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ABERDEEN PERFORMING ARTS

*(a company limited by guarantee
and not having a share capital)*

(Company number: SC238959)

(Charity number: SCO33733)

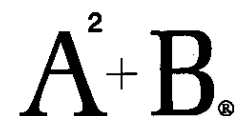
DIRECTORS' REPORT AND ACCOUNTS

31 MARCH 2005



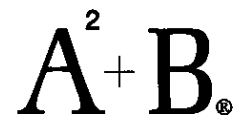
Anderson Anderson & Brown
Chartered Accountants

ABERDEEN PERFORMING ARTS
DIRECTORS' REPORT AND ACCOUNTS FOR
THE YEAR ENDED 31 MARCH 2005



CONTENTS	PAGE
LEGAL AND ADMINISTRATIVE INFORMATION	1
DIRECTORS' REPORT	3
STATEMENT OF DIRECTORS' RESPONSIBILITIES	6
REPORT OF THE AUDITORS	7
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES	8
CONSOLIDATED BALANCE SHEET	9
BALANCE SHEET	10
NOTES ON THE ACCOUNTS	11

ABERDEEN PERFORMING ARTS
LEGAL AND ADMINISTRATIVE INFORMATION



CONSTITUTION

Aberdeen Performing Arts is a company limited by guarantee (company number SC238959) and recognised as a charity by the Inland Revenue (charity number SCO33733). The charitable company is governed by its Memorandum and Articles of Association.

ORGANISATION

The company is managed by the Board of Directors.

DIRECTORS AND TRUSTEES

The directors of the charitable company ("the charity") are its trustees for the purposes of charity law. The directors are:

J G Roberts	Chairman
K A Shirron *	Vice Chairman

G Adam *	
D Eunson	(appointed 13 April 2004)
N D Fletcher *	
W D Hardie	
N I Jones	
C Kelly	
K McLeod	
J A Porter *	
M Pyper	
J A Shirreffs	
R R Webster*	(appointed 16 August 2004)

* Directors nominated by Aberdeen City Council

SECRETARIES

Stronachs, 34 Albyn Place, Aberdeen

REGISTERED OFFICE

34 Albyn Place, Aberdeen

PRINCIPAL ADDRESS

His Majesty's Theatre
Rosemount Viaduct
Aberdeen

ABERDEEN PERFORMING ARTS
LEGAL AND ADMINISTRATIVE INFORMATION (continued)

AUDITORS

Anderson Anderson & Brown
6 Carden Place
Aberdeen

BANKERS

Clydesdale Bank
Queens Cross
Aberdeen

SOLICITORS

Stronachs
34 Albyn Place
Aberdeen

The directors submit their report and the audited accounts of the charitable company for the year ended 31 March 2005.

Legal and administrative information set out on pages 1 and 2 forms part of this report. The accounts comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities.

OBJECTS AND PRINCIPAL ACTIVITIES

The primary objective and principal activity of the charity is to provide or assist in the provision of facilities at reasonable cost for the performing arts.

RESULTS

The net incoming resources for the year, amounting to £290,389 (2004 – 17 month period £31,642) have been dealt with as shown in the Statement of Financial Activities.

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS

On 1 April 2004 Aberdeen City Council transferred to Aberdeen Performing Arts the entity involved in the provision of live entertainment facilities to the public within His Majesty's Theatre and The Music Hall, both in Aberdeen.

The last year was one of rapid change for Aberdeen Performing Arts ("APA").

APA took over the operation of the Music Hall, His Majesty's Theatre ("HMT") and Aberdeen Box Office from Aberdeen City Council in April 2004. The change of governance from local authority to a not-for-profit organisation has been one of the most radical events to affect the City's large venues in the last half century. This new form of governance is intended to make the organisation lighter on its feet and more able to lever in external funding.

The second major event of the year was the closure of HMT for an £8m redevelopment. This is the third and most extensive refurbishment in the 99 year history of the building. HMT reopened in the autumn of 2005 with improved facilities for customers, performers and staff. It also has the ability to produce work from the theatre for the first time.

The closure of HMT meant the relocation of the theatre and its staff to Aberdeen University's Northern College Campus at Hilton. The staff having moved out of HMT in March 2004, the temporary venue was given a rapid makeover and was ready for business in June 2004. Performances of drama, opera, musicals and pantomime were staged through the year and we attracted over 55,000 customers to HMT at Hilton in the course of the year.

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS (continued)

In autumn 2004 consultants Bonnar Keenlyside started a review of the staff and management structure of the organisation. This review was intended to assess the human resources of the new company and to recommend a new structure to suit the needs of the company (as opposed to the local authority) and to take account of the new opportunities in the redeveloped theatre.

The review recommended the formation of a new senior planning team and the recruitment of a number of senior managers to complement and support the existing managers. The new positions are in human resources, operations, education and sales and marketing. Further posts in programming and finance have also been filled.

A separate review looked at the catering provision across the organisation and consultants Winton Nightingale made a number of recommendations about catering in the Music Hall and the operation of the restaurant and coffee shop in the new HMT. Changes to the coffee shop in the Music Hall were rolled out over the summer and the new catering operation in HMT, including a 50 seat restaurant, opened in September 2005.

DIRECTORS AND DIRECTORS' INTERESTS

The directors of the company during the year ended 31 March 2005 were as noted on page 1, together with P Hutchinson who resigned as a director on 13 April 2004 and G Urquhart, who was nominated as a director by Aberdeen City Council and who resigned as a director on 26 May 2004.

The company has no share capital or debentures.

ORGANISATIONAL STRUCTURE

A board of directors administers the charity. A Finance, Audit and Property sub-committee has been established, together with a Human Resources sub-committee. A Chief Executive is appointed by the directors to manage the day to day operations of the charity.

METHOD OF APPOINTMENT AND REMOVAL OF DIRECTORS

The powers for appointment and removal of directors are set out in the company's Memorandum and Articles of Association.

TAXATION STATUS

The company is a charity for taxation purposes under Section 505 of the Income and Corporation Taxes Act 1988.

RESERVES

The total reserves of the company amount to £322,031 of which £46,819 represents the general fund, £100,000 a designated property fund and the remaining £175,212 relating to restricted funds. Those restricted funds represent amounts generated by fundraising activities for the refurbishment and expansion of His Majesty's Theatre.

RELATED PARTIES

Under the Articles of Association, Aberdeen City Council is entitled to appoint 7 directors.


RISK MANAGEMENT

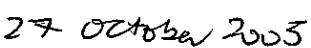
The Finance, Audit and Property Sub-Committee has given initial consideration to the charitable company's approach to risk management.

AUDITORS

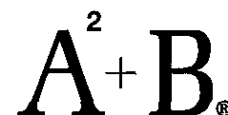
Anderson Anderson & Brown have expressed their willingness to continue in office. A resolution proposing their re-appointment will be submitted at the annual general meeting.

By order of the board


.....
Director – J G Roberts


.....
Date

ABERDEEN PERFORMING ARTS
STATEMENT OF DIRECTORS' RESPONSIBILITIES



Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the net income or expenditure of the charity for that period. In preparing those accounts, the directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether or not applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- d) prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The directors are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABERDEEN PERFORMING ARTS

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We have audited the accounts on pages 8 to 24 which have been prepared under the historical cost convention and the accounting policies set out on page 11 to 13.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page 6 the company's directors, who are also the charity trustees for the purposes of charity law, are responsible for the preparation of the Directors' Report and accounts in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether or not the accounts 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 accounts, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

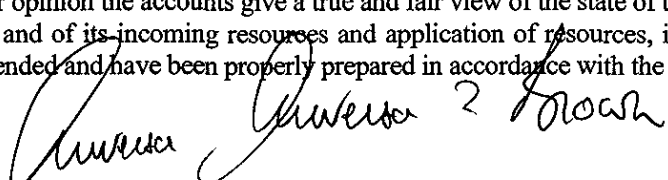
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether or not the accounting policies are appropriate to the charitable 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the charitable company's affairs as at 31 March 2005 and of its incoming resources and application of resources, including income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Anderson Anderson & Brown
Chartered Accountants
Registered Auditors
Aberdeen

27 October 2005

ABERDEEN PERFORMING ARTS
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2005

				Year ended 31 March 2005 Total funds £	17 month period ended 31 March 2004 Total funds £
	Note	Unrestricted funds £	Restricted funds £		
INCOMING RESOURCES					
Donations, legacies and similar incoming resources	2	80,000	133,914	213,914	32,647
Operation of Theatre and Music Hall	3	2,689,707	-	2,689,707	-
Activities for generating funds	4	783,485	75,204	858,689	-
TOTAL INCOMING RESOURCES		3,553,192	209,118	3,762,310	32,647
Less: cost of generating funds	6	737,158	21,553	758,711	-
NET INCOMING RESOURCES AVAILABLE FOR CHARITABLE APPLICATION		2,816,034	187,565	3,003,599	32,647
CHARITABLE EXPENDITURE					
Cost of operation of Theatre and Music Hall	7	2,257,360	45,000	2,302,360	-
Support costs	8	402,050	-	402,050	-
Management and administration	9	8,800	-	8,800	1,005
TOTAL CHARITABLE EXPENDITURE		2,668,210	45,000	2,713,210	1,005
TOTAL RESOURCES EXPENDED		3,405,368	66,553	3,471,921	1,005
MOVEMENT IN TOTAL FUNDS FOR THE YEAR – NET INCOME FOR THE YEAR					
		147,824	142,565	290,389	31,642
Total funds brought forward		(1,005)	32,647	31,642	-
TOTAL FUNDS CARRIED FORWARD	16	£ 146,819	£ 175,212	£ 322,031	£ 31,642

The company has made no gains or losses other than as reported above.

All incoming resources and resources expended derive from continuing activities.

ABERDEEN PERFORMING ARTS
CONSOLIDATED BALANCE SHEET – 31 MARCH 2005

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	Note	2005 £	2004 £
CURRENT ASSETS			
Stocks		10,956	-
Debtors	14	606,979	7,640
Cash at bank and in hand		935,999	26,742
		<u>1,553,934</u>	<u>34,382</u>
CREDITORS: amounts falling due within one year	15	<u>1,231,903</u>	<u>2,740</u>
NET ASSETS		<u>£ 322,031</u>	<u>£ 31,642</u>
UNRESTRICTED FUNDS			
General	16	46,819	(1,005)
Designated		100,000	-
RESTRICTED FUNDS	16	<u>175,212</u>	<u>32,647</u>
		<u>£ 322,031</u>	<u>£ 31,642</u>

Signed on behalf of the board of directors

J G Roberts
 Director – J G Roberts

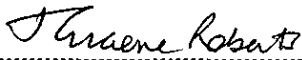
27 October 2005
 Date


ABERDEEN PERFORMING ARTS
BALANCE SHEET – 31 MARCH 2005

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	Note	2005 £	2004 £
FIXED ASSETS			
Investments	5	<u>1</u>	<u>-</u>
CURRENT ASSETS			
Debtors	14	553,946	7,640
Cash at bank and in hand		<u>107,974</u>	<u>26,742</u>
		661,920	34,382
CREDITORS: amounts falling due within one year	15	<u>339,890</u>	<u>2,740</u>
NET CURRENT ASSETS		<u>322,030</u>	<u>31,642</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 322,031</u>	<u>£ 31,642</u>
UNRESTRICTED FUNDS			
General	16	46,819	(1,005)
Designated		100,000	-
RESTRICTED FUNDS	16	<u>175,212</u>	<u>32,647</u>
		<u>£ 322,031</u>	<u>£ 31,642</u>

Signed on behalf of the board of directors


.....
Director – J G Roberts


.....
Date

1. ACCOUNTING POLICIES

(a) *Basis of accounts preparation*

The accounts are prepared under the historical cost convention, and in accordance with applicable accounting standards, the Companies Act 1985 and the Statement of Recommended Practice – Accounting and Reporting by Charities, issued in October 2000.

(b) *Consolidation*

These accounts consolidate the results of the charity and its wholly owned subsidiary, Aberdeen Performing Arts Trading Company Limited, on a line by line basis. A separate Statement of Financial Activities, or income and expenditure account, is not presented for the charity because Aberdeen Performing Arts has taken advantage of the exemptions under section 230 of the Companies Act 1985 and paragraph 304 of SORP 2000.

(c) *Incoming resources*

i) Charitable trading activities

Income from Theatre and Music Hall admission fees is included in incoming resources in the period in which the relevant performance takes place.

ii) Commercial trading activities

Income from commercial activities is included in the period to which it relates.

iii) Donations and grants

Income from donations and grants is included in incoming resources when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

1. ACCOUNTING POLICIES (continued)

(c) *Incoming resources* (continued)

iv) Interest receivable

Interest receivable is included in the Statement of Financial Activities in the year in which it is receivable.

v) Intangible income

Intangible income, which comprises donated services, is included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised when there is no financial cost borne by a third party.

(d) *Resources expended*

Resources expended are included in the Statement of Financial Activities on an accruals basis.

Expenditure is directly attributed to the relevant category in the Statement of Financial Activities where practical.

(e) *Taxation*

The company is recognised by the Inland Revenue as a charity and therefore the company is not liable to taxation.

(f) *Investments*

Investments are stated at cost less provision for any permanent diminution in value.

(g) *Stocks*

Stocks are included at the lower of cost and net realisable value with due allowance for any obsolete or slow-moving items.

(h) *Leasing*

Rentals paid under operating leases are charged to income on a straight-line basis over the lease term.

1. ACCOUNTING POLICIES (continued)

(i) *Pensions*

Eligible employees are members of Aberdeen City Council Superannuation Fund. The pension scheme is a multi-employer defined benefit scheme. Therefore contributions have been accounted for as a defined contribution scheme and the contributions of the employer and the employees are made in accordance with instructions from the scheme. Pension contributions are charged to the income and expenditure account over the period during which the company derives benefit from the employees' services.

The Company has adopted the Transitional Provisions of Financial Reporting Standard 17 – *Retirement Benefits*.

(j) *Funds*

Unrestricted funds include incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds. These funds can be used in accordance with the charitable objects at the discretion of the directors.

Designated funds are unrestricted funds earmarked by the directors for specific future purposes or projects.

Restricted funds are to be used for specific purposes as laid down by the donor.

2. DONATIONS, LEGACIES AND SIMILAR INCOMING RESOURCES

	Year ended 31 March 2005 £	17 month period ended 31 March 2004 £
Seat scheme	23,848	21,117
Other donations	187,072	5,015
Gift aid recoverable	2,994	6,515
	<u>£ 213,914</u>	<u>£ 32,647</u>

3. INCOMING RESOURCES FROM OPERATION OF THEATRE AND MUSIC HALL

	Year ended 31 March 2005 £	17 month period ended 31 March 2004 £
Admission fees	1,003,252	-
Public authority service agreements	1,347,900	-
Rental of theatre and music hall and related charges	308,496	-
Other income	30,059	-
	<u>£ 2,689,707</u>	<u>£ -</u>

4. ACTIVITIES FOR GENERATING FUNDS

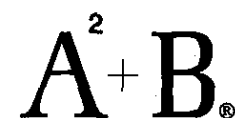
	Year ended 31 March 2005 £	17 month period ended 31 March 2004 £
Commercial trading operations	783,485	-
Fundraising	75,204	-
	<u>£ 858,689</u>	<u>£ -</u>

5. COMMERCIAL TRADING OPERATIONS AND
INVESTMENT IN TRADING SUBSIDIARY

The wholly owned subsidiary, Aberdeen Performing Arts Trading Company Limited, which operates in the United Kingdom, pays its profits to Aberdeen Performing Arts by gift aid. Aberdeen Performing Arts Trading Company Limited operates the Aberdeen Box Office and bar and catering facilities at His Majesty's Theatre and the Music Hall. The charity owns the entire issued share capital of 1 ordinary share of £1.

A summary of the trading results is shown on the following page:

ABERDEEN PERFORMING ARTS
NOTES ON THE ACCOUNTS – 31 MARCH 2005



5. **COMMERCIAL TRADING OPERATIONS AND
INVESTMENT IN TRADING SUBSIDIARY (continued)**

	2005 £
Turnover	832,658
Cost of sales and administrative expenses	(737,158)
Interest received	5,600
Net profit	101,100
Gifted to Aberdeen Performing Arts	101,100
Accumulated in the subsidiary	£ -

The assets and liabilities of the subsidiary were:

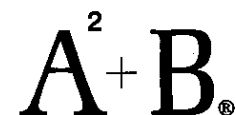
Current assets	1,242,350
Creditors: falling due within one year	(1,242,349)
Total net assets	£ 1

The subsidiary did not trade in the period to 31 March 2004 and had no assets at that date.

6. **COST OF GENERATING FUNDS**

	Year ended 31 March 2005 £	17 month period ended 31 March 2004 £
Commercial trading operations (note 5)	737,158	-
Fundraising expenses	21,553	-
	£ 758,711	£ -

ABERDEEN PERFORMING ARTS
NOTES ON THE ACCOUNTS – 31 MARCH 2005



7. COST OF OPERATION OF THEATRE AND MUSIC HALL

	Year ended 31 March 2005 £	17 month period ended 31 March 2004 £
Staff	834,392	-
Property	369,172	-
Administration	176,935	-
Transport	11,201	-
Supplies and services	910,660	-
	<u>£ 2,302,360</u>	<u>£ -</u>

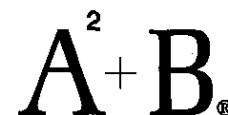
8. SUPPORT COSTS

	Year ended 31 March 2005 £	17 month period ended 31 March 2004 £
Wages and salaries	191,788	-
Administration costs	204,886	-
Transport costs	5,376	-
	<u>£ 402,050</u>	<u>£ -</u>

9. MANAGEMENT AND ADMINISTRATION

	Year ended 31 March 2005 £	17 month period ended 31 March 2004 £
Auditor's remuneration	6,500	800
Other costs	2,300	205
	<u>£ 8,800</u>	<u>£ 1,005</u>

ABERDEEN PERFORMING ARTS
NOTES ON THE ACCOUNTS – 31 MARCH 2005



10. MOVEMENT IN TOTAL FUNDS FOR THE YEAR *is stated after charging:*

	Year ended 31 March 2005 £	17 month period ended 31 March 2004 £
Auditors' remuneration - audit fees	6,500	800
- non-audit fees	2,300	-
Operating lease rentals - plant and machinery	4,800	-

11. STAFF COSTS AND NUMBERS

	Year ended 31 March 2005 £	17 month period ended 31 March 2004 £
Wages and salaries	840,361	-
Social security	52,341	-
Other pension costs	87,012	-
	<u>£ 979,714</u>	<u>£ -</u>

The average number of persons employed by the company during the year, including the directors, was as follows:

	Year ended 31 March 2005 No	17 month period ended 31 March 2004 No
Management	5	-
Operations – His Majesty's Theatre and Music Hall	40	-
Administration and marketing	20	-
	<u>65</u>	<u>-</u>

There were no employees whose emoluments, excluding pension contributions, totalled over £50,000 (prior period – Nil)

12. DIRECTORS' EMOLUMENTS AND EXPENSES

The directors received no remuneration during the year (2004 - £nil). During the year the company paid £4,000 (2004 - £nil) towards professional indemnity insurance for the directors and officers.

13. NET INCOME ATTRIBUTABLE TO THE PARENT COMPANY

The net income dealt with in the accounts of the parent company was £290,389 (17 months ended 31 March 2004 – £31,642).

14. DEBTORS

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Trade debtors	71,726	-	54,173	-
Prepayments and accrued income	157,481	-	125,188	-
Gift aid receivable	9,509	6,515	9,509	6,515
Other debtors	368,263	1,125	14,740	1,125
Due from subsidiary undertaking	-	-	350,336	-
	<u>£ 606,979</u>	<u>£ 7,640</u>	<u>£ 553,946</u>	<u>£ 7,640</u>

15. CREDITORS: *amounts falling due within one year*

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Trade creditors	267,875	-	14,733	-
Taxation and social security	57,286	-	35,273	-
Accruals	343,398	1,000	253,884	1,000
Deferred income	563,344	1,740	36,000	1,740
	<u>£ 1,231,903</u>	<u>£ 2,740</u>	<u>£ 339,890</u>	<u>£ 2,740</u>

Deferred income relates to amounts refundable should future performances not take place.

ABERDEEN PERFORMING ARTS
NOTES ON THE ACCOUNTS – 31 MARCH 2005

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16. MOVEMENT IN FUNDS

	At 1 April 2004 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2005 £
GROUP					
Unrestricted funds					
General	(1,005)	3,553,192	(3,405,368)	(100,000)	46,819
Designated property reserve	-	-	-	100,000	100,000
	(1,005)	3,553,192	(3,405,368)	-	146,819
Restricted funds					
Redevelopment fund	32,647	209,118	(66,553)	-	175,212
	<u>£ 31,642</u>	<u>£ 3,762,310</u>	<u>£ (3,471,921)</u>	<u>£ -</u>	<u>£ 322,031</u>

	At 1 April 2004 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2005 £
COMPANY					
Unrestricted funds					
General	(1,005)	2,870,807	(2,722,983)	(100,000)	46,819
Designated property reserve	-	-	-	100,000	100,000
	(1,005)	2,870,807	(2,722,983)	-	146,819
Restricted funds					
Redevelopment fund	32,647	209,118	(66,553)	-	175,212
	<u>£ 31,642</u>	<u>£ 3,079,925</u>	<u>£ (2,789,536)</u>	<u>£ -</u>	<u>£ 322,031</u>

Designated funds

The directors have designated funds for repairs which may be required to the leasehold properties.

Purposes of restricted funds

Restricted funds comprise funds donated for the redevelopment of His Majesty's Theatre, Aberdeen.

ABERDEEN PERFORMING ARTS
NOTES ON THE ACCOUNTS – 31 MARCH 2005

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17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total funds £
GROUP			
Current assets	1,378,722	175,212	1,553,934
Current liabilities	(1,231,903)	-	(1,231,903)
Net assets at 31 March 2005	<u>£ 146,819</u>	<u>£ 175,212</u>	<u>£ 322,031</u>
COMPANY			
Fixed assets	1	-	1
Current assets	486,708	175,212	661,920
Current liabilities	(339,890)	-	(339,890)
Net assets at 31 March 2005	<u>£ 146,819</u>	<u>£ 175,212</u>	<u>£ 322,031</u>

18. OTHER FINANCIAL COMMITMENTS

The annual commitments under non-cancellable operating leases in respect of land and buildings are as follows.

	Year ended 31 March 2005 £	17 month period ended 31 March 2004 £
GROUP AND COMPANY		
<i>Operating leases which expire:</i>		
In less than one year	-	60,000
Between one and five years	4,800	-
	<u>£ 4,800</u>	<u>£ 60,000</u>

19. RELATED PARTY TRANSACTIONS

Control

Throughout the year the company was controlled by the directors.

Transactions

The company has taken advantage of the exemptions available under Financial Reporting Standard No. 8 not to disclose transactions with Aberdeen Performing Arts Trading Company Limited.

During the year the company had the following transactions with related parties:

Related party	Transaction	£	Balance at year end due to/ (by) the company £
Aberdeen City Council, which appoints a number of directors to the Board of Directors	Service level funding	1,518,206	-
	Outsourced administrative services	100,000	100,000

20. LEGAL STATUS

Aberdeen Performing Arts is a company limited by guarantee and not having a share capital. The members' liability on a winding up is limited by guarantee not exceeding £1 per member.

21. PENSION COMMITMENTS

In accordance with Financial Reporting Standard No. 17 – Retirement Benefits (FRS 17) Aberdeen Performing Arts is required to disclose certain information concerning assets, liabilities, income and expenditure related to pension schemes for its employees.

Aberdeen Performing Arts participates in the Local Government Pension Scheme. The Local Government Pension Scheme is a defined benefit scheme based on final pensionable salary.

21. PENSION COMMITMENTS (continued)

The most recent valuation was carried out as at 31 March 2002, and has been updated by independent actuaries to the Aberdeen City Council Pension Fund (“the Fund”) to take account of the requirements of FRS 17 in order to assess the liabilities of the Fund as at 31 March 2005. Liabilities are valued on an actuarial basis using the projected unit method which assesses the future liabilities discounted to their present value.

Aberdeen Performing Arts’ contribution rate over the accounting period was 255% of members’ contributions. The contribution rates for Aberdeen Performing Arts at the 31 March 2002 valuation are as follows:

April 2003 to March 2004	245% of members’ contributions
April 2004 to March 2005	255% of members’ contributions
April 2005 to March 2006	265% of members’ contributions

These figures include the past service element of the contribution rate.

The main assumptions used for the purposes of FRS 17 are as follows:

	2005 % per annum	2004 % per annum
Discount rate	5.3	5.4
Rate of increase in salaries	4.4	4.4
Rate of increase in pensions in payment	2.9	2.9
Rate of increase in deferred pensions	2.9	2.9
Rate of inflation	2.9	2.9
Long term expected rates of return on:		
Equities	7.7	7.7
Bonds	4.7	4.7
Property	6.7	6.7
Other assets	4.8	4.2
Average long term expected rate of return	7.2	7.1

ABERDEEN PERFORMING ARTS
NOTES ON THE ACCOUNTS – 31 MARCH 2005

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21. PENSION COMMITMENTS (continued)

Assets are valued at fair value, principally market value for investments. The proportions of total assets held in each type by the fund as a whole at 31 March 2005 are as follows:

	2005 %	2004 %
Equities	83	76
Bonds	10	13
Property	3	6
Other	4	5
Total	<u>100</u>	<u>100</u>

The following amounts, needed for reconciliation to the balance sheet, were measured in accordance with the requirements of FRS 17:

	2005 £'000	2004 £'000
Share of assets	1,890	1,569
Estimated funded liabilities	(1,958)	(1,719)
Estimated unfunded liabilities*	<u>(71)</u>	<u>-</u>
Aberdeen Performing Art's deficit in the scheme	<u>(139)</u>	<u>(150)</u>

The deficiency revealed above should be borne in mind when considering the amount of overall reserves held.

The movement in net deficit for the year to 31 March 2005 is as follows:

	£'000
Net deficit at beginning of year	(150)
Contributions paid	133
Contributions towards unfunded liabilities (i.e pensions paid in year) (deducted)	2
Current service cost	(151)
Past service costs	(70)
Expected return on pension fund assets	118
Interest on pension scheme liabilities	(100)
Actuarial gain	<u>79</u>
Net deficit at end of year	<u>(139)</u>

21. PENSION COMMITMENTS (continued)

Amounts needed for Income and Expenditure Account

	£'000
<i>Analysis of amounts charged to operating charge</i>	
Current service cost	(151)
Past service costs	(70)
Total charged to operating charge	<u>(221)</u>
<i>Analysis of amount credited to other finance income</i>	
Expected return on pension fund assets	118
Interest on pension scheme liabilities	(100)
Net charge to other finance income	<u>18</u>

Amounts needed for Statement of Recognised Gains and Losses

The actuarial gain can be further analysed as follows:

	£'000	
Actual return less expected return on assets	75	4.0% of scheme assets
Experience gains and losses on pension liabilities	49	2.4% of scheme liabilities
Changes in assumptions underlying the present value of pension liabilities	(45)	2.2% of scheme liabilities
	<u>79</u>	3.9% of scheme liabilities

Using the assumptions set out in this note as at 31 March 2005, it is estimated that the income and expenditure charge for the year ending 31 March 2006 will be:

	£'000
Current service cost	(151)
Past service costs	-
Estimated total to be charged to operating charge	<u>(151)</u>
Expected return on pension fund assts	145
Interest on pension scheme liabilities	(112)
Estimated net return	<u>33</u>