

NORTH EAST OF SCOTLAND MUSIC SCHOOL LIMITED

ACCOUNTS FOR THE YEAR ENDED 30 JUNE 1996

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REPORT OF THE COUNCIL OF MANAGEMENT

The council of management submit their report for the year ended 30 June 1996.

MEMBERS OF THE COUNCIL OF MANAGEMENT

Marchioness of Aberdeen and Temair (Chairman)

Mr R Howie

Mr T H Johnston

Miss B McFarlane

Mrs A D Parkinson

Mr I A Anderson (retired 4 October 1996)

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 1996.

ACTIVITIES

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

AUDITORS

Following the resignation of Ernst & Young as auditors a resolution to appoint Mrs B Cresswell FCA as auditor will be put to the members at the Annual General Meeting.

By order of the Council



Mrs A D Parkinson, FCA
Secretary

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 profit or loss 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.

REPORT OF THE AUDITORS

to the members of North East of Scotland Music School Limited

We have audited the accounts on pages 4 to 7 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.

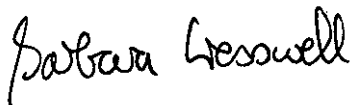
Basis of opinion

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 1996 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Barbara Cresswell
Chartered Accountant
Registered Auditor
Aberdeen

29 April 1997

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 1996

	Notes	1996 £	1995 £
Fees and other income		19,335	19,908
Grants and donation		44,337	28,005
Income tax recovered on covenanted donations		900	67
		<u>64,572</u>	<u>47,980</u>
Teaching fees and expenses		40,998	42,641
Administration expenses		3,982	6,428
Auditors remuneration		117	
		<u>45,097</u>	<u>49,069</u>
		19,475	(1,089)
Interest receivable	4	4,176	3,737
Surplus for the year		<u>23,651</u>	<u>2,971</u>

A statement of movements on Reserves is given in notes 7 to 9.

Notes on pages 6 and 7 form part of the financial statements.

There have been no recognised gains and losses other than those included above.

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

BALANCE SHEET

at 30 June 1996

	Notes	1996 £	1995 £
FIXED ASSETS			
Tangible Assets	5	3,313	3,313
Investments	6	33,977	33,977
		<u>37,290</u>	<u>37,290</u>
CURRENT ASSETS			
Cash at bank and in hand		78,276	41,873
Income tax recoverable		1,075	115
Sundry debtors and prepayments		84	7,905
		<u>79,435</u>	<u>49,893</u>
CREDITORS: amounts falling due within one year		626	1,385
NET CURRENT ASSETS		<u>78,809</u>	<u>48,508</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		116,099	85,798
Deferred Income		11,150	4,500
		<u>104,949</u>	<u>81,298</u>
RESERVES			
Income and Expenditure account	7	3,949	5,298
Trust Fund	8	1,000	1,000
Development Fund	9	100,000	75,000
		<u>104,949</u>	<u>81,298</u>

Notes on pages 6 and 7 form part of the financial statements.

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

Barbara L. McFarlane

Miss Barbara McFarlane
Member of Council of Management

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 1996

1. ACCOUNTING POLICIES

Accounting Convention

The accounts are prepared under the historical cost convention.

Fixed Assets

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

Deferred Income

Grants and deposited covenants relating to future periods are treated as deferred income.

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

	1996 £	1995 £
Investment Income (gross)	1,163	2,237
Bank Interest	3,013	1,500
	<u>4,176</u>	<u>3,737</u>

North East of Scotland Music School Limited
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NOTES ON THE ACCOUNTS
at 30 June 1996

5. TANGIBLE ASSETS

	Equipment £	Instruments £	Total £
Cost, less grant and donations at 30 June 1995	1,304	2,009	3,313
Additions			
As at 30 June 1996	<u>1,304</u>	<u>2,009</u>	<u>3,313</u>
Depreciation: At 30 June 1995 and at 30 June 1996	-	-	-
Net book value at 30 June 1996	<u>1,304</u>	<u>2,009</u>	<u>3,313</u>
At 30 June 1995	<u>1,304</u>	<u>2,009</u>	<u>3,313</u>

No depreciation is charged, as the market value of the equipment and instruments exceeds their book value.

6. INVESTMENTS

	1996 £	1995 £
Listed in UK at cost	18,977	9,987
Unlisted at cost	15,000	23,990
	<u>33,977</u>	<u>33,977</u>

The market value of listed investments at 30 June 1996 was £41,282 (1995 - £10,407)

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NOTES ON THE ACCOUNTS
at 30 June 1996

7. INCOME AND EXPENDITURE ACCOUNT

	1996 £	1995 £
Balance at 30 June 1995	5,298	2,327
Surplus for the year	23,651	2,971
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Transfer to development fund (Note 9)	28,949	5,298
	25,000	-
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Balance at 30 June 1996	3,949	5,298

8. TRUST FUND

This fund is held in trust by the School and has been invested in unlisted investments. Income from the investment is applied towards payment of fees for a promising young Aberdeen pupil.

9. DEVELOPMENT FUND

	1996 £	1995 £
Balance at 30 June 1995	75,000	75,000
Transfer from Income & Expenditure account (Note 7)	25,000	-
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Balance at 30 June 1996	100,000	75,000