>

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

22. 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 £	2022 Total £
Balance as at 1 April 2021	22,443	113,218	135,661
Amount released to incoming resources	(22,443)	(113,218)	(135,661)
Amount deferred in year	<u>18,843</u>	<u>54,188</u>	<u>73,031</u>
Balance as at 31 March 2022	<u>18,843</u>	<u>54,188</u>	<u>73,031</u>

	Programme Income etc £	Grants £	2021 Total £
Balance as at 1 April 2020	16,998	-	16,998
Amount released to incoming resources	(16,998)	-	(16,998)
Amount deferred in year	<u>22,443</u>	<u>113,218</u>	<u>135,661</u>
Balance as at 31 March 2021	<u>22,443</u>	<u>113,218</u>	<u>135,661</u>

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

23. ANALYSIS OF CHARITABLE FUNDS

	Balance at 31 March 2021	Incoming resources	Resources expended	Transfers	Balance at 31 March 2022
	£	£	£	£	£
Unrestricted					
General fund	<u>195,326</u>	<u>798,711</u>	<u>(789,759)</u>	<u>756</u>	<u>205,034</u>
Designated					
Digital boost - computer equipment	-	-	-	3,923	3,923
Seating bank	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total unrestricted	<u>195,326</u>	<u>798,711</u>	<u>(789,759)</u>	<u>4,679</u>	<u>208,957</u>
Restricted income – non capital					
Prime	-	2,520	(1,832)	-	688
Everybody Dance Now	88	-	-	-	88
Step in time/Seated Swing	431	-	-	-	431
Great Feats	10,730	-	(480)	-	10,250
Lothians Youth Dance Co	7,490	3,942	(2,540)	-	8,892
Dance for Parkinson's	38,978	107,307	(98,869)	-	47,416
Dumfries & Galloway	27,651	50,332	(59,705)	(756)	17,522
Sick Kids	3,400	-	(1,850)	-	1,550
Other projects	808	-	(260)	-	548
Wellbeing: Feel Like Dancing	-	-	-	-	-
Foundation Scotland	608	-	-	-	608
British Council – African Exchange	-	24,405	(8,232)	-	16,173
Performing Arts Venues Recovery Fund	58,057	223,827	(281,884)	-	-
HMRC – Coronavirus Job Retention Scheme	-	15,749	(15,749)	-	-
	<u>148,241</u>	<u>428,082</u>	<u>(471,401)</u>	<u>(756)</u>	<u>104,166</u>
Restricted income – capital					
Grassmarket capital grants	1,386,909	-	(246,235)	-	1,140,674
Digital boost – computer equipment	-	5,885	(1,962)	(3,923)	-
Investment property revaluation	<u>109,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>109,336</u>
	<u>1,496,245</u>	<u>5,885</u>	<u>(248,197)</u>	<u>(3,923)</u>	<u>1,250,010</u>
Total restricted	<u>1,644,486</u>	<u>433,967</u>	<u>(719,598)</u>	<u>(4,679)</u>	<u>1,354,176</u>
TOTAL FUNDS	<u>1,839,812</u>	<u>1,232,678</u>	<u>(1,509,357)</u>	<u>-</u>	<u>1,563,133</u>

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

23. ANALYSIS OF CHARITABLE FUNDS (continued)

	Balance at 31 March 2020	Incoming resources	Resources expended	Transfers	Balance at 31 March 2021
	£	£	£	£	£
Unrestricted					
General fund	<u>200,591</u>	<u>588,228</u>	<u>(675,188)</u>	<u>81,695</u>	<u>195,326</u>
Designated					
Digital boost – computer equipment	-	-	-	-	-
Seating bank	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>	<u>-</u>	<u>-</u>
Total unrestricted	<u>202,591</u>	<u>588,228</u>	<u>(677,188)</u>	<u>81,695</u>	<u>195,326</u>
Restricted income – non capital					
Prime	-	2,000	(2,000)	-	-
Everybody Dance Now	2,888	-	(2,800)	-	88
Step in time/Seated Swing	1,881	-	(1,450)	-	431
Great Feats	10,730	-	-	-	10,730
Lothians Youth Dance Co	1,500	5,990	-	-	7,490
Dance for Parkinson's	37,323	91,548	(87,479)	(2,414)	38,978
Dumfries & Galloway	11,263	45,000	(27,856)	(756)	27,651
Sick Kids	4,000	-	(600)	-	3,400
Other projects	128	1,000	(320)	-	808
Wellbeing: Feel Like Dancing	-	10,764	(9,156)	(1,608)	-
Foundation Scotland	-	4,475	(3,867)	-	608
British Council – African Exchange	-	-	-	-	-
Performing Arts Venues Recovery Fund	-	256,200	(121,226)	(76,917)	58,057
HMRC-Coronavirus Job Retention Scheme	-	<u>106,321</u>	<u>(106,321)</u>	<u>-</u>	<u>-</u>
	<u>69,713</u>	<u>523,298</u>	<u>(363,075)</u>	<u>(81,695)</u>	<u>148,241</u>
Restricted income – capital					
Grassmarket capital grants	1,633,144	-	(246,235)	-	1,386,909
Digital boost – computer equipment	-	-	-	-	-
Investment property revaluation	<u>109,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>109,336</u>
	<u>1,742,480</u>	<u>-</u>	<u>(246,235)</u>	<u>-</u>	<u>1,496,245</u>
Total restricted	<u>1,812,193</u>	<u>523,298</u>	<u>(609,310)</u>	<u>(81,695)</u>	<u>1,644,486</u>
TOTAL FUNDS	<u>2,014,784</u>	<u>1,111,526</u>	<u>(1,286,498)</u>	<u>-</u>	<u>1,839,812</u>

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

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

Digital Boost Grant – support to purchase IT hardware or software to increase business competitiveness from Scottish Government.

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.

PURPOSE OF RESTRICTED FUNDS

PRIME – individual donations enabling the company's weekly class to be delivered throughout the year and the creation of new work with choreographers.

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.

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 – a grant from the Ernest Hecht Charitable Foundation for four bursary places to be awarded to dancers from disadvantaged areas in the Lothians, as well as setting up a new Junior LYDC class.

Dance for Parkinson's Scotland – funding for a programme of dance for people with Parkinson's in Edinburgh, Glasgow and eight other hubs across Scotland.

Dumfries & Galloway – a second-stage grant from the Holywood Trust to continue and consolidate a programme of youth dance in the region, spearheaded by the Cultured Mongrel dance company.

Sick Kids – this represents funding from the winding up of another dance charity towards a programme of support for children being discharged from hospital back to their homes in East Lothian.

Other - Gesture Exchange – a grant from the Scottish Refugee Council for a series of online classes aimed at refugees.

Wellbeing: Feel Like Dancing – a grant from Foundation Scotland under The Scottish Council for Voluntary Organisation's Wellbeing strand, this money was for a programme of online dance classes devised primarily for older people, both in home and in care settings, with secondary aims to deliver work for key workers and vulnerable families.

Foundation Scotland – a grant for essential upgrades to the broadband capacity and reach in the Grassmarket building, thus facilitating the live streaming of classes, performances and lectures from the venue.

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

23. ANALYSIS OF CHARITABLE FUNDS (continued)**PURPOSE OF RESTRICTED FUNDS (continued)**

British Council African Exchange Funds – a grant to support a programme of exchange activity between dance artists in Scotland and Senegal

Performing Arts Venues Relief Fund - The purpose of this fund was to support immediate and critical financial need in order for performing arts venues to remain solvent during the period of closure to the public and to plan for a sustainable return.

HMRC – Coronavirus Job Retention Scheme – A scheme set up by the Government to help fund wages if there is less or no work during the COVID-19 pandemic.

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.

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Fund £	Designated Funds £	Restricted Funds £	2022 Total £
Tangible fixed assets	38,054	3,923	985,010	1,026,987
Investment property			265,000	265,000
Net current assets	<u>166,980</u>	<u>-</u>	<u>104,166</u>	<u>271,146</u>
	<u>205,034</u>	<u>3,923</u>	<u>1,354,176</u>	<u>1,563,133</u>
	General Fund £	Designated Funds £	Restricted Funds £	2021 Total £
Tangible fixed assets	32,724	-	1,231,245	1,263,969
Investment property			265,000	265,000
Net current assets	<u>162,602</u>	<u>-</u>	<u>148,241</u>	<u>310,843</u>
	<u>195,326</u>	<u>-</u>	<u>1,644,486</u>	<u>1,839,812</u>

DANCE BASE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022**

25. OPERATING LEASES

Operating 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:-

	2022	2021
	£	£
Within one year	2,605	2,605
In two to five years	<u>541</u>	<u>3,146</u>
	<u>3,146</u>	<u>5,751</u>

Operating lease agreements where the company is lessor:

As per note 16 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:

	2022	2021
	£	£
Within one year	-	15,000
In two to five years	<u>15,000</u>	<u>-</u>
	<u>15,000</u>	<u>15,000</u>

26. 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 £9,731 (2021 - £9,625).

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

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

	2022	2021
	£	£
Net movement in funds	(276,679)	(174,972)
Addback depreciation charge	262,014	263,036
Deduct investment income shown in investing activities	(25,885)	(20,768)
(Increase) decrease in stock	1,565	-
(Increase) decrease in debtors	(18,018)	8,252
(Increase) decrease in investments	85,000	(46,000)
Increase (decrease) in creditors	<u>(38,348)</u>	<u>130,029</u>
Net cash provided by/(used in) operating activities	<u>(10,351)</u>	<u>159,577</u>