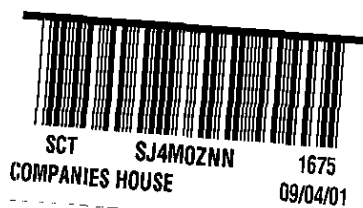


NORTH EAST OF SCOTLAND MUSIC SCHOOL LIMITED

ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2000

Registered No: 58254
Scottish Charity No: SC000197



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North East of Scotland Music School Limited
(A company limited by guarantee and not having a share capital)

REPORT OF THE COUNCIL OF MANAGEMENT

The council of management submit their report for the year ended 30 June 2000

MEMBERS OF THE COUNCIL OF MANAGEMENT

Marchioness of Aberdeen and Temair (Chairman)
Mr R Howie
Mr T H Johnston (resigned 13 February 2001)
Miss B McFarlane
Mrs A D Parkinson

In addition, an Advisory Committee exists comprising members of the company other than members of the Council of Management.

ACCOUNTS

The Council of Management submit the audited accounts for the year ended 30 June 2000.

ACTIVITIES

During the year the company provided a centre where suitably talented musicians have received tuition not otherwise available to them.

HERITABLE PROPERTY

The property 21 Huntly Street, Aberdeen was purchased in February 1997 with the aid of funds from the National Lottery and the Foundation for Sports and the Arts. Substantial refurbishments to the property were made, towards which the National Lottery gave a further grant. The school took occupation of the property in April 1998.

AUDITORS

Mrs B Cresswell FCA was reappointed as auditor by the members at the Annual General Meeting.

REPORT

The report of the Council of Management is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the Council



Mrs A D Parkinson, FCA
Secretary

2 April 2001

North East of Scotland Music School Limited
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**STATEMENT OF MEMBERS OF THE COUNCIL OF MANAGEMENT'S
RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Company law requires the members of the council of management to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those accounts, the members of the council of management are required to:

- 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 accounts
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The members of the council of management 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 accounts comply with the Companies Act 1985. They are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

North East of Scotland Music School Limited
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REPORT OF THE AUDITORS

to the members of North East of Scotland Music School Limited

We have audited the accounts on pages 4 to 9 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 6.

Respective responsibilities of members of the council of management and auditors

As described on page 2 the members of the council of management are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

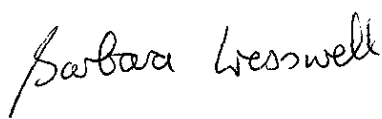
Basis of opinion

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 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 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 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 company's affairs at 30 June 2000 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Barbara Cresswell
Chartered Accountant
Registered Auditor
Aberdeen

2 April 2001

North East of Scotland Music School Limited
(A company limited by guarantee and not having a share capital)

INCOME AND EXPENDITURE ACCOUNT
for the year ended 30 June 2000

	Notes	2000 £	1999 £
Fees and other income		35,320	22,067
Donations		17,180	27,343
		<u>52,500</u>	<u>49,410</u>
Teaching fees and expenses		41,405	31,278
Administration expenses		26,641	21,747
Auditors remuneration		141	135
Depreciation		1,198	1,300
		<u>69,385</u>	<u>54,460</u>
		(16,885)	(5,050)
Interest receivable	4	3,916	4,296
Deficit for the year		<u>(12,969)</u>	<u>(754)</u>

A statement of movements on Reserves is given in notes 7 to 10.
Notes on pages 6 to 9 form part of the financial statements.

North East of Scotland Music School Limited
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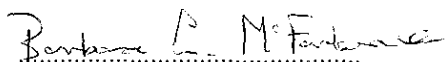
BALANCE SHEET
at 30 June 2000

	Notes	2000 £	1999 £
FIXED ASSETS			
Tangible Assets	5	266,140	266,532
Investments	6	64,119	64,119
		<u>330,259</u>	<u>330,651</u>
CURRENT ASSETS			
Cash at bank and in hand		17,092	31,418
Income tax recoverable		881	1,074
Sundry debtors and prepayments		1,319	1,957
		<u>19,292</u>	<u>34,449</u>
CREDITORS: amounts falling due within one year		<u>4,906</u>	<u>7,486</u>
NET CURRENT ASSETS		<u>14,386</u>	<u>26,963</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>344,645</u>	<u>357,614</u>
RESERVES			
Income and Expenditure account	7	(3,019)	9,950
Scholarship Fund	8	12,664	12,664
Development Fund	9	70,000	70,000
Property Fund	10	265,000	265,000
		<u>344,645</u>	<u>357,614</u>

Notes on pages 6 to 9 form part of the financial statements.

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the Council of Management and signed on their behalf by:



Miss Barbara McFarlane
Member of Council of Management
2 April 2001

North East of Scotland Music School Limited
(A company limited by guarantee and not having a share capital)

NOTES ON THE ACCOUNTS

at 30 June 2000

1. ACCOUNTING POLICIES

Accounting Convention

The accounts are prepared in accordance with applicable accounting standards under the historical cost convention.

Fixed Assets

Tangible assets are stated at cost less grants and specific donations. Instruments are not depreciated.

Depreciation policy

Furniture and fittings are depreciated at 15% on a reducing cost basis.

Equipment is depreciated at 25% on a reducing cost basis.

No depreciation is charged on the heritable property and the musical instruments, as their residual value exceeds their book value.

2. EMOLUMENTS

The members of the Council of Management and the Advisory Committee do not receive any remuneration.

3. TAXATION

The company is exempt from corporation tax as a charity.

4. INTEREST RECEIVABLE

	2000 £	1999 £
Investment Income (gross)	2,558	2,010
Bank Interest	1,358	2,286
	<u>3,916</u>	<u>4,296</u>

North East of Scotland Music School Limited
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NOTES ON THE ACCOUNTS
at 30 June 2000

5. TANGIBLE ASSETS

	Heritable Property	Furniture Fittings Equipment	Instruments	Total
	£	£	£	£
Cost, less grant and donations at 30 June 1999	256,791	7,870	3,302	267,963
Additions	807	-	-	807
As at 30 June 2000	<u>257,598</u>	<u>7,870</u>	<u>3,302</u>	<u>268,770</u>
Depreciation at 30 June 1999	-	1,431	-	1,431
Charge for year	-	1,199	-	1,199
Depreciation at 30 June 2000	<u>-</u>	<u>2,630</u>	<u>-</u>	<u>2,630</u>
Net book value at 30 June 2000	<u>257,598</u>	<u>5,240</u>	<u>3,302</u>	<u>266,140</u>
At 30 June 1999	<u>256,791</u>	<u>6,439</u>	<u>3,302</u>	<u>266,532</u>

6. INVESTMENTS

	2000 £	1999 £
Listed in UK at cost	49,119	49,119
Unlisted at cost	15,000	15,000
	<u>64,119</u>	<u>64,119</u>

The market value of listed investments at 30 June 2000 was £ 84,768 (1999 - £74,386)

North East of Scotland Music School Limited
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NOTES ON THE ACCOUNTS

at 30 June 2000

7. INCOME AND EXPENDITURE ACCOUNT

	2000 £	1999 £
Balance at 30 June 1999	9,950	10,704
Deficit for the year	(12,969)	(754)
Balance at 30 June 2000	<u>(3,019)</u>	<u>9,950</u>

8. SCHOLARSHIP FUNDS

	2000 £	1999 £
Balance at 30 June 1999	12,664	12,664
Addition in the year	-	-
Balance at 30 June 2000	<u>12,664</u>	<u>12,664</u>
represented by:-		
Trust Fund	1,000	1,000
Dorothy Hateley Memorial Fund	1,664	1,664
Gina Dallas Harper Scholarship	10,000	10,000
Balance at 30 June 2000	<u>12,664</u>	<u>12,664</u>

9. DEVELOPMENT FUND

	2000 £	1999 £
Balance at 30 June 1999 and 30 June 2000	<u>70,000</u>	<u>70,000</u>

North East of Scotland Music School Limited
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NOTES ON THE ACCOUNTS
at 30 June 2000

10. PROPERTY FUND

	2000 £	1999 £
Balance at 30 June 1999 and 30 June 2000	<u>265,000</u>	<u>265,000</u>
represented by:-		
National Lottery Grant	174,435	174,435
Foundation for Sports and the Arts Grant	30,000	30,000
Company Sponsorship	5,850	5,850
Dorothy Hateley Christmas Appeal	2,994	2,994
Donations	19,061	19,061
Transfer from Development Fund	32,660	32,660
Balance at 30 June 2000	<u>265,000</u>	<u>265,000</u>

A Standard Security is held in the sum of £19,800 in favour of the Foundation for Sports and the Arts which will require to be paid should the conditions of the grant fail to be adhered to, namely if the School's premises cease to be utilised for charitable or educational purposes.