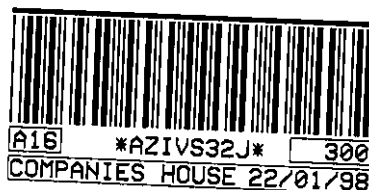


The DanceXchange Limited  
(Limited by Guarantee)

A Registered Charity, Number 1045364

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997



BISSELL & BROWN  
Registered Auditor and  
Chartered Accountants

1 Lower Tower Street, Newtown,  
Birmingham B19 3NH

The DanceXchange Limited  
(Limited by Guarantee)

DIRECTORS' REPORT

The directors present their Report and the audited financial statements of the Company for the year ended 31 March 1997.

RESULTS

The surplus for the year, and the position at the year end are shown in the audited financial statements attached to this Report.

PRINCIPAL ACTIVITIES, TRADING REVIEW AND FUTURE DEVELOPMENTS

The principal activity of the company is the promotion of dance in the West Midlands by facilitating dance projects in the community, running and facilitating dance and choreographic classes and workshops and providing a central point of contact for dance organisations and performing venues throughout the West Midlands region.

SIGNIFICANT CHANGES IN FIXED ASSETS

Details of changes in fixed assets during the year are set out on page 6.

MEMBERS OF THE BOARD OF DIRECTORS

At 31 March 1997 the directors were:-

Kate Bevan	
Kevin Finnan	
Derek Purnell	
Alastair Spalding	
Simon Pigden	(Appointed 22 October 1996)
Nina Nannar	(Appointed 7 January 1997)
Duncan Sones	(Appointed 7 January 1997)
Nick Starr	(Appointed 7 January 1997)

Jane Hawksley was appointed 29 April 1997.

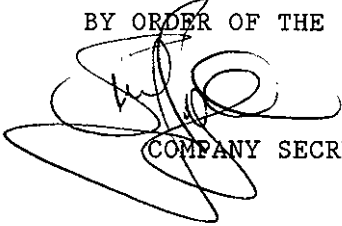
Sue Barker	Resigned on 22 October 1996
Caragh Merrick	Resigned on 7 January 1997

Each of the members of the Board of Directors is also a member of the company and has undertaken to contribute up to £1 to the assets of the company in the event of a winding up.

AUDITOR

A resolution will be proposed at the forthcoming Annual General Meeting for the re-appointment of Bissell & Brown as Auditors.

BY ORDER OF THE BOARD

  
COMPANY SECRETARY

THE DANCEXCHANGE LIMITED  
(Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year (unless the charity is entitled to prepare accounts on the alternative receipts and payments basis). In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

REPORT OF THE AUDITOR TO THE MEMBERS OF The DanceXchange Limited

(A COMPANY LIMITED BY GUARANTEE)

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**Respective responsibilities of Directors and Auditor**

As described on page 2, the directors (who also act as trustees for the charitable activities of the company) are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.


**Basis of Opinion**

We conducted our audit in accordance with 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 1997 and of its incoming resources and application of resources, including its income and expenditure for the year then ended and have been properly prepared in accordance with those provisions of the Companies Act 1985 that are applicable to small companies.



BISSELL & BROWN  
Registered Auditor and  
Chartered Accountants,  
1 Lower Tower Street,  
Newtown,  
Birmingham B19 3NH

Date 9 September 1997

The DanceXchange Limited

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1997

<u>Note</u>	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
<u>TURNOVER</u>	263,082	298,481
<u>COST OF SALES</u>		
Project expenses	( 91,516)	(135,755)
	<hr/>	<hr/>
	171,566	162,726
Administrative expenses	(165,179)	(162,151)
	<hr/>	<hr/>
<u>SURPLUS ON ORDINARY ACTIVITIES</u>		
<u>FOR THE YEAR</u>	6,387	575
	<hr/>	<hr/>

The company has no recognised gains and losses other than those above and therefore no separate statement of total recognised gains and losses has been presented.

The DanceXchange Limited

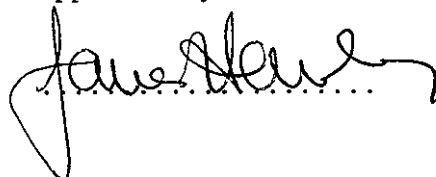
BALANCE SHEET

AS AT 31 MARCH 1997

	<u>Note</u>	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
<u>FIXED ASSETS:</u>			
Tangible assets	3	30,746	40,131
<u>CURRENT ASSETS</u>			
Debtors and prepayments	4	10,025	13,212
Bank and cash		21,457	805
		<hr/>	<hr/>
		31,482	14,017
<u>CURRENT LIABILITIES</u>			
Creditors: Amounts falling due within one year	5	( 48,121)	( 36,179)
		<hr/>	<hr/>
<u>NET CURRENT (LIABILITIES)</u>		( 16,639)	( 22,162)
		<hr/>	<hr/>
		14,107	17,969
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>			
Deferred Income	6	( 23,693)	( 33,942)
		<hr/>	<hr/>
		( 9,586)	( 15,973)
		<hr/>	<hr/>
Represented by:			
<u>ACCUMULATED FUND</u>			
(Deficit) at beginning of year		( 15,973)	( 16,548)
Surplus for the year		6,387	575
		<hr/>	<hr/>
		( 9,586)	( 15,973)
		<hr/>	<hr/>

Advantage is taken in the preparation of these financial statements of the special exemptions applicable to Small Companies conferred by Part 1 of Sch 8 to the Companies Act 1985. In the directors opinion, the company is entitled to those exemptions as a small company.

Approved by the directors on 9 September 1997 and signed on their behalf.



The DanceXchange Limited

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1997

1. ACCOUNTING POLICIES:

The following principal accounting policies have been used consistently in dealing with items which are considered material in relation to the company's accounts.

(a) Basis of Accounting:

These accounts have been prepared under the historical cost accounting rules in accordance with the Companies Act 1985.

- (b) Treatment of grants: Capital grants are amortised over the length of life of the asset purchased. Revenue grants are credited to the income and expenditure account for the year that they are received and to the appropriate year's activity that they are related.

- (c) Depreciation has been calculated on the following basis:-

Equipment and computer	25% reducing balance
------------------------	----------------------

(d) Taxation:

The company is registered as a charity with the Charity Commissioners and is not liable to Corporation Tax on its income arising from its normal activities.

2. EMOLUMENTS OF THE COUNCIL OF MANAGEMENT

No member of the council received any emolument for so acting during the year.

3. TANGIBLE FIXED ASSETS

Computer  
and office  
equipment  
£

Cost

At 1 April 1996

56,874

Additions

2,221

Disposals

( 2,412)

At 31 March 1997

56,683

Accumulated Depreciation

At 1 April 1996

16,743

Depreciation charge for the year

10,249

Disposals

( 1,055)

At 31 March 1997

25,937

Net Book Values

At 31 March 1997

30,746

At 31 March 1996

40,131

The DanceXchange Limited

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1997

4.	<u>DEBTORS</u>	<u>1997</u> £	<u>1996</u> £
	Invoiced debtors	4,739	4,678
	Grants due	4,000	6,772
	Prepayments	1,286	1,570
	Staff loan	-	192
		<hr/>	<hr/>
		10,025	13,212
		<hr/>	<hr/>
5.	<u>CREDITORS</u>	<u>1997</u> £	<u>1996</u> £
	Grants in advance	17,500	-
	Trade creditors	12,423	18,202
	Tax and Social Security	6,615	10,200
	Accruals	11,583	7,777
		<hr/>	<hr/>
		48,121	36,179
		<hr/>	<hr/>
6.	<u>DEFERRED INCOME</u>	<u>1997</u> £	<u>1996</u> £
	Brought forward	33,942	4,769
	Capital grants received	-	40,500
	Less released to Income and Expenditure Account	( 10,249)	( 11,327)
		<hr/>	<hr/>
		23,693	33,942
		<hr/>	<hr/>

7. CASH FLOW STATEMENT

The company has taken advantage of the small companies exemption under provisions of FRS1 and accordingly has not prepared a cash flow statement.

THE DANCE XCHANGE LIMITED  
(Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 1997

	<u>General Funds</u>	<u>Designated Funds</u>	<u>Total 1997</u>	<u>General Funds</u>	<u>Designated Funds</u>	<u>Total 1996</u>
<u>Incoming Resources</u>						
Donations and grants	209,228	-	209,228	240,237	-	240,237
Other income	53,854	-	53,854	58,244	-	58,244
Lottery award	-	-	-	-	40,500	40,500
	263,082	-	263,082	298,481	40,500	338,981
<u>Resources Expended</u>						
Direct project expenditure	91,516	-	91,516	135,755	-	135,755
Management & administration	165,179	-	165,179	162,151	-	162,151
Depreciation of assets acquired	-	10,249	10,249	-	11,327	11,327
	256,695	10,249	266,944	297,906	11,327	309,233
<u>NET MOVEMENT IN FUNDS</u>						
	6,387	( 10,249)	( 3,862)	575	29,173	29,748
Fund balances	( 15,973)	33,942	17,969	( 16,548)	4,769	( 11,779)
Fund balances	( 9,586)	23,693	14,107	( 15,973)	33,942	17,969