

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

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2018
FOR**

**THE SCOTTISH FIDDLE ORCHESTRA
(A COMPANY LIMITED BY GUARANTEE)**

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

THE SCOTTISH FIDDLE ORCHESTRA
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FOR THE YEAR ENDED 31 DECEMBER 2018

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THE SCOTTISH FIDDLE ORCHESTRA
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC310900 (Scotland)

Registered Charity number

SC010753

Registered office

36 West Portland Street
Troon
KA10 6AB

Principal address

4 Union Street
Lossiemouth
IV31 6BA

Trustees

Ms S H Anderson BEd	
Mrs F J Brodlie	- appointed 24.3.19
Mr J G Brodlie BSc, MPharmS	- resigned 5.8.18
Mr W L Cook	
Mr A A Davidson B Mus (Hons)	- appointed 24.3.19
Mr R H Diamant MB ChB, FRCS	
Mrs S C Docherty B.Ed Music (RSAMD)	- appointed 24.3.19
Mrs S E Donlevy BA (Hons)	
Ms K L Egerton	
Mr J H Kerr BAcc CA CTA	
Mr J M A Mason	- appointed 24.3.19
Mr A A Mclean	
Mr B Parham BSc (Hons) PGDip, PGCE	
Mr D Smith	- deceased 21.5.18
Mr J Wallace BA (Hons)	
Miss C J Winn BSc (Hons), MBA	

Company Secretary

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

Independent examiner

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THE SCOTTISH FIDDLE ORCHESTRA
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018.

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. Until 31 December 2017 that company handled sales of merchandise although 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 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;

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 SCOTTISH FIDDLE ORCHESTRA
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

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 7,250 people in 6 major mainland UK concerts and other concerts in Orkney and Shetland during the year.

Normal Concert Series

Venues played during the year are listed below. While the Orchestra performed in Belfast and Gateshead in 2017, it was decided for 2018 that a "Northern Nights" tour to Elgin, Orkney and Shetland was more appropriate and this took place in July.

The main concerts were as follows:

February - Perth Concert Hall

March - Beach Ballroom, Aberdeen

June - Usher Hall, Edinburgh

July - "Northern Nights Tour" Town Hall, Elgin

July - "Northern Nights Tour" Pickaquooy Centre, Kirkwall, Orkney

July - "Northern Nights Tour" St Magnus Cathedral, Kirkwall, Orkney

July - "Northern Nights Tour" Clickimin Complex, Lerwick, Shetland

September - Royal Concert Hall, Glasgow

December - Usher Hall Edinburgh

As well as the above concerts the "Northern Nights" tour included informal concerts at Glenmorangie Distillery (Tain), outside St Magnus Cathedral (Kirkwall), outside High Level Music (Lerwick) and aboard the Hrossey ferry on the trip back to Aberdeen.

Support

Our thanks go to pipe bands and groups which have supported the orchestra during the year, namely Granite City Pipes & Drums, JGHS (James Gillespie's High School) Pipe Band, Vale of Atholl Pipe Band Association, Stockbridge Pipe Band, the combined Pipe Bands of McLaren High School and Balfron High School, the Elgin & District Pipe Band, the Kirkwall City Pipe Band, the Lerwick Royal Legion Pipe Band, the Orkney Traditional Music Project, and The West Mainland Junior Strathspey and Reel Society. 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.

Donations were received from Perth and Kinross Council and from the Tayport Charity Shop in connection with the concert in Perth. A donation of whisky was received from Edradour distillery to use at concerts for raffles to provide funds for the Orchestra. In addition a donation of bagpipe chanters was received from McCallum Bagpipes Ltd which means that the pipe bands supporting the Orchestra are able to retune their bagpipes more easily.

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 concert by paying for the cost of the programme.

Musical content

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

Recordings and programmes

New CDs and DVDs of concerts had been released in 2016 and 2017 and these continue to sell well. In the absence of any new releases, sales were down in the year compared to previous years although these continue to sell well. At this point consideration is being given to recording a new CD with the possibility of this being released in 2020 although no decision has yet been made on this. The current DVDs and CDs have been produced internally and this has improved the profits from these compared to past items where these were published by a third party resulting in a much lower profit per item.

THE SCOTTISH FIDDLE ORCHESTRA
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

Royalties on sales of such older CDs from other outlets, and on line downloads, was slightly up from the previous year. New recordings have now been made available to download and it is hoped that this will increase income in this area. 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 2018.

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 2018 and continued its regular series of concerts in Scotland. The Orchestra is going to return to the York Barbican in 2019 and is also planning for a tour in North America in early 2020.

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.

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 the Northern Nights tour incurred more costs than other events as these involve additional travelling and accommodation costs so these events made a loss and every possible action was taken to minimise the 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 and indeed the concert coincided with a period of appalling weather meaning a lack of last minute sales. This has resulted in a deficit in the year on concert activities of £2,700, 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 £9,614 for the year.

THE SCOTTISH FIDDLE ORCHESTRA
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

UK Concerts

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

	£
Perth, Horsecross Concert Hall, February 2018	5,428
Aberdeen, Beach Ballroom, March 2018	(8,686)
Edinburgh, Usher Hall, June 2018	(667)
Edinburgh, Usher Hall, December 2018	14,363
Glasgow, Royal Concert Hall, September 2018	2,931
"Northern Nights Tour", July 2018	<u>(16,069)</u>
Total for year	<u>(2,700)</u>

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.

Donations to charities in 2018 were to a fiddle music charity, and an orchestra who provided equipment for use at a concert, 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

	2018	2017
	£	£
Niel Gow Fiddle Festival	-	1,000
Scots Fiddle Festival	1,000	1,000
Granite City Pipes & Drums	250	250
JGHS (James Gillespie's High School) Pipe Band	250	250
Williamwood Pipe Band	-	500
City of Newcastle Pipe Band	-	250
Vale of Atholl Pipe Band Association	350	350
Cleland Memorial Pipe Band	-	250
Stockbridge Pipe Band	250	-
Davidson Mains & District Pipe Band	-	250
Combined Pipe Band of McLaren & Balfour High Schools	250	-
Kirkwall Pipe Band	500	-
Elgin & City Pipe Band (redirected to The Oaks Palliative Care Unit, Elgin, at Pipe Band's request)	250	-
Lerwick Royal Legion Pipe Band	100	-
West Maitland Strathspey & Reel Society	-	1,000
Orkney Traditional Music Project	-	1,000
Riverside Music Project	-	500
The Govan Schools Pipes and Drums	-	500
Perth Symphony Orchestra	200	-
Other	-	250
Total donations made in the year	3,400	7,350

In addition to the funds disbursed directly by the SFO as covered above, an amount of £7,020 was generated for other charities through their involvement with specific performances, particularly from retiring bucket collections. Collections were made at all of the 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, Incorporation of Skinners and Glovers, CHAS . The Oaks Palliative Care Unit (Elgin), Invergordon Lifeboats, Kirkwall Lifeboats and Lewick Lifeboats.

THE SCOTTISH FIDDLE ORCHESTRA
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

Merchandise, Programmes & Royalties

The SFO has made an extensive range of recordings. Royalties are also received from sales of recordings.

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

	2018	2017
	£	£
Merchandise/Programmes	4,420	4,382
Royalties	1,077	1,028

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:

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 2018 were £198,407.

There had been a reserve which had a "restricted" purpose of use for a tour in areas of Scotland which is not usually part of the concert schedule. Given the tour that took place in the year, with a considerable loss, the board decided to release the reserve from the restriction and this was transferred into general funds.

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

The Board is sad to report that board member Douglas Smith died on 21 May 2018 and it was to the regard in which he was held that a large number of board members and Orchestra members 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.

The only other change to the Board during the year was the resignation on 5 August 2018 of Jim Brodlie who at the same time also retired from playing in the Orchestra. While Jim had only been a board member for 3 years he had been a playing member of the orchestra for over 30 years. Again the Board would like to acknowledge the substantial contribution that Jim made over his time both in the Orchestra and on the Board.

Orchestra members and trustees give freely of their time. On average the 102 members gave around 7 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-imburement 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, dancers, pipers and compères, who are not members of the SFO, but who are hired for individual concerts.

THE SCOTTISH FIDDLE ORCHESTRA
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

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 28 April 2019 and signed on its behalf by:



Mr J H Kerr BAcc CA CTA - Trustee

THE SCOTTISH FIDDLE ORCHESTRA
STATEMENT OF TRUSTEES RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2018

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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

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

I report on the accounts for the year ended 31 December 2018 set out on pages ten to twenty.

Respective responsibilities of trustees and examiner

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 (as amended). 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 (as amended). 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 you as 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 the course of 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

29 April 2019

THE SCOTTISH FIDDLE ORCHESTRA

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	Unrestricted funds £	Restricted funds £	31.12.18 Total funds £	31.12.17 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		216	650	866	10,963
Charitable activities	3				
Charitable activities		139,668	-	139,668	138,117
Investment income	2	2,013	-	2,013	2,210
Total		<u>141,897</u>	<u>650</u>	<u>142,547</u>	<u>151,290</u>
 EXPENDITURE ON					
Charitable activities	4				
Direct cost		146,526	650	147,176	168,283
Support costs		4,985	-	4,985	5,329
Total		<u>151,511</u>	<u>650</u>	<u>152,161</u>	<u>173,612</u>
NET INCOME/(EXPENDITURE)		<u>(9,614)</u>	<u>-</u>	<u>(9,614)</u>	<u>(22,322)</u>
Transfers between funds	16	2,500	(2,500)	-	-
Net movement in funds		<u>(7,114)</u>	<u>(2,500)</u>	<u>(9,614)</u>	<u>(22,322)</u>
 RECONCILIATION OF FUNDS					
Total funds brought forward		205,521	2,500	208,021	230,343
TOTAL FUNDS CARRIED FORWARD		<u><u>198,407</u></u>	<u><u>-</u></u>	<u><u>198,407</u></u>	<u><u>208,021</u></u>

The notes form part of these financial statements

THE SCOTTISH FIDDLE ORCHESTRA

**BALANCE SHEET
AT 31 DECEMBER 2018**

	Notes	31.12.18 £	31.12.17 £
FIXED ASSETS			
Tangible assets	10	3,043	3,381
Investments	11	1,000	1,000
		<u>4,043</u>	<u>4,381</u>
 CURRENT ASSETS			
Stocks	12	6,270	-
Debtors	13	24,845	31,758
Cash at bank and in hand		171,270	180,222
		<u>202,385</u>	<u>211,980</u>
 CREDITORS			
Amounts falling due within one year	14	(8,021)	(8,340)
		<u>194,364</u>	<u>203,640</u>
 NET CURRENT ASSETS			
		<u>198,407</u>	<u>208,021</u>
 TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>198,407</u>	<u>208,021</u>
 NET ASSETS			
		<u>198,407</u>	<u>208,021</u>
 FUNDS	16		
Unrestricted funds		198,407	205,521
Restricted funds		-	2,500
		<u>198,407</u>	<u>208,021</u>
 TOTAL FUNDS		<u>198,407</u>	<u>208,021</u>

The notes form part of these financial statements

THE SCOTTISH FIDDLE ORCHESTRA

**BALANCE SHEET - CONTINUED
AT 31 DECEMBER 2018**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2018 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 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 special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 28 April 2019 and were signed on its behalf by:



Mr J H Kerr BAcc CA CTA-Trustee

THE SCOTTISH FIDDLE ORCHESTRA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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 2015)', 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 investments which are included at market value.

Financial reporting standard 102 - reduced disclosure exemptions

The charity has taken advantage of the following disclosure exemption 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 financial statements

The financial statements contain information about The Scottish Fiddle Orchestra as an individual charity and do not contain consolidated financial information as the parent of a group. The charity 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 probably that these conditions will be fulfilled in the reporting period.

Investment income

Investment income is recognised on a receivable basis.

Expenditure

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 benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the 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.

Charitable activities

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

Support costs

Support costs include central functions and have been allocated to activity costs 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.

THE SCOTTISH FIDDLE ORCHESTRA

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Equipment - 10% on reducing balance

Stocks

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

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.

Restricted funds can only be used for particular restricted 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. INVESTMENT INCOME

	31.12.18	31.12.17
	£	£
Interest on cash deposits	2,013	2,210
	<u>2,013</u>	<u>2,210</u>

3. INCOME FROM CHARITABLE ACTIVITIES

		31.12.18	31.12.17
	Activity	£	£
Ticket sales	Charitable activities	123,163	132,875
Subscriptions	Charitable activities	1,370	1,430
Other income	Charitable activities	4,029	3,812
Merchandise	Charitable activities	5,848	-
Programmes	Charitable activities	5,258	-
		<u>139,668</u>	<u>138,117</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 5)	Support costs (See note 6)	Totals
	£	£	£
Direct cost	147,176	-	147,176
Support costs	-	4,985	4,985
	<u>147,176</u>	<u>4,985</u>	<u>152,161</u>

THE SCOTTISH FIDDLE ORCHESTRA

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.12.18	31.12.17
	£	£
Rent	1,587	1,558
Venue hire	51,136	63,208
Artists and roadie fees	16,223	15,627
Postage and stationery	1,324	502
Charitable donations	3,400	7,350
Equipment hire	5,274	3,982
Sundry expenses	1,999	261
Travel	20,486	19,638
Hotels and subsistence	17,551	24,129
Advertising	22,353	32,028
Merchandise costs	2,791	-
Programmes costs	3,052	-
	<u>147,176</u>	<u>168,283</u>

6. SUPPORT COSTS

	Finance	Other	Governance costs	Totals
	£	£	£	£
Support costs	<u>166</u>	<u>996</u>	<u>3,823</u>	<u>4,985</u>

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

	31.12.18	31.12.17
	Support costs	Total activities
	£	£
Bank charges	166	265
Insurance	658	627
Depreciation of tangible fixed assets	338	376
Travel	1,795	2,281
Independent examiner's fee	2,028	1,780
	<u>4,985</u>	<u>5,329</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.18	31.12.17
	£	£
Depreciation - owned assets	<u>338</u>	<u>376</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2018 nor for the year ended 31 December 2017.

Trustees' expenses

£1,219 was paid to 12 trustees in respect of out of pocket travel, postage, telephone and stationery expenses incurred.

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	10,313	650	10,963
Charitable activities			
Charitable activities	138,117	-	138,117
Investment income	2,210	-	2,210
Total	150,640	650	151,290
 EXPENDITURE ON			
Charitable activities			
Direct cost	167,633	650	168,283
Support costs	5,329	-	5,329
Total	172,962	650	173,612
NET INCOME/(EXPENDITURE)	(22,322)	-	(22,322)
 RECONCILIATION OF FUNDS			
Total funds brought forward	227,843	2,500	230,343
TOTAL FUNDS CARRIED FORWARD	205,521	2,500	208,021

10. TANGIBLE FIXED ASSETS

	Equipment £
COST	
At 1 January 2018 and 31 December 2018	10,397
 DEPRECIATION	
At 1 January 2018	7,016
Charge for year	338
At 31 December 2018	7,354
 NET BOOK VALUE	
At 31 December 2018	3,043
At 31 December 2017	3,381

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018**

11. FIXED ASSET INVESTMENTS

	Subsidiary undertakings £
COST	
At 1 January 2018 and 31 December 2018	1,000
NET BOOK VALUE	
At 31 December 2018	1,000
At 31 December 2017	1,000

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

SFO Productions Limited
Nature of business: Dormant

	%		
Class of share:	holding		
Ordinary	100		
		31.12.18	31.12.17
		£	£
Aggregate capital and reserves		1,000	1,000

12. STOCKS

	31.12.18	31.12.17
	£	£
Goods for resale	6,270	-

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18	31.12.17
	£	£
Trade debtors	22,556	20,800
Amounts owed by group undertakings	-	7,364
Prepayments	2,289	3,594
	<u>24,845</u>	<u>31,758</u>

THE SCOTTISH FIDDLE ORCHESTRA

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18	31.12.17
	£	£
Trade creditors	5,021	6,040
Amounts owed to group undertakings	1,000	-
Accrued expenses	2,000	2,300
	<u>8,021</u>	<u>8,340</u>

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	31.12.18 Total funds	31.12.17 Total funds
	£	£	£	£
Fixed assets	3,043	-	3,043	3,381
Investments	1,000	-	1,000	1,000
Current assets	202,385	-	202,385	211,980
Current liabilities	(8,021)	-	(8,021)	(8,340)
	<u>198,407</u>	<u>-</u>	<u>198,407</u>	<u>208,021</u>

16. MOVEMENT IN FUNDS

	At 1.1.18	Net movement in funds	Transfers between funds	At 31.12.18
	£	£	£	£
Unrestricted funds				
General fund	111,021	(9,614)	2,500	103,907
Designated fund	94,500	-	-	94,500
	<u>205,521</u>	<u>(9,614)</u>	<u>2,500</u>	<u>198,407</u>
Restricted funds				
Tour reserve	2,500	-	(2,500)	-
	<u>208,021</u>	<u>(9,614)</u>	<u>-</u>	<u>198,407</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	141,897	(151,511)	(9,614)
Restricted funds			
Perth concert fund	650	(650)	-
	<u>142,547</u>	<u>(152,161)</u>	<u>(9,614)</u>

THE SCOTTISH FIDDLE ORCHESTRA

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018**

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.17 £	Net movement in funds £	At 31.12.17 £
Unrestricted Funds			
General fund	133,343	(22,322)	111,021
Designated fund	94,500	-	94,500
	<u>227,843</u>	<u>(22,322)</u>	<u>205,521</u>
Restricted Funds			
Tour reserve	2,500	-	2,500
	<u>230,343</u>	<u>(22,322)</u>	<u>208,021</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	150,640	(172,962)	(22,322)
Restricted funds			
Perth concert fund	650	(650)	-
	<u>151,290</u>	<u>(173,612)</u>	<u>(22,322)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.17 £	Net movement in funds £	Transfers between funds £	At 31.12.18 £
Unrestricted funds				
General fund	133,343	(31,936)	2,500	103,907
Designated fund	94,500	-	-	94,500
Restricted funds				
Tour reserve	2,500	-	(2,500)	-
	<u>230,343</u>	<u>(31,936)</u>	<u>-</u>	<u>198,407</u>

THE SCOTTISH FIDDLE ORCHESTRA

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018**

16. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	292,537	(324,473)	(31,936)
Restricted funds			
Perth concert fund	1,300	(1,300)	-
TOTAL FUNDS	<u>293,837</u>	<u>(325,773)</u>	<u>(31,936)</u>

17. RELATED PARTY DISCLOSURES

SFO Productions Limited
(Subsidiary)

At the balance sheet date the amount (to)/from SFO Productions Limited was £(1,000) (2017: £7,364).

18. 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 102, which requires disclosures regarding the liabilities and shareholders' funds, are not applicable to the members' undertakings as recorded in the Memorandum of Association.