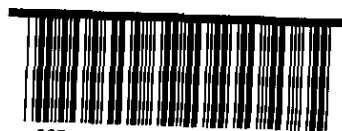


DANCE BASE LIMITED

**DIRECTORS REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003**

Company No: 145736 (Scotland)



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DANCE BASE LIMITED
FOR THE YEAR ENDED 31 MARCH 2003

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DANCE BASE LIMITED**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2003**

REGISTERED CHARITY NUMBER:	SC022512
DIRECTORS:	L Hinds (resigned 21 May 2003) K Koren D Rutherford (Chair) P Vestri I Coldwell J Dick S Mitchell R Smith H Warnock F Dick T Grainger (resigned 25 November 2002) S Palsson (appointed 25 November 2002)
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 2003

The directors present their report and the audited financial statements for the year to 31 March 2003.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

Following the excitement of the previous year's move into our new premises in the Grassmarket, the year to 31 March 2003 was a year in which Dance Base was able to settle into its new building and start to assess the best way of delivering its artistic programme. This was our first full financial year's operation in the new building, and our opportunity to evaluate the staffing and overheads required to provide the best service to our customers, teachers and staff. The outcome for the year shows that Dance Base has monitored this process effectively and is managing its resources responsibly.

A new Business Plan was developed for the company during the course of the year which identifies the challenges and opportunities ahead and provides a clear framework for the delivery of our Mission and Core Aims. This will enable the organisation to move forward strategically and to assess and refine its performance on a regular basis.

We were delighted to welcome Steinvor Palsson onto the Board during the course of the year. Steinvor is one of Dance Base's most popular and skilled teacher of professional dancers and is experienced as a performer and choreographer. She is greatly respected by the wider dance community and will be a great addition to the governance of the company.

During the year we ran three full terms of public classes and workshops, as well as four weeks of classes during the Edinburgh Fringe Festival in August. Over this period, we have welcomed over 80,000 people into the building to attend a dance activity. This level of interest proves that Dance Base is providing a valuable service to our local community, enabling people of all ages and abilities to come together on a weekly basis to have fun, learn new skills, meet other people and to keep fit in a non-competitive environment. The Dance Base Christmas Show continues to be a popular occasion, showing off the talents of those who participate in classes at Dance Base throughout the year. The event was so successful in 2002 that we will need to find a larger venue if we are to satisfy audience demand in future years!

This year also saw an expansion of Dance Base's work in the community, using 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. We have delivered 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.

We are indebted to the Lloyds TSB Foundation, The Chase Charity and an anonymous donor who recognise the value of this work and have committed to funding Dance Base to deliver a programme specially for young people on a three year basis, so enabling us to plan from a position of strength in future fundraising.

The Company continued to support the professional dance community, providing residencies, class and workshop opportunities as well as mentoring and career development support for independent professional dancers from across Scotland. We also ran our first Festival programme from Dance Base, inviting international and Scottish dancers to perform as part of the Edinburgh Fringe programme during August 2002. Our aim is to become a key venue for dance on the Fringe in future years.

Professional dancers also benefited from our training and performance platform in collaboration with The Space in Dundee in November 2002. This event enabled Scottish based dancers to train with an experienced teacher/mentor and to perform excerpts from performance work to an audience of potential funders and programmers. Due to the success of this programme in 2002, we have been successful in raising funds to expand and develop this programme in 2003 and 2004 in collaboration with Dance UK.

DANCE BASE LIMITED

REPORT OF THE DIRECTORS (continued) FOR THE YEAR ENDED 31 MARCH 2003

FINANCIAL RESULTS

The financial results for the year to March 2003 are a testimony to the efforts of all of the stakeholders involved in Dance Base. The small surplus for the year shall be applied to ensure that Dance Base remains financially robust and is able to fund, with the help of other sponsors, future projects assisting the company to deliver its artistic services to our local and national communities.

The Board acknowledge the financial support of its principal funders, Scottish Arts Council and the City of Edinburgh Council, as well as those commercial companies who have donated in kind support to our building developments and the Charitable Trusts and Foundations who have contribution to supporting our revenue activities.

We are confident that with a committed 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 twelve 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.

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:

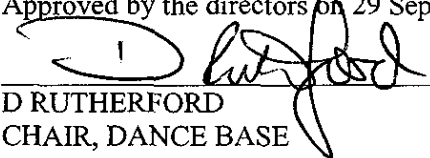
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 29 September 2003 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 2003, which comprise Profit and Loss Account, Balance Sheet and the related notes 1 – 21. 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 2003 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

9 OCTOBER 2003

DANCE BASE LIMITED

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2003

	Notes	2003 £	2002 £
Programme income	2	296,271	182,813
Grants receivable	4	<u>515,927</u>	<u>540,728</u>
Total Income of Continuing Operations		<u>812,198</u>	<u>723,541</u>
Programme costs	3	229,941	189,549
Administrative overheads	5	576,718	514,374
Fundraising costs	5	<u>141</u>	<u>4,000</u>
Total Expenditure of Continuing Operations		<u>806,800</u>	<u>707,923</u>
Net Income for the year from Continuing Operations		5,398	15,618
Provision for claim for dilapidations		-	(15,000)
Interest receivable		<u>3,496</u>	<u>1,903</u>
Net Income for the year		<u>8,894</u>	<u>2,521</u>

There were no recognised gains and losses for 2003 or 2002 other than those included in the Income and Expenditure Account.

DANCE BASE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2003

	Notes	Capital Grants	Restricted Funds	Unrestricted Funds	Total Funds 2003	Total Funds 2002
		£	£	£	£	£
INCOME RESOURCES						
Programme income	2	-	19,000	277,271	296,271	182,813
Grants receivable	4	2,628	24,573	235,947	263,148	1,318,309
Interest receivable		-	-	3,496	3,496	4,473
Total Incoming Resources		<u>2,628</u>	<u>43,573</u>	<u>516,714</u>	<u>562,915</u>	<u>1,505,595</u>
RESOURCES EXPENDED						
	5					
Direct charitable expenditure		-	311,558	330,679	642,237	250,698
Fundraising		-	-	141	141	4,000
Management and administration of Charity		-	922	163,500	164,422	453,225
Total Resources Expended		<u>-</u>	<u>312,480</u>	<u>494,320</u>	<u>806,800</u>	<u>707,923</u>
Net Incoming Resources		<u>2,628</u>	<u>(268,907)</u>	<u>22,394</u>	<u>(243,885)</u>	<u>797,672</u>
Release of capital grants	12	-	255,407	-	255,407	257,400
Deferral of capital grants and interest	12	(2,628)	-	-	(2,628)	(1,024,051)
Provision for claim for dilapidations		-	-	-	-	(15,000)
Net increase (decrease) in Funds for the Year		<u>-</u>	<u>(13,500)</u>	<u>22,394</u>	<u>8,894</u>	<u>16,021</u>
Funds at 1 April 2002		<u>-</u>	<u>13,500</u>	<u>27,658</u>	<u>41,158</u>	<u>25,137</u>
Funds at 31 March 2003		<u>-</u>	<u>-</u>	<u>50,052</u>	<u>50,052</u>	<u>41,158</u>

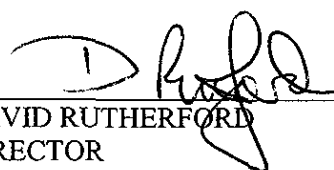
The notes on pages 8 to 16 form part of the financial statements.

DANCE BASE LIMITED

BALANCE SHEET
AS AT 31 MARCH 2003

	NOTES	£	2003 £	£	2002 £
FIXED ASSETS					
Tangible Assets	6		5,964,448		6,208,142
CURRENT ASSETS					
Debtors and prepayments	9	16,058		32,130	
Cash at bank and in hand		<u>239,469</u>		<u>444,161</u>	
		<u>255,527</u>		<u>476,291</u>	
CREDITORS					
Amounts falling due within one year	10	<u>384,395</u>		<u>834,314</u>	
NET CURRENT LIABILITIES			(128,868)		(358,023)
TOTAL ASSETS LESS CURRENT LIABILITIES			5,835,580		5,850,119
CREDITORS: Amounts falling due after more than one year	11		<u>5,785,528</u>		<u>5,808,961</u>
NET ASSETS			<u>50,052</u>		<u>41,158</u>
FUNDS					
Restricted funds			-		13,500
Unrestricted funds – general fund			<u>50,052</u>		<u>27,658</u>
			<u>50,052</u>		<u>41,158</u>

These financial statements were approved by the Directors on 29 September 2003 and signed on their behalf by:


DAVID RUTHERFORD
DIRECTOR


FIONA DICK
DIRECTOR

The notes on pages 8 to 16 form part of the financial statements.

DANCE BASE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003****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 2003****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 2003

	Restricted Funds	Unrestricted Funds	Total Funds 2003	Total Funds 2002
	£	£	£	£
2. PROGRAMME INCOME				
Community programme	-	191,636	191,636	145,727
Education and Outreach programme	-	15,716	15,716	-
Professional programme	-	11,148	11,148	-
Hires	-	47,217	47,217	33,046
Charitable trusts and foundations	14,000	500	14,500	-
Public donations	5,000	1,660	6,660	36
Event/box office income	-	-	-	4,004
Other income	-	9,394	9,394	-
	<u>19,000</u>	<u>277,271</u>	<u>296,271</u>	<u>182,813</u>
3. PROGRAMME COSTS				
Community programme – fees	-	78,880	78,880	62,726
Community programme – venue hire	-	-	-	8,053
Community programme – workshop fees and expenses	-	3,959	3,959	4,471
Community programme – outreach fees and expenses	19,500	3,802	23,302	3,398
Community programme – ancillary costs	-	-	-	764
Community programme – festival classes and workshops	-	2,015	2,015	-
Education and outreach programme – salaries	16,000	954	16,954	-
Professional programme – fees and expenses	-	15,393	15,393	7,475
Professional programme – dance mentoring/ training	-	96	96	1,500
Professional programme – ancillary costs	-	3,212	3,212	-
Professional programme – other commissions	-	7,149	7,149	-
Events programme – costs	20,000	3,102	23,102	20,538
Marketing – programme	-	55,879	55,879	39,918
Marketing – general	-	-	-	40,706
	<u>55,500</u>	<u>174,441</u>	<u>229,941</u>	<u>189,549</u>

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2003

4. GRANTS	Capital Grants	Restricted Funds	Unrestricted Funds	Total Funds 2003	Total Funds 2002
	£	£	£	£	£
SAC - Revenue Grant	-	-	113,000	113,000	113,000
SAC - Lottery Revenue - 2003	-	-	75,000	75,000	60,000
SAC - Lottery Revenue - 2002 (Balance)	-	-	20,000	20,000	-
SAC - Travel/Training Grant	-	-	-	-	3,938
SAC - Programme of Dance - Festival	-	20,000	-	20,000	-
SAC - Fund Raising Course Grant	-	1,162	-	1,162	-
SAC - Conference Grant	-	199	-	199	-
SAC - Research Trip Grant	-	212	-	212	-
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	3,194
City of Edinburgh Council - CCTV	2,628	-	-	2,628	-
City of Edinburgh Council - EYSIP	-	-	-	-	14,663
Midlothian Grant	-	-	-	-	300
Paul Hamlyn Foundation	-	-	-	-	18,000
Visiting Arts	-	-	-	-	8,500
Bonnie Bird Fund	-	-	-	-	500
Hazel Wood Trust	-	-	-	-	1,000
Walker Group	-	-	-	-	10,200
HRH Launch	-	-	-	-	42,771
SAC - National Lottery Start Up Grant	-	-	-	-	3,015
SAC - National Lottery Capital Grant	-	-	-	-	779,357
LEEL Capital Grant	-	-	-	-	100,022
City of Edinburgh Council - Capital Grant	-	-	-	-	50,000
Edinburgh World Heritage Trust	-	-	-	-	50,266
Scottish & Newcastle Donation	-	-	-	-	27,636
The Russell Trust	-	-	-	-	4,000
Other Grants	-	-	-	-	-
Total Grants	2,628	24,573	235,947	263,148	1,318,309
Add: Deferred Grants b/f	6,063,842	-	-	6,063,842	5,297,191
Deferral of grant from Paul Hamlyn Foundation	-	-	-	-	(13,500)
Deferral of capital grants	(5,811,063)	-	-	(5,811,063)	(6,061,272)
Total Grants per Income and Expenditure Account	<u>255,407</u>	<u>24,573</u>	<u>235,947</u>	<u>515,927</u>	<u>540,728</u>
Comprising:-					
Grants received and spent in year	-	24,573	235,947	260,520	283,328
Release of Grassmarket Project grants	252,458	-	-	252,458	252,458
Release of computer grant	2,423	-	-	2,423	4,942
Release of CCTV grant	<u>526</u>	-	-	<u>526</u>	-
	<u>255,407</u>	<u>24,573</u>	<u>235,947</u>	<u>515,927</u>	<u>540,728</u>

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2003

5. TOTAL RESOURCES EXPENDED

	Direct Charitable Expenditure £	Fundraising £	Management & Admin £	Total Funds 2003 £	Total Funds 2002 £
PROGRAMME COSTS	<u>229,941</u>	<u>-</u>	<u>-</u>	<u>229,941</u>	<u>189,549</u>
ADMINISTRATIVE OVERHEADS					
Salaries and national insurance	66,588	-	99,883	166,471	133,181
Recruitment	-	-	2,797	2,797	3,216
Staff training	1,633	-	2,450	4,083	1,945
Volunteer expenses	-	-	-	-	1,237
Telephone	3,148	-	4,723	7,871	6,118
Printing, postage and stationery	2,798	-	4,197	6,995	7,228
Travelling expenses	953	-	954	1,907	2,396
Entertainment	591	-	592	1,183	348
Repairs and renewals	3,301	-	-	3,301	2,826
Equipment hire	3,141	-	-	3,141	2,967
Computer maintenance	8,262	-	-	8,262	-
Membership and licences	-	-	5,132	5,132	3,749
Office expenses	-	-	1,649	1,649	3,984
Petty cash expenses	-	-	-	-	3,102
First Aid expenses	-	-	222	222	-
Cleaning expenses	17,926	-	-	17,926	14,068
Auditors' remuneration	-	-	2,200	2,200	1,615
Accountancy fees	-	-	3,390	3,390	-
Legal and professional fees	-	-	11,750	11,750	17,150
Bank charges	-	-	5,641	5,641	531
Bank interest	-	-	1,257	1,257	-
Loan interest	-	-	12,084	12,084	-
Depreciation	11,311	-	5,157	16,468	12,386
Depreciation – capital project	259,729	-	-	259,729	261,801
Gain on disposal of fixed assets	(149)	-	-	(149)	-
Premises costs	-	-	-	-	6,875
Building maintenance	17,621	-	-	17,621	7,192
Rates and insurance	10,809	-	-	10,809	16,610
Heat and light	4,634	-	-	4,634	3,849
Bad debts write off	<u>-</u>	<u>-</u>	<u>344</u>	<u>344</u>	<u>-</u>
	<u>412,296</u>	<u>-</u>	<u>164,422</u>	<u>576,718</u>	<u>514,374</u>
FUNDRAISING COSTS					
Fundraising	<u>-</u>	<u>141</u>	<u>-</u>	<u>141</u>	<u>4,000</u>
TOTAL EXPENDITURE	<u>642,237</u>	<u>141</u>	<u>164,422</u>	<u>806,800</u>	<u>707,923</u>
Comprising:-					
RESTRICTED FUNDS	311,558	-	922	312,480	335,543
UNRESTRICTED FUNDS	<u>330,679</u>	<u>141</u>	<u>163,500</u>	<u>494,320</u>	<u>372,380</u>
	<u>642,237</u>	<u>141</u>	<u>164,422</u>	<u>806,800</u>	<u>707,923</u>

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2003

6. OPERATING SURPLUS	2003 £	2002 £
Net income is stated after charging:-		
Depreciation of tangible fixed assets	276,198	274,187
Auditors' remuneration	2,200	1,600
Operating lease rentals	-	-
Hire of equipment	3,141	2,967
Directors' emoluments	<u>Nil</u>	<u>Nil</u>
7. EMPLOYEES	2003 £	2002 £
Wages and salaries (artistic and administrative)	169,291	122,628
Wages and salaries (capital project)	-	6,458
National insurance	<u>13,826</u>	<u>11,142</u>
	<u>183,117</u>	<u>140,228</u>
The average monthly employees during the year were as follows:-		
Administration	12	7
Capital project	<u>-</u>	<u>1</u>
	<u>12</u>	<u>8</u>

No employee received emoluments in excess of £50,000.

8. TANGIBLE FIXED ASSETS

	Freehold Property (capital project) £	Computer Equipment (capital project) £	Fixtures & Fittings £	Computer Equipment (office) £	TOTAL £
COST					
At 1 April 2002	6,421,486	14,822	39,852	18,602	6,494,762
Additions	11,144	-	18,350	4,160	33,654
Disposals	<u>-</u>	<u>-</u>	<u>(1,439)</u>	<u>-</u>	<u>(1,439)</u>
As at 31 March 2003	<u>6,432,630</u>	<u>14,822</u>	<u>56,763</u>	<u>22,762</u>	<u>6,526,977</u>
DEPRECIATION					
At 1 April 2002	256,860	9,977	8,695	11,088	286,620
Charge for the year	257,306	2,423	11,311	5,157	276,197
On disposal	<u>-</u>	<u>-</u>	<u>(288)</u>	<u>-</u>	<u>(288)</u>
As at 31 March 2003	<u>514,166</u>	<u>12,400</u>	<u>19,718</u>	<u>16,245</u>	<u>562,529</u>
NET BOOK VALUE					
At 31 March 2003	<u>5,918,464</u>	<u>2,422</u>	<u>37,045</u>	<u>6,517</u>	<u>5,964,448</u>
At 31 March 2002	<u>6,164,626</u>	<u>4,845</u>	<u>31,157</u>	<u>7,514</u>	<u>6,208,142</u>

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

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2003

9. DEBTORS AND PREPAYMENTS	2003	2002
	£	£
Trade debtors	7,489	15,723
Other debtors	7,393	15,750
VAT	<u>1,176</u>	<u>657</u>
	<u>16,058</u>	<u>32,130</u>
10. CREDITORS – Amounts falling due within one year	2003	2002
	£	£
Bank loan (secured)	11,155	-
Trade creditors	29,476	61,475
Other creditors	81,062	515,981
Other taxes and social security costs	7,295	1,977
Deferred capital grants	<u>255,407</u>	<u>254,881</u>
	<u>384,395</u>	<u>834,314</u>
11. CREDITORS – Amounts falling due after more than one year	2003	2002
	£	£
Bank loan (secured)	229,872	-
Deferred capital grants	<u>5,555,656</u>	<u>5,808,961</u>
	<u>5,785,528</u>	<u>5,808,961</u>
Loans		
Repayable in one year or less, or on demand (note 10)	11,155	-
Repayable between one and two years	11,666	-
Repayable between two and five years	39,476	-
Repayable after more than five years	<u>178,730</u>	<u>-</u>
	<u>241,027</u>	<u>-</u>
The Royal Bank of Scotland hold a standard security over the property at 14-16 Grassmarket, Edinburgh.		
12. DEFERRED CAPITAL GRANTS AND INTEREST	2003	2002
	£	£
At 31 March 2002	6,063,842	5,297,191
Received during the year	2,628	1,024,051
Released during the year	<u>(255,407)</u>	<u>(257,400)</u>
At 31 March 2003	<u>5,811,063</u>	<u>6,063,842</u>
To be released within one year	255,407	254,881
To be released after more than one year	<u>5,555,656</u>	<u>5,808,961</u>
	<u>5,811,063</u>	<u>6,063,842</u>

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2003

13. DIRECTORS' EMOLUMENTS	2003	2002
	£	£
Emoluments and expenses	<u>-</u>	<u>-</u>

14. 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.

15. INTEREST

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

16. ANALYSIS OF NET ASSETS	Restricted Funds	Unrestricted Funds	Total Funds	Total Funds
	£	£	£	£
Fund balances at 31/03/03 are represented by:-				
Tangible fixed assets	5,922,910	41,538	5,964,448	6,208,142
Current assets	68,204	187,323	255,527	476,291
Current liabilities	(323,611)	(60,784)	(384,395)	(834,314)
Long term liabilities	-	(229,872)	(229,872)	-
Deferred capital funds	<u>(5,555,656)</u>	<u>-</u>	<u>(5,555,656)</u>	<u>(5,808,961)</u>
Total Net Assets	<u>111,847</u>	<u>(61,795)</u>	<u>50,052</u>	<u>41,158</u>

17. RESTRICTED FUNDS	At 1 April 2002	Incoming	Outgoing	At 31 March 2003
	£	£	£	£
SAC – Programme of Dance	-	20,000	20,000	-
SAC – Fund Raising Course	-	1,162	1,162	-
SAC – Conference Grant	-	199	199	-
SAC – Research Trip	-	212	212	-
CEC – Education Grant	-	3,000	3,000	-
Grassmarket Capital Grants	-	252,458	252,458	-
Computer Grant	-	2,423	2,423	-
CEC – CCTV	-	526	526	-
Paul Hamlyn Foundation	13,500	-	13,500	-
Chase Charity	-	5,000	5,000	-
Anonymous Donation	-	5,000	5,000	-
Lloyds TSB	<u>-</u>	<u>9,000</u>	<u>9,000</u>	<u>-</u>
	<u>13,500</u>	<u>298,980</u>	<u>312,480</u>	<u>-</u>

DANCE BASE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2003

18. TOTAL FUNDS	At 1 April 2002 £	Incoming £	Outgoing £	Transfers £	At 31 March 2003 £
The movement on funds were:					
Restricted Funds	13,500	298,980	312,480	-	-
Unrestricted Funds:					
General Funds	27,658	516,714	494,320	-	50,052
Designated Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>41,158</u>	<u>815,694</u>	<u>806,800</u>	<u>-</u>	<u>50,052</u>

19. REMUNERATION OF AUDITORS	2003 £	2002 £
The total payable to the auditors of the company related to the following:-		
Audit	2,200	1,600
Accountancy	<u>3,390</u>	<u>500</u>

20. 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.

21. CAPITAL COMMITMENTS	2003 £	2002 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>-</u>