

**NORDOFF - ROBBINS MUSIC THERAPY IN SCOTLAND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 December 2004**



SCT SNLVPCJF 0160  
COMPANIES HOUSE 31/01/06

# **NORDOFF - ROBBINS MUSIC THERAPY IN SCOTLAND**

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**NORDOFF - ROBBINS MUSIC THERAPY IN SCOTLAND  
FOUNDATION INFORMATION  
For the year ended 31 December 2004**

**Committee of Management :**

Dr John Ferguson-Smith (Chairman)  
Sam Alder (Treasurer)  
Pauline Etkin  
Heather Gardner  
Nancy Jarratt  
Helen Patey  
Christopher Achenbach (Director of Services)  
Stuart Hornall  
Willie Wilson

**Secretary :**

David Clement (Company Secretary)

**Registered Office :**

8 Academy Lane  
Loanhead  
Midlothian  
EH20 9RP

**Registered Company number :**

SC170692

**Registered Charity number :**

SC018224

**Solicitors :**

Murray Beith Murray WS  
39 Castle Street  
Edinburgh  
EH2 3BH

**Auditors :**

John Mitchell & Co  
Chartered Accountants  
24A Ainslie Place  
Edinburgh  
EH3 6AJ

**Bankers :**

Bank of Scotland  
1 Castle Terrace  
Edinburgh  
EH1 2DP

**NORDOFF - ROBBINS MUSIC THERAPY IN SCOTLAND**  
**REPORT OF THE DIRECTORS**  
**For the year ended 31 December 2004**

The Directors, who, in terms of the Law Reform (Miscellaneous Provisions)(Scotland) Act 1990, are Trustees of the Foundation, present their report with the financial statements of the Foundation for the year ended 31 December 2004.

**LEGAL AND ADMINISTRATIVE INFORMATION**

Nordoff-Robbins Music Therapy in Scotland is a company limited by Guarantee, governed by its Memorandum and Articles of Association. Details of the address of the registered office, the Foundation's advisers, its company and charity registration numbers are set out on Page 1. The Foundation was incorporated on 18 December 1996 and commenced operating on 1 January 1997.

The Foundation Trustees are the members of The Committee of Management, who are also Directors of the Foundation, names of whom are given below. The Trustees are appointed in accordance with provisions of the Memorandum and Articles of Association.

**CHARITY OBJECTIVES**

The objectives of the Foundation are to prevent, relieve or cure sickness and ill-health of every kind, whether physical or mental, by the use of music therapy, to promote research into the use of music therapy and the associated arts and provide education and training in music therapy and the associated arts for those purposes.

**DEVELOPMENT, ACTIVITIES AND ACHIEVEMENTS**

During 2004, Nordoff-Robbins Music Therapy in Scotland continued to maintain and develop clinical, information and training services in the field of music therapy in accordance with its stated constitutional aims.

On 1<sup>st</sup> March 2004, Aby Vulliamy was appointed as part-time (21 hours per week) Senior II Music Therapist, based in Glasgow

On 16<sup>th</sup> August 2004, Alice Montgomery was appointed as part-time (28 hours per week) Senior II Music Therapist, based in Dunfermline. This was a temporary post to cover the maternity leave of Mary Brown.

On 25<sup>th</sup> October 2004, Valsamina Mavrommati was appointed as part-time (28 hours per week) Senior II Music Therapist, based in Loanhead. This was a temporary post to cover the maternity leave of Janet Halton.

Throughout the year, Nordoff-Robbins Music Therapy in Scotland employed 11 staff (9 music therapists, an administrator based at the registered office in Loanhead, Midlothian, and a fundraising co-ordinator based in Glasgow).

The charity's music therapy team continued to work from its three bases in Loanhead, Dunfermline and Glasgow. The work was carried out in workrooms at these centres, local schools, and a range of health care, community and voluntary sector settings in the Lothians, Borders, Fife, Glasgow, Stirling, and Ayrshire. This included 28 organisations in the statutory and voluntary sectors, with seven councils and a further seven major charities in this number.

**NORDOFF - ROBBINS MUSIC THERAPY IN SCOTLAND**  
**REPORT OF THE DIRECTORS - continued**  
**For the year ended 31 December 2004**

In a typical school term week in 2004, the therapists saw around 275 children and adults for both group and individual sessions. This figure included individuals with a wide range of special needs (including autistic spectrum disorders, learning disability and profound and multiple disabilities), those with mental health problems, people suffering from dementia, and those in palliative care.

The developmental work of the Scottish Nordoff-Robbins charity continues to be underpinned by the maintenance of its information and postal book sales services, as well as a healthy training and outreach portfolio, all of which are delivered by its busy and enthusiastic staff team. During 2004, therapists employed by the charity carried out around 20 training seminars in a wide variety of settings including educational and health care establishments and local community groups interested in finding out more about music therapy.

This successful work needs to be buttressed by the increased availability of qualified music therapists in Scotland, so that job vacancies may be filled. It is to help meet such a need that Nordoff-Robbins in Scotland has continued its ongoing support in helping to deliver the Postgraduate Diploma in Music Therapy (Nordoff-Robbins) offered at Moray House School of Education, University of Edinburgh.

At the time of writing, seven of the eight students in the second year of the course had successfully qualified, with the other student deferring final exams until early 2005 for personal reasons. From this successful cohort, two graduates, Alice Montgomery and Valsamina Mavrommati have secured employment with the charity. Senior charity staff continued to assist with the delivery of the course, their duties including supervising clinical placements, campus-based supervision and teaching.

This is the final year in which the programme will be located at University of Edinburgh and plans are well advanced for it to move to Queen Margaret University College, Edinburgh in time for the next academic year. The path of the course has been adeptly managed by James Robertson, (Programme Organiser), who will be overseeing the move planned for July 2005.

The charity's fundraising committee organised a number of fundraising events during the year. Events included the Sixth Annual Tartan Clef Awards, and a Golf Day at Gleddoch House.

The fundraising committee comprises a group of professionals, including those involved in business, the music industry, the media, accountancy, and a retired senior police officer. This team voluntarily give of their time to raise funds for the charity and are skilfully and enthusiastically directed by the Chairman Donald McLeod. The charity remains deeply grateful for their hard work and success in raising funds to ensure that sustainable music therapy services can be offered across Scotland.

Private donations to the charity in excess of £500 included those from The Riada Trust (£1,500), Helensburgh Retailers Association (£1,832), Children's Aid Scotland (£1,000), Dalkeith Guitar Club (£1,026) and Poldrate Quilters (£655). Other smaller donations were received from local support groups and fundraising concerts.

In addition to this, the charity received donations following funding applications from Children in Need (£16,000), Midlothian Council (£1,050) and the Allistar Charitable Trust (£500).

The charity remains extremely appreciative to all businesses, charitable bodies, families and individuals who have given so generously towards the work of the charity this year.

**NORDOFF - ROBBINS MUSIC THERAPY IN SCOTLAND**  
**REPORT OF THE DIRECTORS - continued**  
**For the year ended 31st December 2004**

**RESULTS FOR THE YEAR AND FINANCIAL POSITION OF THE CHARITY**

The results of the Charity for the year are shown in detail by the Statement of Financial Activities on Page 8 of these financial statements. In summary, the Charity raised gross funds of £393,665 (2003 : £336,061) of which £291,761 (2003 : £249,462) was expended on running the unit and £103,504 (2003 : £118,492) on fundraising events and publicity resulting in an operating deficit of £1,600 (2003 deficit : £31,893).

The Charity's assets are held for the furtherance of its objectives and the Trustees estimate their value to be not materially different from that shown by the Balance Sheet on page 9.

Nordoff-Robbins Music Therapy, London, through the International Trust for Nordoff-Robbins Music Therapy, has pledged to support Nordoff-Robbins Music Therapy in Scotland financially by underwriting any salaries of Nordoff-Robbins music therapists or any other clinical staff in the event that it is unable to meet these obligations out of its own funds. This undertaking has been given on an academic year to year basis and has been renewed for the current year. The Trustees believe that this undertaking will be renewed annually.

The Directors have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems are in place to mitigate exposure to the major risks.

Based on the above, the Charity has sufficient cash resources to enable it to meet its financial and budgetary commitments for 2004.

**THE COMMITTEE OF MANAGEMENT**

The Committee of Management, all of whom were Directors of the company for the whole year unless otherwise stated, is listed below :

**Nominated Members of the Committee of Management**

Sam Alder  
Pauline Etkin

**Elected Members of the Committee of Management**

Helen M Patey	Dr John Ferguson-Smith
Christopher Achenbach	Stuart Hornall
Heather Gardner	Willie Wilson

Two elected members of the Committee, Heather Gardener and Stuart Hornall retire from office at the Annual General Meeting and being eligible offer themselves for re-election in accordance with the Articles of Association.

**NORDOFF - ROBBINS MUSIC THERAPY IN SCOTLAND**  
**REPORT OF THE DIRECTORS - continued**  
**For the year ended 31st December 2004**

**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 Foundation and of the surplus or deficit for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently ;
- make judgements and estimates that are reasonable and prudent ;
- comply with applicable accounting standards and statements of recommended practice subject to any material 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 Foundation will continue its activities.

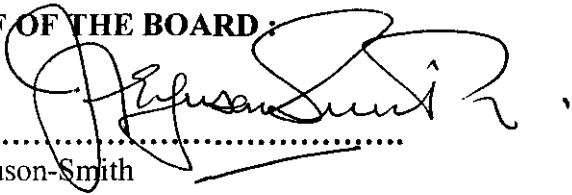
The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Foundation and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Foundation and to prevent and detect fraud and other irregularities.

**AUDITORS**

The auditors, John Mitchell & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**ON BEHALF OF THE BOARD :**

  
.....  
Dr John Ferguson-Smith  
Chairman

31 January 2006

**NORDOFF – ROBBINS MUSIC THERAPY IN SCOTLAND**  
**Independent Auditors' Report to the members**  
**for the year ended 31 December 2004**

We have audited the financial statements of Nordoff – Robbins Music Therapy in Scotland for the year ended 31 December 2004 set out on pages 8 to 15. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 10 and 11.

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 auditor's 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 in the Statement of Directors' Responsibilities the charitable company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom 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 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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**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 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 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 financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However, the evidence available to us was limited because £122,219 of the company's recorded incoming resources related to fundraising events income, over which there was no system of control on which we could rely for audit purposes. There were no other satisfactory audit procedures that we could adopt to confirm that fundraising events income was properly recorded.



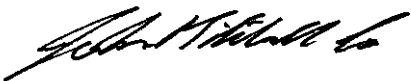
**NORDOFF – ROBBINS MUSIC THERAPY IN SCOTLAND**  
**Independent Auditors' Report to the members**  
**for the year ended 31 December 2004 - continued**

**Qualified opinion arising from limitation in audit scope**

Except for any adjustment that might have been found to be necessary had we been able to obtain sufficient evidence concerning fundraising events income, in our opinion the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 December 2004 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the above limitation on our work relating to fundraising events income:-

- we have not obtained all the information and explanations that we consider necessary for the purpose of our audit; and
- we were unable to determine whether proper accounting records had been maintained.



**John Mitchell & Co.**  
**Chartered Accountants**  
**Registered Auditor**  
**24A Ainslie Place**  
**Edinburgh EH3 6AJ**

**31 January 2006**

**NORDOFF - ROBBINS MUSIC THERAPY IN SCOTLAND**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(incorporating an Income and Expenditure Account)**  
**For the year ended 31 December 2004**

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds £	2003 Total £
<b>Incoming resources</b>					
Donations		23,431	-	23,431	15,371
Bank interest		303	-	303	255
<i>Activities to generate funds:</i>					
Fundraising events income		122,129	-	122,129	156,961
Other income	2	1,985	-	1,985	7,996
<i>Activities to further the charity's objectives</i>					
Grants	4	93,550	16,000	109,550	61,000
Fees		136,267	-	136,267	94,478
<b>Total incoming resources</b>		<b>377,665</b>	<b>16,000</b>	<b>393,665</b>	<b>336,061</b>
<b>Resources expended</b>					
<i>Cost of generating funds:</i>					
Fundraising costs	6	103,504	-	103,504	118,492
<i>Charitable expenditure</i>					
Cost of activities in furtherance of the charity's objects	5	230,751	17,444	248,195	206,700
Management and administration	7	43,566	-	43,566	42,762
<b>Total resources expended</b>		<b>377,821</b>	<b>17,444</b>	<b>395,265</b>	<b>367,954</b>
<b>Net (outgoing) resources</b>		<b>(156)</b>	<b>(1,444)</b>	<b>(1,600)</b>	<b>(31,893)</b>
Fund balances at 1 January 2004		<u>16,248</u>	<u>19,163</u>	<u>35,411</u>	<u>67,304</u>
<b>Total funds at 31 December 2004</b>		<b><u>16,092</u></b>	<b><u>17,719</u></b>	<b><u>33,811</u></b>	<b><u>35,411</u></b>

None of the company's activities were acquired or discontinued during the current year.

The company has no recognised gains or losses other than the deficit for the current year.

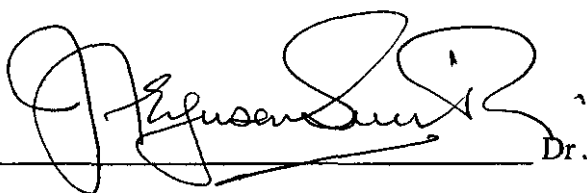
The notes on pages 9 to 14 form part of these financial statements

**NORDOFF - ROBBINS MUSIC THERAPY IN SCOTLAND**  
**BALANCE SHEET**  
**31 December 2004**

	Notes	£	£	2003 £
<b>Fixed assets</b>				
Tangible Assets	8		30,132	<u>31,517</u>
<b>Current assets</b>				
Stock		1,605		1,236
Debtors	9	48,623		41,617
Cash at bank and in hand		<u>15,203</u>		<u>16,412</u>
		65,431		59,265
<b>Creditors</b>				
Amounts falling due within one year	10		<u>61,752</u>	<u>55,371</u>
<b>Net current assets</b>			<u>3,679</u>	<u>3,894</u>
<b>Net assets</b>			<u>33,811</u>	<u>35,411</u>
<b>Restricted funds</b>	12		17,719	19,163
<b>Unrestricted funds</b>	12		<u>16,092</u>	<u>16,248</u>
<b>Total funds</b>			<u>33,811</u>	<u>34,411</u>

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

The financial statements were approved by the Committee of Management on 31 January 2006 and signed on their behalf by :



Dr John Ferguson-Smith, Chairman

The notes on pages 9 to 14 form part of these financial statements

**NORDOFF - ROBBINS MUSIC THERAPY IN SCOTLAND**  
**NOTES TO THE ACCOUNTS**  
**For the year ended 31 December 2004**

**1. Accounting policies**

**(a) Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), the Companies Act 1985 and follow the recommendations in Accounting and Reporting by Charities : Statement of Recommended Practice issued in October 2000.

**(b) Funds**

With the adoption of the Statement of Recommended Practice, all income and expenditure is dealt with through the Statement of Financial Activities, including those items which under previous practice were dealt with separately as movements in miscellaneous reserves. The charitable company's funds are classified in accordance with the definitions in the Statement of Recommended Practice into Restricted funds, where there are restrictions placed by a donor as to the use of income or capital, and Unrestricted funds which are expendable at the discretion of the Committee of Management in the furtherance of the objects of the charity.

The Restricted funds relate to funds donated for the employment of a therapist to cover the Fife region, the provision of an equipped prefabricated therapy unit in Dunfermline and towards clinical salaries in all bases.

**(c) Tangible fixed assets**

Depreciation is provided at the following annual rates calculated to write off the cost of each asset over its expected useful life.

Musical instruments and equipment - 10% Reducing balance

Office fittings and equipment - 20% Straight line

Buildings - 5% Straight line

**(d) Stocks**

Stocks are stated at the lower of cost and net realisable value.

**(e) Incoming resources**

Incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be measured with reasonable certainty. No amounts are included in the financial statements for services donated by volunteers.

**NORDOFF - ROBBINS MUSIC THERAPY IN SCOTLAND**  
**NOTES TO THE ACCOUNTS - continued**  
**For the year ended 31 December 2004**

**1. Accounting policies continued**

**(f) Resources expended**

Resources expended are recognised in the period in which they are incurred.

Where possible management and support costs have been charged direct to charitable activities or management and administration. Where this is not possible, the expenditure has been apportioned to reflect the value each activity derives from the expenditure. The Charity is not registered for VAT and accordingly resources expended include attributable VAT which cannot be recovered.

**2. Other income**

	£	2003 £
Sale of Christmas cards	-	148
Sale of books	943	2,848
Sale of equipment	<u>1,042</u>	<u>5,000</u>
	<u>1,985</u>	<u>7,996</u>

**3. Net (outgoing)resources for the year**

**This is stated after charging :**

Auditor's remuneration (including fees and expenses):

	£	2003 £
Audit	1,175	1,175
Other services	1,504	1,716
Depreciation of tangible assets	4,442	4,095
Employees' emoluments:		
Salaries	178,353	133,120
Social security costs	11,460	12,459
Director's emoluments and other benefits etc.	<u>37,799</u>	<u>41,983</u>
	<u>234,733</u>	<u>194,548</u>

The average number of employees during the year, excluding directors, was :

Music therapists	9	7
Management and administration	<u>1</u>	<u>1</u>
	<u>10</u>	<u>8</u>

No employee received emoluments of more than £50,000

**4. Grants**

	£	2003 £
Midlothian Council	1,050	1,000
Children in Need	16,000	-
Allister Charitable Trust	500	-
Nordoff-Robbins Music Therapy in London	<u>92,000</u>	<u>60,000</u>
	<u>109,550</u>	<u>61,000</u>

**NORDOFF - ROBBINS MUSIC THERAPY IN SCOTLAND**  
**NOTES TO THE ACCOUNTS - continued**  
**For the year ended 31 December 2004**

**5. Costs of activities in furtherance of charitable objects**

	<b>Unrestricted Fund £</b>	<b>Restricted Fund £</b>	<b>Total £</b>	<b>2003 Total £</b>
Wages and salaries	191,753	16,000	207,753	170,414
Telephone	5,892	-	5,892	3,227
Printing, postage and stationery	2,883	-	2,883	2,985
Motor and travel	11,630	-	11,630	9,332
Leasing	-	-	-	595
Repairs and maintenance	2,938	-	2,938	933
Depreciation	2,098	1,444	3,542	3,307
Training	4,088	-	4,088	3,439
Premises costs	7,638	-	7,638	7,468
University costs	1,831	-	1,831	
Grant to Edinburgh University	-	-	-	5,000
	<u>230,751</u>	<u>17,444</u>	<u>248,195</u>	<u>206,700</u>

**6. Fundraising costs**

	<b>Unrestricted Fund £</b>	<b>2003 £</b>
Fundraising events expenses	64,350	77,551
Fundraisers fees	27,951	22,450
Fundraising administrative costs	8,808	12,746
Bad debts	2,395	5,745
	<u>103,504</u>	<u>118,492</u>

**7. Management and administration**

	<b>Unrestricted Fund £</b>	<b>Restricted Fund £</b>	<b>Total £</b>	<b>2003 £</b>
Wages	19,859	-	19,859	17,148
Telephone	2,525	-	2,525	1,383
Printing, postage and stationery	1,236	-	1,236	1,279
Motor and travel	4,984	-	4,984	3,999
Entertaining	2,126	-	2,126	2,747
Leasing	-	-	-	255
Repairs and maintenance	1,259	-	1,259	473
Premises costs	3,273	-	3,273	3,201
Books for resale	1,085	-	1,085	2,213
Accounting	1,504	-	1,504	1,716
Auditors remuneration	1,175	-	1,175	1,175
Miscellaneous	2,833	-	2,833	2,003
Depreciation	900	-	900	-
Equipment for resale	807	-	807	4,096
	<u>43,566</u>	<u>-</u>	<u>43,566</u>	<u>42,762</u>

**NORDOFF - ROBBINS MUSIC THERAPY IN SCOTLAND**  
**NOTES TO THE ACCOUNTS - continued**  
**For the year ended 31 December 2004**

**8. Tangible fixed assets**

	<b>Buildings</b>	<b>Musical instruments and equipment</b>	<b>Office fittings and equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 January 2004	23,809	16,490	10,202	50,501
Additions	-	1,568	1,488	3,056
At 31 December 2004	<u>23,809</u>	<u>18,058</u>	<u>11,690</u>	<u>53,557</u>
<b>Depreciation</b>				
At 1 January 2004	7,142	6,114	5,728	18,984
Charge for the year	1,190	1,194	2,057	4,441
At 31 December 2004	<u>8,332</u>	<u>7,308</u>	<u>7,785</u>	<u>23,425</u>
<b>Net book value</b>				
At 31 December 2004	<u>15,477</u>	<u>10,750</u>	<u>3,905</u>	<u>30,132</u>
At 31 December 2003	<u>16,667</u>	<u>10,376</u>	<u>4,474</u>	<u>31,517</u>

**9. Debtors : amounts falling  
due within one year**

	<b>£</b>	<b>2003 £</b>
Trade debtors	31,625	21,330
Sundry debtors	16,779	19,735
Prepayments	<u>219</u>	<u>552</u>
	<u>48,623</u>	<u>41,617</u>

**10. Creditors: amounts falling  
due within one year**

	<b>£</b>	<b>2003 £</b>
Sundry creditors	30,398	23,389
Deferred income	9,654	16,782
Loan	<u>21,700</u>	<u>15,200</u>
	<u>61,752</u>	<u>55,371</u>

**NORDOFF - ROBBINS MUSIC THERAPY IN SCOTLAND**  
**NOTES TO THE ACCOUNTS - continued**  
**For the year ended 31 December 2004**

**11. Analysis of net assets between funds**

	<b>Tangible Fixed Assets £</b>	<b>Cash at Bank and In Hand £</b>	<b>Other Net Current Liabilities £</b>	<b>Total £</b>
<b>Unrestricted funds</b>	12,375	15,203	(11,524)	16,054
<b>Restricted funds</b>	<u>17,757</u>	<u>-</u>	<u>-</u>	<u>17,757</u>
<b>Total funds</b>	<u>30,132</u>	<u>15,203</u>	<u>(11,524)</u>	<u>33,811</u>

**12. Accumulated funds**

	<b>Balance 1 January £</b>	<b>Movement in resources Incoming £</b>	<b>Outgoing £</b>	<b>Balance 31 December £</b>
<b>Unrestricted funds</b>	16,248	377,665	377,821	16,092
<b>Restricted funds</b>	<u>19,163</u>	<u>16,000</u>	<u>17,444</u>	<u>17,719</u>
<b>Total funds</b>	<u>35,411</u>	<u>393,665</u>	<u>395,265</u>	<u>33,811</u>

**Purpose of Restricted Funds**

The balance will fund future depreciation of buildings and equipment which were originally purchased using restricted funds.

**13. Status of the Company**

Nordoff- Robbins Music Therapy in Scotland is a company limited by guarantee of its members and does not have a share capital. Each member in pursuance of Clause 6 of the Memorandum of Association has undertaken to contribute an amount not exceeding £1 towards any deficit arising in the event of the company being wound up whilst he or she is a member.

The company is a charity and is recognised as such by the Inland Revenue for taxation purposes. As a result, there is no liability to taxation on any of its income.



**NORDOFF - ROBBINS MUSIC THERAPY IN SCOTLAND**  
**NOTES TO THE ACCOUNTS - continued**  
**For the year ended 31 December 2004**

**14. Related party transactions**

Travel expenses amounting to £3,430 (2003: £2,255) were reimbursed to directors during the year.

The balance of the loan from Nordoff – Robbins Music Therapy in London as at 31 December 2004 amounted to £21,700 (2003 : £15,200). The loan is interest free and has no fixed terms of repayment.

**15. Other financial commitments**

The company has an annual commitment of £2,680.88 in respect of leased office equipment expiring in April 2005.