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DANCE BASE LIMITED

REVISED
**DIRECTORS REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005**

Company No: 145736 (Scotland)



DANCE BASE LIMITED
FOR THE YEAR ENDED 31 MARCH 2005

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DANCE BASE LIMITED**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2005****REGISTERED CHARITY NUMBER:**

SC022512

DIRECTORS:

K Koren
D Rutherford (Chair)
P Vestri
I Coldwell
J Dick
S Mitchell
H Warnock
F Dick
S Palsson
R Henderson

SECRETARY:

Cowan & Partners
60 Constitution Street
Edinburgh
EH6 6RR

COMPANY 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:

Royal Bank of Scotland
St Andrew Square
Edinburgh
EH2 2YB

SOLICITORS:

Maclay Murray & Spens
3 Glenfinlas Street
Edinburgh
EH3 6AQ

DANCE BASE LIMITED

DIRECTORS ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2005

The directors present their report and the audited financial statements for the year to 31 March 2005.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The charity is constituted as a company limited by guarantee and is therefore governed by a memorandum and articles of association.

The principal activity of the company in the year under review was that of the development of dance culture.

The year to 31 March 2005 was a year of further development for Dance Base. We continued to assess and strengthen the organisational structure to ensure that it can meet the company's constantly developing and demanding artistic needs. The outcome for the year shows that Dance Base has managed this process effectively and continues to utilise its resources appropriately and responsibly.

The Business Plan has been updated, with the Board and staff identifying the company's achievements, challenges and opportunities and providing a clear framework for the delivery of our Mission and Core Aims through until 2008. This framework enables the organisation to move forward strategically and to assess and refine its performance on a regular basis. By evaluating our activities we continue to learn from them and to improve our annual programme and practice for the future.

During the year we ran three full 12 week terms of public classes and workshops, as well as four weeks of classes during the Edinburgh Fringe Festival in August. We are constantly reviewing timetables to ensure that the studio spaces are used to capacity, thereby allowing local people to enjoy learning and practising dance by offering a diverse and stimulating choice of activities for all ages and abilities.

Over this 12 month period Dance Base welcomed over 80,000 people into the building to attend a dance activity. We have managed to sustain this level of interest and commitment since Dance Base opened its new premises in 2001 by providing an exciting programme of events and maintaining a high quality of teaching.

This year also saw an expansion of Dance Base's Outreach Team. In addition to our full time Youth Dance Worker and our part time Special Needs Dance Worker we created the new posts of a full time Early Years Dance Worker and a part time Older Dancers Worker, which means that we can expand our delivery of dance as a therapeutic tool to encourage creativity, health and well-being in those unable to come to Dance Base due to physical, financial or social barriers. These new posts are being funded by the Scottish Arts Council and The City of Edinburgh Council, for a two year period.

General funding for the outreach programme, including the many classes run by freelance dance teachers throughout the city, was dependent on income received from trusts and foundations. We are delighted to report success in receiving funds to sustain this area of our work, which is an extremely important component of our annual dance activity. We are indebted to the Lloyds TSB Foundation, The LankellyChase Foundation, BBC Children in Need and an anonymous donor who recognise the value of our work and have committed to funding Dance Base to deliver a programme specially for young people over a three year period which will end in 2006. Even the smallest of donation helps us to offer a service to a wide group of people in the community and we are very grateful to all those who responded to our appeal over the course of the year. We have therefore been able to deliver classes in nurseries, primary schools, secondary schools, special schools, youth and community groups, secure units, sheltered housing units, hospitals and adult training centres, reaching over 10,000 people during the year.

The Company continued to support the professional dance community of Scotland, providing residencies, performance opportunities, classes and workshops as well as mentoring and career development support for independent professional dancers from across Scotland. We ran an extremely successful Festival Fringe programme at Dance Base, inviting international and Scottish dancers to perform as part of the Edinburgh Fringe programme during August 2004. With the benefit of excellent shows and extensive press coverage, our audience attendance was around 95% capacity.

DANCE BASE LIMITED

DIRECTORS ANNUAL REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2005

Building upon the huge success of "Off Kilter" in Spring 2004 - a dance production which brought together the wealth of choreographic and musical talent of Scottish artists, in an exciting and accessible blend of traditional and contemporary styles - we have been investigating the possibility of touring this show nationally and internationally. This was a new departure for Dance Base as we took on the role of producer and promoter, a role which we now recognise as a valuable and complementary strand to our main programme.

FUTURE DEVELOPMENTS

In the coming year we are looking forward to being able to present a flagship programme of Scottish contemporary dance during the Festival Fringe. We also hope to extend this programme to include four evenings of dance/cabaret in one of our upper studios. In the autumn we are delighted to be able to offer three separate residencies to pairs of choreographers and musicians as part of the City of Edinburgh Council's New Work Programme which is set up to encourage local artists. The Outreach Team aims to have a designated co-ordinator who will maximise the efficiency and effectiveness of the work carried out by the dance workers in nurseries, schools and community centres throughout the city. As a recipient of a Scottish Arts Council's pARTners award we are also going to be able to host two part-time choreographers residencies of nine months each with the emphasis being on working with groups of adults with special needs or learning difficulties. These will allow the choreographers/dancers not only to refresh and develop their own work in the field but to offer an opportunity of putting together performance groups of mixed ability dancers.

FINANCIAL RESULTS

The Statement of Financial Activities shows net income for the year of £5,064 and reserves held amount to £97,282.

The financial results for the year to March 2005 are a testimony to the efforts of all of the stakeholders involved in Dance Base. The outcome for the year shows that Dance Base remains financially robust. It is particularly important, in a climate of uncertain long-term funding and possible restructuring of the national funding for the arts, that Dance Base continues to plan, manage and monitor its finances responsibly.

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

We anticipate that with the continued commitment of our Board and staff, a loyal customer and user base and continued good relationships with our funders, Dance Base is in a position to refine and expand its programme to remain artistically buoyant and financially viable into the future.

DIRECTORS

The Board of Directors are listed on page 1.

COMPANY STRUCTURE

The City of Edinburgh Council has the right to appoint a Director Representative. The Board comprises eleven directors who bring various skills to the company. The Board acts in a non-executive capacity and meets five times a year to monitor the operations of Dance Base and are involved in all strategic decision making.

RISK MANAGEMENT

The directors are responsible for identifying and reviewing the major risks to which the company is exposed and establishing systems to mitigate these risks.

DANCE BASE LIMITED**DIRECTORS ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2005****STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 profit or loss 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 1985. 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.

AUDITORS

The auditors, McDonald Gordon & Co Ltd, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Approved by the directors on 5th October 2005 and signed on their behalf by



D RUTHERFORD
CHAIR, DANCE BASE

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

We have audited the company's financial statements for the year ended 31 March 2005, which comprise Profit and Loss Account, Balance Sheet and the related notes 1 – 22. These financial statements have been prepared on the basis of accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities (page 3) the company's directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom law and Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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

BASIS OF AUDIT OPINION

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

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

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



McDonald Gordon & Co Ltd
Chartered Certified Accountants
and Registered Auditors

29 York Place
Edinburgh
EH1 3HP

23 November 2005

DANCE BASE LIMITED

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2005**

	Notes	2005 £	2004 £
Programme income	2	388,208	375,819
Grants receivable	4	<u>603,540</u>	<u>666,050</u>
Total Income of Continuing Operations		<u>991,748</u>	<u>1,041,869</u>
Programme costs	3	362,567	401,623
Administrative overheads	5	623,913	595,068
Fundraising costs	5	<u>4,279</u>	<u>6,147</u>
Total Expenditure of Continuing Operations		<u>990,759</u>	<u>1,002,838</u>
Net Income for the year from Continuing Operations		989	39,031
Interest receivable		<u>4,075</u>	<u>3,135</u>
Net Income for the year		<u>5,064</u>	<u>42,166</u>

There were no recognised gains and losses for 2005 or 2004 other than those included in the Income and Expenditure Account.

DANCE BASE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2005


	Notes	Capital Grants	Restricted Funds	Unrestricted Funds	Total Funds 2005	Total Funds 2004
		£	£	£	£	£
INCOME RESOURCES						
Programme income	2	-	37,570	350,638	388,208	375,819
Grants receivable	4	3,030	96,539	252,947	352,516	411,568
Interest receivable		-	-	4,075	4,075	3,135
Total Incoming Resources		<u>3,030</u>	<u>134,109</u>	<u>607,660</u>	<u>744,799</u>	<u>790,522</u>
RESOURCES EXPENDED						
	5					
Direct charitable expenditure		-	374,530	436,054	810,584	836,880
Fundraising		-	-	4,279	4,279	6,147
Management and administration of Charity		-	9,168	166,728	175,896	159,811
Total Resources Expended		<u>-</u>	<u>383,698</u>	<u>607,061</u>	<u>990,759</u>	<u>1,002,838</u>
Net Incoming Resources		<u>3,030</u>	<u>(249,589)</u>	<u>599</u>	<u>(245,960)</u>	<u>(212,316)</u>
Release of capital grants	13	-	254,054	-	254,054	255,870
Deferral of capital grants	13	(3,030)	-	-	(3,030)	(1,388)
Transfers between funds	6	-	(6,693)	6,693	-	-
Net increase (decrease) in Funds for the Year		<u>-</u>	<u>(2,228)</u>	<u>7,292</u>	<u>5,064</u>	<u>42,166</u>
Funds at 1 April 2004		<u>-</u>	<u>4,428</u>	<u>87,790</u>	<u>92,218</u>	<u>50,052</u>
Funds at 31 March 2005		<u>-</u>	<u>2,200</u>	<u>95,082</u>	<u>97,282</u>	<u>92,218</u>

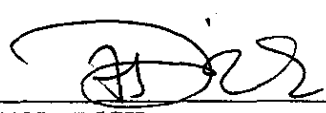
DANCE BASE LIMITED

BALANCE SHEET
AS AT 31 MARCH 2005

	NOTES	£	2005	£	£	2004	£
FIXED ASSETS							
Tangible Assets	9		5,441,235			5,698,116	
CURRENT ASSETS							
Debtors and prepayments	10	176,311		51,865			
Cash at bank and in hand		<u>156,844</u>		<u>196,374</u>			
		<u>333,155</u>		<u>248,239</u>			
CREDITORS							
Amounts falling due within one year	11	<u>561,983</u>		<u>485,002</u>			
NET CURRENT LIABILITIES			<u>(228,828)</u>			<u>(236,763)</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			5,212,407			5,461,353	
CREDITORS: Amounts falling due after more than one year	12		<u>5,115,125</u>			<u>5,369,135</u>	
NET ASSETS			<u>97,282</u>			<u>92,218</u>	
FUNDS							
Unrestricted funds							
General			83,082			68,070	
Designated			<u>12,000</u>			<u>19,720</u>	
			95,082			87,790	
Restricted funds			<u>2,200</u>			<u>4,428</u>	
			<u>97,282</u>			<u>92,218</u>	

These financial statements were approved by the Directors on 5 October 2005 and signed on their behalf by:


DAVID RUTHERFORD
DIRECTOR


FIONA DICK
DIRECTOR

DANCE BASE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005****1. ACCOUNTING POLICIES****BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements are prepared under the historical cost convention and include results of the company's operations as indicated in the Directors' Report, all of which are continuing.

The accounts are prepared in accordance with the Companies Act 1985, applicable accounting standards and Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2000).

The company has taken advantage of the exemption in Financial Reporting Standard 1 from the requirement to prepare a cash flow statement on the grounds that it is a small company.

GRANTS AND SUBSIDIES

Revenue grants and subsidies are credited to the Income and Expenditure Account and Statement of Financial Activities on the earlier date of when they are received or when they are receivable, unless they relate to a specified future period, in which case they are deferred.

GRANTS FOR THE PURCHASE OF FIXED ASSETS

Grants for the purchase of fixed assets are put into a deferral account and released to the Income and Expenditure Account over the life of the related asset. Depreciation on the fixed assets purchased with such grants is matched against the grant released each year. The grants are included wholly in the Statement of Financial Activities when received.

VOLUNTARY INCOME

Voluntary income received by way of legacies, donations and gifts to the charity is included in full in the Income and Expenditure Account and Statement of Financial Activities when received. Gifts in kind are brought in as income at estimated market value.

RESTRICTED FUNDS

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure, which meets these criteria, is identified to the fund, together with a fair allocation of overheads and support costs.

UNRESTRICTED FUNDS

Unrestricted funds are donations and other income resources received or generated for charitable purposes.

DESIGNATED FUNDS

Designated funds are unrestricted funds earmarked by the directors for particular purposes.

LIABILITIES

Liabilities are recognised when a legal or practical obligation arises which will result in a transfer of economic benefits from the company.

STAFF COSTS AND OVERHEADS EXPENSES

Staff costs and overhead expenses are allocated to activities on the basis of the directors' best estimates of time spent on those activities.

DANCE BASE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2005****TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the costs of fixed assets less their estimated residual value, over the expected useful lives on the following basis:

Freehold property	4% straight line basis
Fixtures and fittings	20% straight line basis
Computers	33.3% straight line basis

Impairment reviews are carried out annually.

OPERATING LEASES

Rentals applicable to operating leases where substantially of all the benefits and risks of ownership remain with the lessor are charged to the Income and Expenditure Account as incurred.

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2005

	Restricted Funds	Unrestricted Funds	Total Funds 2005	Total Funds 2004
	£	£	£	£
2. PROGRAMME INCOME				
Community programme	-	239,675	239,675	218,088
Education and Outreach programme	-	19,591	19,591	13,780
Professional programme	-	26,431	26,431	14,139
Hires	-	50,790	50,790	47,521
Charitable trusts and foundations	27,000	-	27,000	49,168
Public donations	-	12,821	12,821	
Sponsorship-in-kind	2,800	-	2,800	5,750
Other income	-	1,330	1,330	567
Lottery audience development	-	-	-	50
Off Kilter project	-	-	-	6,000
Lottery skills development – defining moments	<u>7,770</u>	<u>-</u>	<u>7,770</u>	<u>7,930</u>
	<u>37,570</u>	<u>350,638</u>	<u>388,208</u>	<u>375,819</u>
3. PROGRAMME COSTS				
Community programme – fees	-	118,174	118,174	104,549
Community programme – workshop fees and expenses	-	3,478	3,478	2,991
Community programme – festival classes and workshops	-	2,225	2,225	2,588
Education and outreach fees and expenses	22,085	-	22,085	19,083
Education and outreach programme – salaries	33,592	-	33,592	20,248
Older dancer worker costs	5,317	-	5,317	-
Special needs worker - fees and expenses	-	6,685	6,685	-
Professional programme – fees and expenses	-	29,645	29,645	21,363
Professional programme – dance mentoring/ training	-	12,629	12,629	11,987
Professional programme – other commissions	-	-	-	-
Festival programme – costs	20,500	8,486	28,986	25,745
Marketing – programme	1,400	63,743	65,143	54,102
Marketing – lottery audience development	-	-	-	7,911
Off Kilter project costs	7,481	-	7,481	94,881
Resource room costs	545	-	545	10,172
Lottery skills development – defining moments	<u>26,582</u>	<u>-</u>	<u>26,582</u>	<u>26,003</u>
	<u>117,502</u>	<u>245,065</u>	<u>362,567</u>	<u>401,623</u>

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2005

4. GRANTS

	Capital Grants	Restricted Funds	Unrestricted Funds	Total Funds 2005	Total Funds 2004
	£	£	£	£	£
SAC - Revenue Grant	-	-	175,000	175,000	175,000
SAC - Lottery Revenue	-	-	50,000	50,000	60,000
SAC - Travel/Training Grant	-	-	-	-	2,722
SAC - Programme of Dance – Festival	-	20,000	-	20,000	20,000
SAC – TMA – Marketing Grant	-	596	-	596	-
Scottish Executive – Dance/Health Promotion	-	1,000	-	1,000	-
SAC – Staff Review Grant	-	4,698	-	4,698	-
City of Edinburgh Council – Young Dancers Worker	-	5,750	-	5,750	-
City of Edinburgh Council – Revenue Grant (Recreation Dept)	-	-	27,947	27,947	27,947
City of Edinburgh Council – Revenue Grant (Education Dept)	-	3,000	-	3,000	3,000
SAC – Elderly Worker	-	6,000	-	6,000	-
Visiting Arts	-	500	-	500	1,500
SAC – Lottery skills development – defining moments	-	16,614	-	16,614	13,385
SAC – Lottery audience development	-	-	-	-	9,996
Off kilter project	3,030	12,688	-	15,718	90,055
SAC – Resource room	-	850	-	850	7,650
SAC – Youth Dance worker	-	24,843	-	24,843	313
Total Grants	3,030	96,539	252,947	352,516	411,568
Add: Deferred Grants b/f	5,556,581	-	-	5,556,581	5,811,063
Deferral of capital grants	(5,305,557)	-	-	(5,305,557)	(5,556,581)
Total Grants per Income and Expenditure Account	<u>254,054</u>	<u>96,539</u>	<u>252,947</u>	<u>603,540</u>	<u>666,050</u>
Comprising:-					
Grants received and spent in year	-	96,539	252,947	349,486	410,180
Release of Grassmarket Project grants	252,456	-	-	252,456	252,458
Release of computer grant	-	-	-	-	2,423
Release of CCTV grant	528	-	-	528	526
Release of resource room computer grant	464	-	-	464	463
Release of projector grant	606	-	-	606	-
	<u>254,054</u>	<u>96,539</u>	<u>252,947</u>	<u>603,540</u>	<u>666,050</u>

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2005

5a. TOTAL RESOURCES EXPENDED

	Direct Charitable Expenditure £	Fundraising £	Management & Admin £	Total Funds 2005 £	Total Funds 2004 £
PROGRAMME COSTS	<u>362,567</u>	<u>-</u>	<u>-</u>	<u>362,567</u>	<u>401,623</u>
ADMINISTRATIVE OVERHEADS					
Salaries and national insurance	83,945	-	125,918	209,863	182,274
Recruitment	-	-	3,843	3,843	1,423
Staff training	1,157	-	1,735	2,892	4,949
Telephone, fax and internet	2,353	-	3,529	5,882	6,154
Printing, postage and stationery	2,900	-	4,351	7,251	8,491
Travelling expenses	1,178	-	1,178	2,356	5,356
Entertainment	822	-	822	1,644	1,538
Repairs and renewals	6,657	-	-	6,657	3,732
Equipment hire	2,591	-	-	2,591	2,700
Computer maintenance	6,220	-	-	6,220	4,094
Membership and licences	-	-	5,054	5,054	4,658
Office expenses	-	-	1,353	1,353	1,190
First Aid expenses	-	-	617	617	58
Cleaning expenses	24,224	-	-	24,224	22,271
Auditors' remuneration	-	-	2,500	2,500	2,100
Accountancy fees	-	-	8,458	8,458	920
Legal and professional fees	-	-	4,789	4,789	1,250
Bank charges	-	-	2,539	2,539	4,897
Bank interest	-	-	1	1	47
Loan interest	-	-	5,246	5,246	11,909
Interest on overdue taxation	-	-	-	-	69
Depreciation	16,486	-	3,513	19,999	19,309
Depreciation – capital project	257,304	-	-	257,304	259,728
Gain on disposal of fixed assets	-	-	-	-	-
Building maintenance	13,187	-	-	13,187	17,085
Rates and insurance	22,070	-	-	22,070	21,581
Heat and light	6,923	-	-	6,923	6,961
Bad debts write off	<u>-</u>	<u>-</u>	<u>450</u>	<u>450</u>	<u>324</u>
	<u>448,017</u>	<u>-</u>	<u>175,896</u>	<u>623,913</u>	<u>595,068</u>
FUNDRAISING COSTS					
Fundraising	<u>-</u>	<u>4,279</u>	<u>-</u>	<u>4,279</u>	<u>6,147</u>
TOTAL EXPENDITURE	<u>810,584</u>	<u>4,279</u>	<u>175,896</u>	<u>990,759</u>	<u>1,002,838</u>
Comprising:-					
RESTRICTED FUNDS	374,530	-	9,168	383,698	456,840
UNRESTRICTED FUNDS	<u>436,054</u>	<u>4,279</u>	<u>166,728</u>	<u>607,061</u>	<u>545,998</u>
	<u>810,584</u>	<u>4,279</u>	<u>175,896</u>	<u>990,759</u>	<u>1,002,838</u>

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2005

5b. TOTAL RESOURCES EXPENDED

	Restricted 2005 £	Restricted 2004 £
Programme costs (note 3)	<u>117,502</u>	<u>197,935</u>
Direct Charitable Expenditure:		
Depreciation	253,590	255,407
Salaries	400	-
Travelling expenses	-	1,361
Staff training	238	-
Staff recruitment	-	313
Alarm Maintenance	<u>2,800</u>	<u>-</u>
	<u>257,028</u>	<u>257,081</u>
Management & Admin		
Depreciation	464	463
Salaries	600	-
Travelling expenses	-	1,361
Staff training	358	-
Legal and professional	4,698	-
General admin costs	<u>3,048</u>	<u>-</u>
	<u>9,168</u>	<u>1,824</u>
Fundraising costs	<u>-</u>	<u>-</u>
Total Restricted Expenditure	<u>383,698</u>	<u>456,840</u>

6. TRANSFER BETWEEN FUNDS

The amount of £6,693 (2004 - £23,554) was transferred from restricted funds to unrestricted funds being a transfer in recognition of the use of internal resources on projects funded by restricted income. This related mainly to utilising administration overheads in the production of specific programmes.

7. OPERATING SURPLUS

	2005 £	2004 £
Net income is stated after charging:-		
Depreciation of tangible fixed assets	277,303	279,037
Auditors' remuneration	2,500	2,100
Operating lease rentals	-	-
Hire of equipment	2,591	2,700
Directors' emoluments	<u>Nil</u>	<u>Nil</u>

8. EMPLOYEES

	2005 £	2004 £
Wages and salaries (artistic and administrative)	237,730	197,321
National insurance	<u>21,453</u>	<u>17,674</u>
	<u>259,183</u>	<u>214,995</u>

The average monthly employees during the year were as follows:-

Administration	<u>17</u>	<u>14</u>
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No employee received emoluments in excess of £50,000.

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2005

9. TANGIBLE FIXED ASSETS

	Freehold Property (capital project) £	Computer Equipment (capital project) £	Fixtures & Fittings £	Computer Equipment (office) £	TOTAL £
COST					
At 1 April 2004	6,432,630	14,822	65,643	26,587	6,539,682
Additions	-	-	17,879	2,543	20,422
Disposals	-	-	-	-	-
As at 31 March 2005	<u>6,432,630</u>	<u>14,822</u>	<u>83,522</u>	<u>29,130</u>	<u>6,560,104</u>
DEPRECIATION					
At 1 April 2004	771,472	14,822	32,628	22,644	841,566
Charge for the year	257,304	-	16,486	3,513	277,303
On disposal	-	-	-	-	-
As at 31 March 2005	<u>1,028,776</u>	<u>14,822</u>	<u>49,114</u>	<u>26,157</u>	<u>1,118,869</u>
NET BOOK VALUE					
At 31 March 2005	<u>5,403,854</u>	<u>-</u>	<u>34,408</u>	<u>2,973</u>	<u>5,441,235</u>
At 31 March 2004	<u>5,661,158</u>	<u>-</u>	<u>33,015</u>	<u>3,943</u>	<u>5,698,116</u>

All fixed assets of the charity were for direct charitable purposes with the exception of computer equipment also used for administrative purposes.

10. DEBTORS AND PREPAYMENTS

	2005 £	2004 £
Trade debtors	129,999	33,904
Other debtors	46,312	15,408
VAT	-	2,553
	<u>176,311</u>	<u>51,865</u>

11. CREDITORS – Amounts falling due within one year

	2005 £	2004 £
Bank loan (secured)	3,564	61,668
Trade creditors	34,067	15,363
Other creditors	260,272	149,348
Other taxes and social security costs	10,026	5,176
Deferred capital grants	<u>254,054</u>	<u>253,447</u>
	<u>561,983</u>	<u>485,002</u>

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2005

12. CREDITORS – Amounts falling due after more than one year	2005 £	2004 £
Bank loan (secured)	63,622	66,001
Deferred capital grants	<u>5,051,503</u>	<u>5,303,134</u>
	<u>5,115,125</u>	<u>5,369,135</u>
Loans		
Repayable in one year or less, or on demand (note 11)	3,564	61,668
Repayable between one and two years	3,564	7,073
Repayable between two and five years	10,692	23,906
Repayable after more than five years	<u>49,366</u>	<u>35,022</u>
	<u>67,186</u>	<u>127,669</u>

The Royal Bank of Scotland hold a standard security over the property at 14-16 Grassmarket, Edinburgh.

13. DEFERRED CAPITAL GRANTS AND INTEREST	2005 £	2004 £
At 31 March 2004	5,556,581	5,811,063
Received during the year	3,030	1,388
Released during the year	<u>(254,054)</u>	<u>(255,870)</u>
At 31 March 2005	<u>5,305,557</u>	<u>5,556,581</u>
To be released within one year	254,054	253,447
To be released after more than one year	<u>5,051,503</u>	<u>5,303,134</u>
	<u>5,305,557</u>	<u>5,556,581</u>

14. DIRECTORS' EMOLUMENTS	2005 £	2004 £
Emoluments and expenses	<u>—</u>	<u>—</u>

15. TAXATION

The company is limited by guarantee and, as a registered charity, it is relieved from Corporation Tax under Section 505 of the Income and Corporation Taxes Act 1988.

16. INTEREST

Interest payable/receivable relates to interest on short term bank borrowing/deposits.

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2005

17. ANALYSIS OF NET ASSETS	Restricted Funds	Unrestricted Funds	Designated Funds	Total Funds	Total Funds
	£	£	£	£	£
				2005	2004
Fund balances at 31/03/05 are represented by:-					
Tangible fixed assets	5,407,751	33,484	-	5,441,235	5,698,116
Current assets	109,227	211,928	12,000	333,155	248,239
Current liabilities	(465,475)	(96,508)	-	(561,983)	(485,002)
Long term liabilities	-	(63,622)	-	(63,622)	(66,001)
Deferred capital funds	(5,051,503)	-	-	(5,051,503)	(5,303,134)
Total Net Assets	-	85,282	12,000	97,282	92,218

18. RESTRICTED FUNDS

	At 1 April 2004	Incoming	Outgoing	At 31 March 2005
	£	£	£	£
SAC – Programme of Dance	-	20,000	20,000	-
SAC – Elderly Worker	-	6,000	5,317	683
CEC – Education Grant	-	3,000	3,000	-
Grassmarket Capital Grants	-	252,456	252,456	-
SAC – Projector	-	606	606	-
CEC – CCTV	-	528	528	-
SAC – Resource room computer	-	464	464	-
Lottery skills development (defining moments)	2,975	24,384	27,359	-
Off Kilter project	-	12,688	11,171	1,517
Resource room project	1,453	850	2,303	-
Youth dance worker	-	30,593	30,593	-
Visiting arts	-	500	500	-
Lloyds TSB	-	9,000	9,000	-
Sponsorship in kind	-	2,800	2,800	-
BBC – Children in Need	-	13,000	13,000	-
SAC – Staff Review	-	4,698	4,698	-
SAC – TMA Marketing	-	596	596	-
Scottish Executive – Dance Promotion	-	1,000	1,000	-
Robertson Trust	-	2,500	2,500	-
Widowers' Children's Home Trust	-	2,000	2,000	-
Joanies Trust	-	500	500	-
	4,428	388,163	390,391	2,200

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2005

19 TOTAL FUNDS	At 1 April 2004 £	Incoming £	Outgoing £	Transfers £	At 31 March 2005 £
The movement on funds were:					
Restricted Funds	4,428	388,163	383,698	(6,693)	2,200
Unrestricted Funds:					
General Funds	68,070	607,660	607,061	14,413	83,082
Designated Funds	<u>19,720</u>	<u>-</u>	<u>-</u>	<u>(7,720)</u>	<u>12,000</u>
	<u>92,218</u>	<u>995,823</u>	<u>990,759</u>	<u>-</u>	<u>97,282</u>

The amount of £6,693 (2004 - £23,554) was transferred from restricted funds to unrestricted funds being a transfer in recognition of the use of internal resources on projects funded by restricted income. This related mainly to utilising administration overheads in the production of specific programmes.

At 31 March 2005 the Board designated funds amounting to £12,000 for the purchase of computer equipment.

20. REMUNERATION OF AUDITORS	2005 £	2004 £
The total payable to the auditors of the company related to the following:-		
Audit	2,500	2,100
Accountancy	<u>2,938</u>	<u>920</u>

21. SECURED DEBTS

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

22. CAPITAL COMMITMENTS	2005 £	2004 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>-</u>