

REGISTERED COMPANY NUMBER: SC310900 (Scotland)
REGISTERED CHARITY NUMBER: SC010753

THE SCOTTISH FIDDLE ORCHESTRA

REPORT OF THE TRUSTEES AND

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

THE SCOTTISH FIDDLE ORCHESTRA

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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THE SCOTTISH FIDDLE ORCHESTRA
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors of The Scottish Fiddle Orchestra (SFO) are its charity trustees for the purpose 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 31 December 2021.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered company number

SC310900 (Scotland)

Registered charity number

SC010753

Registered office

36 West Portland Street
Troon
KA10 6AB

Principle address

4 Union Street
Lossiemouth
IV31 6BA

Trustees

Ms S H Anderson B.Ed

Mrs F J Brodlie

Mr A A Davidson B Mus (Hons)

Mr R H Diament MB ChB, FRCS

Mrs S C Docherty B.Ed Music (RSAMD)

Mrs S E Donlevy BA (Hons)

Ms K L Egerton

Mr R Langlands BA (Hons), ACA

Mr J M A Mason

Mr A A McLean

Mrs L M Norman

Mr B Parham BSc (Hons) PGDip, PGCE

Miss Y L Steven BEM, DRSAM

Mr J Wallace

- resigned 12 July 2021

Miss C J Wynn BSc (Hons), MBA

- resigned 25 August 2021

Company secretary

Mr P M Brash LL.B, Dip.L.P, N.P.

THE SCOTTISH FIDDLE ORCHESTRA
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021

REFERENCE AND ADMINISTRATIVE DETAILS - continued

Independent examiner

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status and governing document

The Scottish Fiddle Orchestra (SFO) has operated as a company limited by guarantee from 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 and the Rules of the SFO updated March 2014.

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 at least six 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. Until 31 December 2017 that company handled sales of merchandise however since then these sales have been dealt with within the SFO itself and SFO Productions Limited is now dormant.

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 SCOTTISH FIDDLE ORCHESTRA
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Risk management - continued

The Board is satisfied that adequate systems are in place to mitigate the charity'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, whilst 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;
 - 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 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's first performance was at a free concert at the Astley Ainslie Hospital in Edinburgh in June in the presence of the orchestra's Royal Patron, HRH The Princess Royal. Two further performances were given during the summer at Newhailes House and Gardens and at the Kinross Show. The SFO also provided a small group of musicians for a charity event at St. James's Palace, London, in November.

Normal concert series

The orchestra would normally perform five major concerts at venues around Scotland each year. The usual concert venues being as follows:

February - Horsecross Concert Hall, Perth
March - The Music Hall, Aberdeen
June - Usher Hall, Edinburgh

THE SCOTTISH FIDDLE ORCHESTRA

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

REVIEW OF ACTIVITIES AND ACHIEVEMENTS - continued

Normal concert series - continued

September - Royal Concert Hall, Glasgow

December - Usher Hall, Edinburgh

The re-introduction of limits on the numbers allowed to attend public events, including concerts, on 26th December 2021 meant that the planned Hogmanay Concert at the Usher Hall, Edinburgh was cancelled.

Other activities

During the year members of the orchestra embarked on a fitness challenge that raised £1,220 (net of charges) and this combined with funding from the SFO enabled a series of donations to be made.

Support

Our thanks go to the Pipe Bands and groups that support the orchestra during the concerts, in most cases these are school or youth bands and 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. We would like to thank the RAF Central Scotland Pipes & Drums for their support at the concert in Perth.

Donations were received from the Tayport Charity Shop in support of the orchestra's activities. We would also like to thank the SFO's patrons for their continued support. The orchestra also acknowledges the continuing support of McCallum Bagpipes.

Musical content

The musical content of the concert programme continues to be varied.

Recordings and programmes

CDs and DVDs of concerts were released in 2016, 2017 and 2019 and these continue to sell. Sales were down in the year compared to previous years due to the cancellation of most concerts. The current range of CDs and DVDs have been produced internally and this has improved the profits from these compared to past items which 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 up from the previous year. New recordings are being made available to download and it is hoped that this will increase income in this area. Although the income from royalties on download tracks is small, sales of our music in this way reach a large number of people.

Much effort goes into producing and selling informative programmes at our concerts. These provide extensive notes and comments on the music for the benefit of the audience.

Publicity and marketing

The 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 SCOTTISH FIDDLE ORCHESTRA
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021

REVIEW OF ACTIVITIES AND ACHIEVEMENTS - continued

Publicity and marketing - continued

The orchestra's activities continue to be promoted to a professional standard in a wide range of ways including use of internet sites, flyers and posters, listings, mail-shots, radio and press advertising and social media. A number of excerpts from previous concerts have been uploaded to the orchestra's YouTube channel during the year.

During the year the orchestra created a new website and online shop and undertook a rebranding exercise to enable a more professional image to be presented to the public. The rebranding is reflected in the orchestra's new stationery and marketing material.

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 orchestra's concerts continues to be high, and this was achieved through the considerable efforts of the marketing team and all orchestra members.

Plans for future periods

The orchestra's activities were again confined to the UK. The SFO has a significant overseas following from previous tours and from sales of its recordings worldwide. Subject to the availability of funds, the orchestra will continue to respond to opportunities to undertake overseas tours 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.

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 to be accessible, and the financial result can also be dependent on the success of our 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 costs 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 two income generating concerts plus the attendance at St. James's Palace generated income of £3,204 with costs of £3,392, producing a small loss of £188. We were able to sell merchandise at the two concerts with gross sales of £546 being achieved.

The Edinburgh Hogmanay concert was being actively promoted and advertised until it unfortunately had to be cancelled, with costs of £3,586 being incurred.

THE SCOTTISH FIDDLE ORCHESTRA
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021

REVIEW OF ACTIVITIES AND ACHIEVEMENTS - continued

Financial review - continued

Legal fees amounting to £5,851 have been incurred during the year in respect of the action being taken to recover the money paid to the North American tour promoters before the tour had to be cancelled.

The overall result was a net deficit of £16,044 for the year.

Events since the end of the year

Information relating to events since the end of the year is given in the notes to the financial statements.

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 collected at concerts.

The donation in 2020 was to the Pipe Band that supported the orchestra at the Perth concert. The list of donations made in the last two years is as follows:

	2021	2020
	£	£
Drake Music Scotland	1,000	-
Sistema Scotland	250	-
Gig Buddies (Thera Trust)	250	-
Ayr Gaiety Partnership	250	-
RAF Central Scotland Pipes & Drums	-	350
	<u>1,750</u>	<u>350</u>
Total donations made in the year	<u>1,750</u>	<u>350</u>

Merchandise

The SFO has an extensive range of recordings and other merchandise for sale. Royalties are also received from the sale and downloads of recordings.

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

	2021	2020
	£	£
Merchandise and programmes	583	1,411
Royalties and download income	1,376	1,308
	<u>1,959</u>	<u>2,719</u>

THE SCOTTISH FIDDLE ORCHESTRA

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

REVIEW OF ACTIVITIES AND ACHIEVEMENTS - continued

Investment policy

The SFO has powers to invest in a wide range of assets. Funds have been invested in the Vanguard LifeStrategy 40% Equity fund, this fund holds investments in a range of Vanguard funds with the objective of achieving income and/or capital returns through a portfolio comprising approximately 40% shares and 60% bonds and other fixed interest investments. Further 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:

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 the 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 2021 were £177,749.

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

Two members of the Board stood down in the year: John Wallace and Caroline Winn. The Board would like to express its appreciation for their services over the last few years.

Orchestra members and trustees give freely of their time. On average the 106 members each give a full day for each concert and rehearsal. 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 year. They receive no remuneration other than reimbursement 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 team, 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, musicians and compères who are not members of the SFO, 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.

Approved by order of the Board of trustees on 20 September 2022 and signed on its behalf by:



Mr R Langlands - Trustee

THE SCOTTISH FIDDLE ORCHESTRA

**STATEMENT OF TRUSTEES RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
THE SCOTTISH FIDDLE ORCHESTRA**

I report on the accounts for the year ended 31 December 2021 set out on pages ten to twenty two.

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's 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 the 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 the 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 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 to 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
Robert J Hart & Company
Chartered Accountants
Riversleigh
9 Kilwinning Road
Irvine
Ayrshire
KA12 8RR

20 September 2022

THE SCOTTISH FIDDLE ORCHESTRA

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Unrestricted funds	Restricted funds	2021 Total funds	2020 Total funds
Notes	£	£	£	£
INCOME				
Donations and legacies	2,767	-	2,767	3,565
Income from charitable activities	2			
Operation of the orchestra	7,129	-	7,129	31,901
Investment income	3	-	1,206	745
TOTAL INCOME	<u>11,102</u>	<u>-</u>	<u>11,102</u>	<u>36,211</u>
EXPENDITURE				
Expenditure on charitable activities	4			
Operation of the orchestra	29,323	-	29,323	41,351
TOTAL EXPENDITURE	<u>29,323</u>	<u>-</u>	<u>29,323</u>	<u>41,351</u>
NET INCOME/(EXPENDITURE) AND NET MOVEMENT IN FUNDS BEFORE GAINS AND LOSSES ON INVESTMENTS				
	(18,221)	-	(18,221)	(5,140)
Net gains/(losses) on investments	2,177	-	2,177	4,709
NET INCOME/(EXPENDITURE)	<u>(16,044)</u>	<u>-</u>	<u>(16,044)</u>	<u>(431)</u>
TRANSFERS BETWEEN FUNDS				
	-	-	-	-
NET MOVEMENT IN FUNDS	<u>(16,044)</u>	<u>-</u>	<u>(16,044)</u>	<u>(431)</u>
RECONCILIATION OF FUNDS				
Total funds brought forward	193,793	-	193,793	194,224
TOTAL FUNDS CARRIED FORWARD	<u>177,749</u>	<u>-</u>	<u>177,749</u>	<u>193,793</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes form part of these accounts

THE SCOTTISH FIDDLE ORCHESTRA (REGISTERED NUMBER: SC310900)

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	11	2,342	2,602
Investments	12	1,000	1,000
		<u>3,342</u>	<u>3,602</u>
CURRENT ASSETS			
Stocks	13	7,006	6,591
Debtors	14	76,922	80,246
Investments	15	77,579	74,387
Cash at bank and in hand		19,668	37,838
		<u>181,175</u>	<u>199,062</u>
LIABILITIES			
Creditors falling due within one year	16	(6,768)	(8,871)
		<u>174,407</u>	<u>190,191</u>
NET CURRENT ASSETS		<u>174,407</u>	<u>190,191</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>177,749</u>	<u>193,793</u>
NET ASSETS		<u>177,749</u>	<u>193,793</u>
THE FUNDS OF THE CHARITY			
Unrestricted income funds	18	177,749	193,793
		<u>177,749</u>	<u>193,793</u>
TOTAL FUNDS		<u>177,749</u>	<u>193,793</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the

The notes form part of these accounts

THE SCOTTISH FIDDLE ORCHESTRA (REGISTERED NUMBER SC310900)

**BALANCE SHEET - continued
AS AT 31 DECEMBER 2021**

charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

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

The financial statements were approved by the Board of Trustees and authorised for issue on 20 September 2022 and were signed on its behalf by:



Mr R Langlands - Trustee

THE SCOTTISH FIDDLE ORCHESTRA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of current asset investments which are included at market value.

Financial reporting standard 102 - reduced disclosure exemption

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

- the requirements of Section 7 Statement of Cash Flows.

Preparation of consolidated accounts

The financial statements contain information about The Scottish Fiddle Orchestra as an individual company and do not contain consolidated financial information as the parent of a group. The charitable company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount 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.

Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

THE SCOTTISH FIDDLE ORCHESTRA

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES - continued

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 Trustee's meetings and reimbursed expenses.

Tangible fixed assets

Fixed assets are capitalised at cost and depreciation is provided at the following rate in order to write off the cost of each asset over its estimated useful life.

Equipment - 10% on reducing balance

Fixed asset investment

Fixed asset investments are stated at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and in hand includes cash and bank current and deposit accounts.

Liabilities

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefit will be required in settlement and the amount of the obligation can be measured reliably.

Current asset investment

Current asset investments are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market values at the start of the year, or their subsequent cost, and are charged or credited to the

THE SCOTTISH FIDDLE ORCHESTRA

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES - continued

Current asset investment - continued

Statement of Financial Activities in the period of disposal.

Foreign currency

Assets and liabilities in foreign currencies are translated at the rates of exchange ruling on the balance sheet date. Transactions involving foreign currencies are converted at the rate ruling on the date of the transaction.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

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

Restricted funds can only be used for particular purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

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 the assets held by the charity.

2. INCOME FROM CHARITABLE ACTIVITIES

	2021	2020
	£	£
Concert income	3,204	22,256
Programmes	-	795
Merchandise	1,949	5,868
Subscriptions	600	1,060
Other income	1,376	1,922
	<u>7,129</u>	<u>31,901</u>

THE SCOTTISH FIDDLE ORCHESTRA

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. INVESTMENT INCOME

	2021	2020
	£	£
Interest on cash deposits	192	213
Dividends on investment	1,014	532
	<u>1,206</u>	<u>745</u>

4. EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct Costs (see note 5) £	Support Costs (see note 6) £	Totals £
Direct costs	22,480	-	22,480
Support costs	-	6,843	6,843
	<u>22,480</u>	<u>6,843</u>	<u>29,323</u>

5. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021	2020
	£	£
Rent	1,713	1,713
Venue hire	27	10,042
Concert streaming costs	-	840
Artistes, sound engineers and roadie fees	1,586	1,788
Postage and stationery	173	422
Charitable donations	1,750	350
Equipment hire	500	-
Sundry expenses	287	717
Travel	2,980	1,794
Hotels and subsistence	386	1,089
Advertising	3,561	3,854
Website and rebranding costs	8,151	-
Merchandise costs	1,366	4,754
Programme costs	-	498
	<u>22,480</u>	<u>27,861</u>

THE SCOTTISH FIDDLE ORCHESTRA

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. SUPPORT COSTS

	Finance £	Other £	Governance costs £	Total £
Support costs	(631)	933	6,541	6,843
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Support costs, included in the above, are as follows:

	2021 £	2020 £
Bank charges	304	271
Membership subscription and insurance	673	673
Depreciation of tangible fixed assets	260	289
Travel	-	50
Independent examiner's fee	690	1,380
Legal fees	5,851	2,704
Foreign currency translation adjustment	(935)	8,123
	<u> </u>	<u> </u>
	<u>6,843</u>	<u>13,490</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging:

	2021 £	2020 £
Depreciation - owned assets	<u> </u>	<u> </u>
	<u>260</u>	<u>289</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustee's remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Trustees' expenses

£1,637 was paid to 10 trustees in respect of out of pocket travel, postage and stationery expenses.

9. AVERAGE NUMBER OF EMPLOYEES DURING THE PERIOD

There were no employees during the period (2020: nil).

THE SCOTTISH FIDDLE ORCHESTRA

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME			
Donations and legacies	1,716	1,849	3,565
Income from charitable activities			
Operation of the orchestra	31,901	-	31,901
Investment income	745	-	745
TOTAL INCOME	<u>34,362</u>	<u>1,849</u>	<u>36,211</u>
EXPENDITURE			
Expenditure on charitable activities			
Operation of the orchestra	40,674	677	41,351
TOTAL EXPENDITURE	<u>40,674</u>	<u>677</u>	<u>41,351</u>
NET (EXPENDITURE)/INCOME AND NET MOVEMENT IN FUNDS BEFORE GAINS AND LOSSES ON INVESTMENTS			
	(6,312)	1,172	(5,140)
Net gains/(losses) on investments	4,709	-	4,709
NET (EXPENDITURE)/INCOME	<u>(1,603)</u>	<u>1,172</u>	<u>(431)</u>
TRANSFER BETWEEN FUNDS	1,172	(1,172)	-
NET MOVEMENT IN FUNDS	<u>(431)</u>	<u>-</u>	<u>(431)</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	194,224	-	194,224
TOTAL FUNDS CARRIED FORWARD	<u><u>193,793</u></u>	<u><u>-</u></u>	<u><u>193,793</u></u>

THE SCOTTISH FIDDLE ORCHESTRA

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. TANGIBLE FIXED ASSETS

	Equipment £
Cost	
At 1 January 2021 and at 31 December 2021	10,549
Depreciation	
At 1 January 2021	7,947
Charge for the year	260
	8,207
Net book value	
At 31 December 2021	2,342
At 31 December 2020	2,602

12. FIXED ASSET INVESTMENTS

The charity holds 1,000 shares of £1 each in its wholly owned trading subsidiary company SFO Productions Limited which is incorporated in the United Kingdom. These are the only shares allotted, called up and fully paid. This company is dormant.

The aggregate capital and reserves of the subsidiary was:

	2021 £	2020 £
Aggregate share capital and reserves	1,000	1,000

13. STOCKS

	2021 £	2020 £
Goods for resale	7,006	6,591

THE SCOTTISH FIDDLE ORCHESTRA

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. DEBTORS

	2021	2020
	£	£
Trade debtors	75,576	74,573
Prepayments	1,346	5,673
	76,922	80,246
	76,922	80,246

15. CURRENT ASSET INVESTMENTS

	2021	2020
	£	£
Unlisted investments	77,579	74,387
	77,579	74,387
	77,579	74,387

The unlisted investment is a holding in the Vanguard LifeStrategy 40% Equity fund.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	2,330	5,192
Amounts owed to subsidiary undertaking	1,000	1,000
Accrued expenses	3,438	2,679
	6,768	8,871
	6,768	8,871

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	2021 Total funds	2020 Total funds
	£	£	£	£
Fixed assets	2,342	-	2,342	2,602
Investments	1,000	-	1,000	1,000
Current assets	181,175	-	181,175	199,062
Current liabilities	(6,768)	-	(6,768)	(8,871)
	177,749	-	177,749	193,793
	177,749	-	177,749	193,793

THE SCOTTISH FIDDLE ORCHESTRA

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

18. MOVEMENT IN FUNDS

	At 01.01.21 £	Net movement in funds £	At 31.12.21 £
Unrestricted funds			
General fund	100,793	(16,294)	84,499
Designated funds	93,000	250	93,250
Total funds	<u>193,793</u>	<u>(16,044)</u>	<u>177,749</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Fund transfers £	Movement in funds £
Unrestricted funds					
General fund	11,102	(29,323)	2,177	(250)	(16,294)
Designated funds	-	-	-	250	250
Total funds	<u>11,102</u>	<u>(29,323)</u>	<u>2,177</u>	<u>-</u>	<u>(16,044)</u>

Comparatives for movement in funds

	At 01.01.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	99,724	1,069	100,793
Designated funds	94,500	(1,500)	93,000
Total funds	<u>194,224</u>	<u>(431)</u>	<u>193,793</u>

THE SCOTTISH FIDDLE ORCHESTRA

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Fund transfers £	Movement in funds £
Unrestricted funds					
General fund	34,362	(40,674)	4,709	1,500	(103)
Designated funds				(1,500)	(1,500)
Restricted funds					
Perth concert fund	400	(400)	-	-	-
North America tour fund	1,449	(277)	-	-	1,172
Total funds	<u>36,211</u>	<u>(41,351)</u>	<u>4,709</u>	<u>-</u>	<u>(431)</u>

19. RELATED PARTY DISCLOSURES

At the balance sheet date the SFO owed £1,000 to its wholly owned subsidiary undertaking SFO Productions Limited (2020: £1,000).

20. POST BALANCE SHEET EVENTS

Since the date of the balance sheet formal legal proceedings have been continuing against the promoters of the 40th Anniversary Tour seeking the recovery of the monies paid to them before the tour was cancelled due to the SARS-Cov-2 Pandemic. These proceedings have not yet been concluded. Based on the legal advice obtained the Board expects that these proceedings will achieve a satisfactory outcome.

21. CHARITY STATUS

The charity is constituted as a company limited by guarantee and has no share capital. At the balance sheet date there were 106 members. Each member undertakes, under the company's Memorandum of Association, to contribute a sum not exceeding £1 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 trustees consider that the provisions of Financial Reporting Standard 102, which requires disclosures regarding the liabilities and shareholder's funds, are not applicable to the members' undertakings as recorded in the Memorandum of Association.