

Company registration number: SC310900

Charity registration number: SC010753

# The Scottish Fiddle Orchestra

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 December 2017

Robert J Hart & Company  
Chartered Accountants  
Riversleigh  
9 Kilwinning Road  
Irvine  
Ayrshire  
KA12 8RR

# **The Scottish Fiddle Orchestra**

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# The Scottish Fiddle Orchestra

## Trustees' Report

### Reference and Administrative Details

<b>Trustees</b>	Ms Sheena Helen Anderson BEd Mr James Gilmour Brodrie BSc, MPharmS Mr William Lynn Cook Mr Robert Hugh Diament MB ChB, FRCS Mrs Susan Elizabeth Donlevy BA (Hons) Ms Karen Louise Egerton Mr James Hair Kerr BAcc CA CTA Mr Alister Angus McLean Mr Blair Parham BSc (Hons), PGDip, PGCE Mr Campbell Wheldon Smith (deceased 4 August 2017) Mr Douglas Smith B Sc (Hons) Mr John Wallace BA (Hons) Miss Caroline Winn BSc (Hons), MBA
<b>Secretary</b>	Mr Peter Melrose Brash LL.B., Dip.L.P., N.P.
<b>Principal Office</b>	4 Union Street Lossiemouth IV31 6BA
<b>Registered Office</b>	36 West Portland Street Troon South Ayrshire KA10 6AB  The Charity is incorporated in Scotland.
<b>Company Registration Number</b>	SC310900
<b>Charity Registration Number</b>	SC010753
<b>Independent Examiner</b>	Robert J Hart & Company Chartered Accountants Riversleigh 9 Kilwinning Road Irvine Ayrshire KA12 8RR

The Directors of the Scottish Fiddle Orchestra (SFO) are its charity trustees for the purposes of charity law, and throughout this report are referred to as the trustees or collectively as the "Board".

The trustees have not received remuneration for services provided to the charity during the period.

The trustees are pleased to present their report together with the financial statements of the Scottish Fiddle Orchestra for the year ended 31st December 2017.

# **The Scottish Fiddle Orchestra**

## **Trustees' Report**

### **STRUCTURE GOVERNANCE AND MANAGEMENT**

#### **Status and governing document**

The Scottish Fiddle Orchestra (SFO) has operated as a company limited by guarantee since 1st December 2006, following the winding up of the voluntary association of the same name and charity registration. The SFO is a registered Scottish Charity, and is governed according to its Memorandum and Articles of Association dating from its establishment in 2006.

This report covers the activities and accounts of the company for the year end 31st December 2017.

#### **Appointment of trustees**

As set out in the Articles, the trustees are elected by the members of the SFO, and they also have powers to co-opt additional trustees within specified constraints. The leader and conductor of the orchestra are also trustees on an ex officio basis.

#### **Trustee induction and training**

Trustees are made aware of their responsibilities. All have been briefed in the requirements of the Scottish charities legislation. Advantage is taken of available external training sessions to educate new trustees.

#### **Organisation**

The Board of Management, consisting of all the trustees, administers the SFO. It meets about 6 times per year, to meet the requirements of the concert schedule and administrative business. The chairman of the Board is elected by the trustees from among themselves.

#### **Related parties**

The SFO has a wholly owned subsidiary, SFO Productions Limited, which handles sales of merchandise. SFO Productions Limited gift aids its profits to the charity.

#### **Risk management**

The Board has a policy of continually assessing the major risks to which the charity is exposed, in particular those related to the operations and financing of the orchestra.

The expected financial outcome of each event is considered prior to commitment. Reserves are held to cover foreseeable potential contingencies.

The Board is satisfied that adequate systems are in place to mitigate the orchestra's exposure to major risk.

### **OBJECTIVES AND ACTIVITIES**

#### **Aims**

The general aims of the charity are to promote the orchestral playing of Scottish fiddle music, while donating surplus funds to charitable purposes.

The charity's formal objectives are:

- 1 the advancement of the education of the public in the art and science of music by:-
  - 1.1. establishing and running an orchestra;

# **The Scottish Fiddle Orchestra**

## **Trustees' Report**

1.2. the promotion, improvement, development and encouragement of the public education in the performance of music with particular emphasis on Scottish music, through the presentation of public concerts, recitals and recorded works and by such other ways as the Board shall determine;

1.3 to promote, encourage and preserve the heritage and culture of traditional Scottish music, particularly Scottish fiddle playing; and

1.4 to make such general donations and provide the services of the orchestra for fundraising purposes and for such charitable purposes as fall within the provisions of Clause 7 (2) (a) to (p) of the Charities and Trustee Investment (Scotland) Act 2005 as the Board of the SFO shall determine in their absolute discretion.

The main activities of the charity are the concerts performed during the year, with the associated administration and publicity required to maximise the audience numbers, and also the production of recordings which take our music to a very wide audience around the world.

### **Review of activities and achievements**

#### **Concerts:**

The SFO performed to about 8,000 people in 7 major UK concerts during the year.

#### **Normal Concert Series**

Venues played during the year are listed below. Following the successful concert last year, the orchestra returned to the Waterfront Hall in Belfast and also returned to The Sage in Gateshead having been last there in 2014. While seat sales at both Belfast and Gateshead were disappointing at around 42% of capacity, seat sales at other venues again ranged from around 55% to 95% of venue capacities, and continue to be excellent in the current economic climate. Additional efforts are, however, required to maintain this level of audience attendance, and marketing costs reflect this.

The UK concerts were as follows:

- February – Perth Concert Hall
- March – Beach Ballroom, Aberdeen
- May – The Sage, Gateshead
- June – Usher Hall, Edinburgh
- September – Royal Concert Hall, Glasgow
- October – Waterfront Hall, Belfast
- December – Usher Hall Edinburgh

#### **Support**

Our thanks go to pipe bands which have supported the orchestra during the year, namely Granite City Pipes & Drums, JGHS (James Gillespie's High School) Pipe Band, City Of Newcastle Pipe Band, Vale of Atholl Pipe Band Association, Davidson Mains Pipe Band, Cieland Memorial Pipe Band and Williamwood Pipe Band. The concerts provide a memorable experience for the young people who take part, as well as enabling the Orchestra to present a wider range of pieces.

Donations were received from Perth and Kinross Council and from the Tayport Charity Shop in connection with the concert in Perth. A further non-restricted donation was received from Edradour distillery who had committed to providing some ongoing funding for the Orchestra.

# **The Scottish Fiddle Orchestra**

## **Trustees' Report**

Much effort goes into producing and selling informative programmes at the concerts. These provide extensive notes and comments on our music for the benefit of the audience. Investec Wealth & Investment Ltd, sponsored the programme for the Glasgow concerts by paying for the cost of the programme.

### **Musical content**

The musical content of the concert programmes continued to be varied.

### **Recordings and programmes**

Sales of recordings are carried out by our trading subsidiary company SFO Productions Ltd. Sales have been reasonably strong at all of the concerts and were slightly down on the previous year's sales. The increase in 2016 had been following the release of a new concert DVD which increased sales in 2016 and which continues to sell well. A further DVD and two CDs were released later in 2017 and these sold well at the concerts following their release and it is hoped that these will continue to sell well at the concerts in 2018 and later. These DVDs and CDs have been produced internally and this should improve the profits from these compared to past items where these were published by a third party resulting in a much lower profit per item.

Royalties on sales of such older CDs from other outlets, and on line downloads, was down from the previous year. Although the income from royalties on downloaded tracks is small, sales of our music in this way reach a very large number of people, estimated at some 50,000 in 2017. The surplus was received under gift aid from SFO Productions Ltd.

### **Publicity and marketing**

A new role of Marketing Administrator was created within the board a few years ago and the increased focus on this area has succeeded in increasing the exposure of the orchestra through internal and external channels and in obtaining sponsorship.

The orchestra's activities continue to be promoted to a professional standard in a wide range of ways including use of the internet sites, flyers and posters, listings, mail-shots, television and press advertising, and social media.

Marketing is a key activity to enable the SFO to achieve its promotional aims, and requires continuous efforts in view of the general economic situation. The level of audience attendance at the events during the period continued to be high, and was achieved through the considerable efforts of the marketing team and all orchestra members.

### **Plans for Future Periods**

The orchestra confined its activities to the UK in 2017 and continued its regular series of concerts in Scotland and England as well as Belfast. The Orchestra is currently about to embark on a trip to northern Scotland and Orkney / Shetland in 2018 and consideration is currently being given to concerts further afield, possibly in 2019.

The orchestra has released two CDs and two DVDs in the last 18 months and plans a further release possibly later in 2018 or early in 2019.

The SFO has a significant overseas following, from previous tours and from sales of its recordings worldwide. Subject to availability of funds, the orchestra will continue to respond to opportunities to undertake tours worldwide to reach new audiences, with a view to touring every 3 to 4 years.

Support will continue to be given to the training of young people through participation in concerts and, where appropriate, through direct support of fiddle groups.

# The Scottish Fiddle Orchestra

## Trustees' Report

### Financial Review

The orchestra's income comes mainly from sales of tickets for concerts. The expenses involved in staging these events are considerable, and a balance has to be struck between achieving a break-even position in our major objective of promoting our music, and avoiding unsustainable losses on events. The outcome is very sensitive to ticket pricing, which aims to cover costs and also to be accessible, and the financial result can also be dependent on to the success of marketing efforts.

The philosophy has been to aim for a small surplus over the year, on the normal UK concert series which, after covering administrative and rehearsal cost etc, plus setting aside funds required to maintain the reserves at the desired levels, allows the orchestra to donate to other musical and charitable organisations, if funds are sufficient on a year to year basis.

The annual concert in Aberdeen and those beyond mainland Scotland (in the year, Gateshead and Belfast) incur more costs than other events as these involve additional travelling and accommodation costs so these concerts will generally make a loss and every possible action is taken to minimise any loss. Such losses are acceptable in the context of the orchestra's overall aim to promote Scottish fiddle music by concerts. The concert in Aberdeen again suffered due to an enforced change of venue as the usual location of the Music Hall is being refurbished. The cost incurred of two staging two concerts beyond Scotland has resulted in a deficit in the year on concert activities of £18,930, as summarised below. This is before rehearsal costs, donations to other charities, and overheads rehearsal costs, donations made to other charities, and overheads, offset by income from sponsorship and other activities. The overall result was a net deficit of £22,322 for the year.

### UK Concerts

The individual concert surpluses/(deficits), excluding administrative costs and sundry income, were as follows:

	£
Perth, Horsecross Concert Hall, February 2017	4,210
Aberdeen, Beach Ballroom, March 2017	(8,734)
Gateshead, The Sage, April 2017	(8,377)
Edinburgh, Usher Hall, June 2017	(1,645)
Glasgow, Royal Concert Hall, September 2017	2,088
Belfast, Waterfront Hall, October 2017	(18,855)
Edinburgh, Usher Hall, December 2017	12,383
<b>Total for year</b>	<b>(18,930)</b>

### Donations

Donations are made to support voluntary organisations or charities complementing the SFO's objectives in relation to Scottish music and also to other charities where funds are received at concerts.

## The Scottish Fiddle Orchestra

### Trustees' Report

Donations to charities in 2017 were to three fiddle music charities as well as to the pipe bands who supported the Orchestra during the year, as below.

The list of donations made in the year is as follows:

	2017	2016
	£	£
Niel Gow Fiddle Festival	1,000	2,000
Scots Fiddle Festival	1,000	1,000
Nomad Beat	-	1,000
Granite City Pipes & Drums	250	250
JGHS (James Gillespie's High School) Pipe Band	250	250
Williamwood Pipe Band	500	250
City of Newcastle Pipe Band	250	-
Vale of Atholl Pipe Band Association	350	350
Cleland Memorial Pipe Band	250	250
Stockbridge Pipe Band	-	250
Nottinghamshire Police Pipe Band	-	250
Davidson Mains & District Pipe Band	250	-
West Maitland Strathspey & Reel Society	1,000	-
Orkney Traditional Music Project	1,000	-
Riverside Music Project	500	-
The Govan Schools Pipes and Drums	500	-
Other	250	-
<b>Total donations made in the year</b>	<b>7,350</b>	<b>5,850</b>

In addition to the funds disbursed directly by the SFO as covered above, an amount of £6,026 was generated for other charities through their involvement with specific performances, particularly from retiring bucket collections. Collections were made at all of the major concerts during the period and throughout the year - the following charities have reported to the SFO as having benefited from retiring bucket collections: Marie Curie, Walk the Walk (Moon Walk), Cancer Research UK, Cancer Fund for Children, Incorporation of Skinners and Glovers, CHAS and Maggie's.

#### Merchandise

The SFO has made an extensive range of recordings. Sales of recordings are channelled through the trading subsidiary, SFO Productions Limited. The proceeds, after retention of necessary working capital, are gift-aided to the SFO. Royalties are also received from sales of recordings.

The net proceeds of merchandise sales, and the income from royalties in the year were:

	2017	2016
	£	£
Merchandise	4,382	2,518
Royalties	1,028	1,273



# The Scottish Fiddle Orchestra

## Trustees' Report

### Investment Policy

The SFO has powers to invest in a wide range of assets. However, all funds were retained as cash in bank current or investment accounts.

### Reserves Policy

Reserves are held for designated purposes and are reviewed annually. They include:

Restricted reserves, represented by donations received for specific use in the West of Scotland.

Designated reserves held for specific projects, i.e., replacement of instruments, the potential deficit of an overseas tour, a fund to cover liability in the event of cancellation of our largest event and a potential project under review for a recording project.

The general reserve represents the requirement for day to day working capital to fund concerts. The level of the general reserve is targeted to be equivalent to the costs of staging the annual concert series.

The total funds at 31st December 2017 were £208,021 of which £2,500 were restricted.

### Board changes and analysis of donated services by the Board and members

The Board is sad to report that board member Campbell Smith died on 4 August 2017 and as a testament to the esteem in which he was held a large number of board members and orchestra members had attended his funeral. The Board wish to record their sadness at this event and their acknowledgement of the considerable work that he had done for the orchestra and the Board over many years and the fact that he would be greatly missed by all. There were no other changes to the Board during the year.

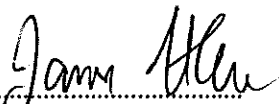
Orchestra members and trustees give freely of their time. On average the 102 members gave around 8 full days each for concerts, recordings and rehearsals during the year. The Board members, who are also trustees, are estimated to have contributed additional time ranging from 100 to 1,000 hours in performance of their duties during the period. They receive no remuneration other than re-imbusement of out-of-pocket expenses and some of their travelling and subsistence expenses on a strictly limited basis.

The trustees express their appreciation for the dedication and support of the members and front of house teams, ensuring that the Orchestra, charitable in nature, continues to fulfil its main objective of the promotion, performance, and consequent preservation of Scottish music. Thanks are also due to the professional singers, dancers, pipers and compères, who are not members of the SFO, but who are hired for individual concerts.

### Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the Charity on 22 April 2018 and signed on its behalf by:

  
.....  
Mr James Hair Kerr BAcc CA CTA  
Trustee

## The Scottish Fiddle Orchestra

### Statement of Trustees' Responsibilities

The trustees (who are also the directors of The Scottish Fiddle Orchestra for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

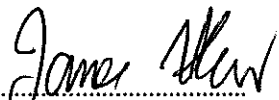
Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of the Charity on 22 April 2018 and signed on its behalf by:

  
.....  
Mr James Hair Kerr BAcc CA CTA  
Trustee

## The Scottish Fiddle Orchestra

### Independent Examiner's Report to the Trustees of The Scottish Fiddle Orchestra

I report on the accounts of the Charity for the year ended 31 December 2017 which are set out on pages 10 to 21 .

#### Respective responsibilities of trustee and examiner

The charity's trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts in accordance with the terms of Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

#### Basis of independent examiner's report

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the accounts.

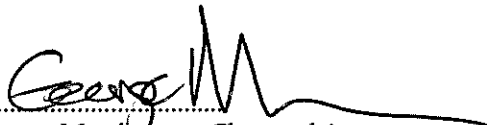
#### Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me a reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
  - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations
- have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

  
George Macshannon, Chartered Accountant  
Robert J Hart & Company  
Riversleigh  
9 Kilwinning Road  
Irvine  
Ayrshire  
KA12 8RR

23 April 2018

## The Scottish Fiddle Orchestra

### Statement of Financial Activities for the Year Ended 31 December 2017 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2017 £
<b>Income and Endowments from:</b>				
Donations and legacies	2	10,313	650	10,963
Charitable activities	3	138,117	-	138,117
Investment income	4	2,210	-	2,210
<b>Total Income</b>		<u>150,640</u>	<u>650</u>	<u>151,290</u>
<b>Expenditure on:</b>				
Charitable activities	5	<u>(172,962)</u>	<u>(650)</u>	<u>(173,612)</u>
<b>Total Expenditure</b>		<u>(172,962)</u>	<u>(650)</u>	<u>(173,612)</u>
Net expenditure		<u>(22,322)</u>	-	<u>(22,322)</u>
Net movement in funds		(22,322)	-	(22,322)
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>227,843</u>	<u>2,500</u>	<u>230,343</u>
Total funds carried forward	15	<u>205,521</u>	<u>2,500</u>	<u>208,021</u>
	Note	Unrestricted funds £	Restricted funds £	Total 2016 £
<b>Income and Endowments from:</b>				
Donations and legacies	2	7,296	3,250	10,546
Charitable activities	3	148,113	-	148,113
Investment income	4	2,225	-	2,225
<b>Total Income</b>		<u>157,634</u>	<u>3,250</u>	<u>160,884</u>
<b>Expenditure on:</b>				
Charitable activities	5	<u>(166,689)</u>	<u>(3,250)</u>	<u>(169,939)</u>
<b>Total Expenditure</b>		<u>(166,689)</u>	<u>(3,250)</u>	<u>(169,939)</u>
Net expenditure		<u>(9,055)</u>	-	<u>(9,055)</u>
Net movement in funds		(9,055)	-	(9,055)
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>236,898</u>	<u>2,500</u>	<u>239,398</u>
Total funds carried forward	15	<u>227,843</u>	<u>2,500</u>	<u>230,343</u>

All of the Charity's activities derive from continuing operations during the above two periods.  
The funds breakdown is shown in note 15.

**The Scottish Fiddle Orchestra**  
**(Registration number: SC310900)**  
**Balance Sheet as at 31 December 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	10	3,381	3,757
Investments	11	<u>1,000</u>	<u>1,000</u>
		<u>4,381</u>	<u>4,757</u>
<b>Current assets</b>			
Debtors	12	31,758	28,631
Cash at bank and in hand		<u>180,222</u>	<u>202,803</u>
		211,980	231,434
<b>Creditors: Amounts falling due within one year</b>	13	<u>(8,340)</u>	<u>(5,848)</u>
<b>Net current assets</b>		<u>203,640</u>	<u>225,586</u>
<b>Net assets</b>		<u>208,021</u>	<u>230,343</u>
<b>Funds of the Charity:</b>			
<b>Restricted income funds</b>			
Restricted funds		2,500	2,500
<b>Unrestricted income funds</b>			
Unrestricted income funds		<u>205,521</u>	<u>227,843</u>
<b>Total funds</b>	15	<u>208,021</u>	<u>230,343</u>

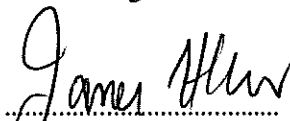
For the financial year ending 31 December 2017 the Charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the Charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 10 to 21 were approved by the trustees, and authorised for issue on 22 April 2018 and signed on their behalf by:

  
 .....  
 Mr James Hair Kerr BAcc CA CTA  
 Trustee

# The Scottish Fiddle Orchestra

## Notes to the Financial Statements for the Year Ended 31 December 2017

### 1 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

#### Basis of preparation

The Scottish Fiddle Orchestra meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

#### Going concern

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

#### Exemption from preparing a cash flow statement

The Charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

#### Exemption from preparing group accounts

The Charity has taken advantage of the exemption in section 398 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, on the grounds that it is a small sized group.

#### Income and endowments

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

#### Donations and legacies

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the Charity before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that these conditions will be fulfilled in the reporting period.

#### Investment income

Investment income is recognised on a receivable basis.

# The Scottish Fiddle Orchestra

## Notes to the Financial Statements for the Year Ended 31 December 2017

### Expenditure

All expenditure is recognised once there is a legal or constructive obligation for that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

### Charitable activities

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

### Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

### Governance costs

These include the costs attributable to the Charity's compliance with constitutional and statutory requirements, including strategic management and Trustees' meetings and reimbursed expenses.

### Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### Tangible fixed assets

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

### Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Equipment	10% reducing balance basis

### Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

### Trade debtors

Trade debtors are amounts due from tickets sold for concerts performed in the ordinary course of the charitable activities.

Trade debtors are recognised initially at the transaction price.

## **The Scottish Fiddle Orchestra**

### **Notes to the Financial Statements for the Year Ended 31 December 2017**

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of the charitable activities. Accounts payable are classified as current liabilities if the Charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Fund structure**

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the Charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.



## The Scottish Fiddle Orchestra

### Notes to the Financial Statements for the Year Ended 31 December 2017

#### 2 Income from donations and legacies

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	General £	£	£	£
Donations and legacies;				
Donations from group undertakings	4,382	-	4,382	2,518
Appeals and donations	5,931	650	6,581	8,028
	10,313	650	10,963	10,546

#### 3 Income from charitable activities

	Unrestricted funds	Total 2017	Total 2016
	General £	£	£
Ticket sales	132,875	132,875	141,047
Other income	3,812	3,812	5,816
Subscriptions	1,430	1,430	1,250
	138,117	138,117	148,113

#### 4 Investment income

	Unrestricted funds	Total 2017	Total 2016
	General £	£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	2,210	2,210	2,225
	2,210	2,210	2,225

## The Scottish Fiddle Orchestra

### Notes to the Financial Statements for the Year Ended 31 December 2017

#### 5 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	Total 2017 £	Total 2016 £
Venue hire, artists and roadie fees, etc	80,393	-	80,393	78,125
Printing, posting and stationery	502	-	502	524
Donations	7,350	-	7,350	5,850
Equipment hire	3,982	-	3,982	3,990
Sundry and other costs	262	-	262	48
Travel and subsistence	43,767	2,281	46,048	48,048
Advertising and promotion	32,027	-	32,027	30,516
Insurance	-	627	627	620
Independent Examiner's remuneration	-	1,780	1,780	1,560
Bank charges	-	265	265	241
Depreciation of tangible fixed assets	-	376	376	417
	<u>168,283</u>	<u>5,329</u>	<u>173,612</u>	<u>169,939</u>

£172,962 (2016 - £166,689) of the above expenditure was attributable to unrestricted funds and £650 (2016 - £3,250) to restricted funds.

#### 6 Analysis of activity support costs

	Unrestricted funds General £	Total 2017 £	Total 2016 £
Independent Examiner's remuneration	1,780	1,780	1,560
Depreciation, amortisation and other similar costs	376	376	417
Other governance costs	2,281	2,281	1,985
Allocated support costs	892	892	861
	<u>5,329</u>	<u>5,329</u>	<u>4,823</u>

## The Scottish Fiddle Orchestra

### Notes to the Financial Statements for the Year Ended 31 December 2017

#### 7 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2017 £	2016 £
Depreciation of fixed assets	376	417

#### 8 Trustees remuneration and expenses

No trustee received any remuneration during the year. However £3,430 was paid to 13 trustees in respect of out of pocket travel, postage, telephone and stationery expenses incurred.

#### 9 Taxation

The Charity is a registered charity and is therefore exempt from taxation.

#### 10 Tangible fixed assets

	Equipment £	Total £
<b>Cost</b>		
At 1 January 2017	10,397	10,397
At 31 December 2017	10,397	10,397
<b>Depreciation</b>		
At 1 January 2017	6,640	6,640
Charge for the year	376	376
At 31 December 2017	7,016	7,016
<b>Net book value</b>		
At 31 December 2017	3,381	3,381
At 31 December 2016	3,757	3,757

## The Scottish Fiddle Orchestra

### Notes to the Financial Statements for the Year Ended 31 December 2017

#### 11 Fixed asset investments

##### Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
<b>Cost</b>		
At 1 January 2017	<u>1,000</u>	<u>1,000</u>
At 31 December 2017	<u>1,000</u>	<u>1,000</u>
<b>Net book value</b>		
At 31 December 2017	<u><u>1,000</u></u>	<u><u>1,000</u></u>
At 31 December 2016	<u><u>1,000</u></u>	<u><u>1,000</u></u>

##### Details of undertakings

Details of the investments in which the Charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
<b>Subsidiary undertakings</b>				
SFO Productions Limited	Scotland	Ordinary	100%	Sale of concert programmes and merchandise

## The Scottish Fiddle Orchestra

### Notes to the Financial Statements for the Year Ended 31 December 2017

#### Subsidiaries

The profit for the financial period of SFO Productions Limited was £Nil and the aggregate amount of capital and reserves at the end of the period was £1,000.

#### 12 Debtors

	2017 £	2016 £
Trade debtors	20,800	19,471
Due from group undertakings	7,364	2,615
Prepayments	3,594	6,545
	<u>31,758</u>	<u>28,631</u>

#### 13 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	6,040	3,648
Accruals	2,300	2,200
	<u>8,340</u>	<u>5,848</u>

#### 14 Charity status

The company is constituted as a company limited by guarantee. As at the balance sheet date there were 102 members. Each member undertakes, under the terms of the company's Memorandum of Association, to contribute a sum not exceeding £5 to the assets of the company in the event of it being wound up. The accounts are prepared on the going concern basis and accordingly the contingent possibility of the company receiving those sums is considered by the trustees to be remote, and is not reflected or disclosed in the accounts.

In view of the above, the directors consider that the provisions of Financial Reporting Standard Number 102 which requires disclosures regarding the liabilities and shareholders' funds not applicable to the members' undertakings as recorded in the Memorandum of Association.

## The Scottish Fiddle Orchestra

### Notes to the Financial Statements for the Year Ended 31 December 2017

#### 15 Funds

	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Balance at 31 December 2017 £
<b>Unrestricted funds</b>				
<i>Unrestricted general funds</i>				
General funds	133,343	150,640	(172,962)	111,021
<i>Unrestricted designated funds</i>				
Designated funds	94,500	-	-	94,500
<b>Total unrestricted funds</b>	227,843	150,640	(172,962)	205,521
Restricted funds	2,500	650	(650)	2,500
<b>Total funds</b>	230,343	151,290	(173,612)	208,021

	Balance at 1 January 2016 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2016 £
<b>Unrestricted funds</b>					
<i>Unrestricted general funds</i>					
General funds	137,398	157,634	(166,689)	5,000	133,343
<i>Unrestricted designated funds</i>					
Designated funds	94,500	-	-	-	94,500
<b>Total unrestricted funds</b>	231,898	157,634	(166,689)	5,000	227,843
Restricted funds	7,500	3,250	(3,250)	(5,000)	2,500
<b>Total funds</b>	239,398	160,884	(169,939)	-	230,343

## The Scottish Fiddle Orchestra

### Notes to the Financial Statements for the Year Ended 31 December 2017

#### 16 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	General funds £	£	£
Tangible fixed assets	3,381	-	3,381
Fixed asset investments	1,000	-	1,000
Current assets	209,480	2,500	211,980
Current liabilities	(8,340)	-	(8,340)
Total net assets	<u>205,521</u>	<u>2,500</u>	<u>208,021</u>

#### 17 Related party transactions

During the year the Charity made the following related party transactions:

##### **SFO Productions Limited** (Subsidiary)

During the year the charity received a donation of £4,382 from SFO Productions Limited, a wholly owned subsidiary of the company. At the balance sheet date the amount due from SFO Productions Limited was £7,364 (2016 - £2,615).