

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 2016

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

The Scottish Fiddle Orchestra

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Trustees' Report

Reference and Administrative Details

Trustees	Ms Sheena Helen Anderson BEd Mr James Gilmour Brodrie BSc, MPharmS Mr William Lynn Cook Mr Robert Hugh Diament MB ChB, FRCS (appointed 28 February 2016) 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 Mr Douglas Smith B Sc (Hons) (appointed 28 February 2016) Mr John Wallace BA (Hons) Miss Caroline Winn BSc (Hons), MBA
Secretary	Mr Peter Melrose Brash LL.B., Dip.L.P., N.P.
Principal Office	4 Union Street Lossiemouth IV31 6BA
Registered Office	36 West Portland Street Troon Ayrshire KA10 6AB The Charity is incorporated in Scotland.
Company Registration Number	SC310900
Charity Registration Number	SC010753
Independent Examiner	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 2016.

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Trustees' Report

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.

This report covers the activities and accounts of the company for the year end 31st December 2016.

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;

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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 around 8,000 people at 7 major UK concerts during the year.

Normal Concert Series

Venues played during the year are listed below. The orchestra played at the Waterfront Hall in Belfast for the first time. While seat sales at Nottingham were disappointing at around 30% of capacity, seat sales at other venues again ranged from around 60% 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
- April – Royal Concert Hall, Nottingham
- 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, Nottinghamshire Police Pipe Band, Vale of Atholl Pipe Band Association, Stockbridge Pipe Band, Cleland 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.

The Glasgow concert continues to be financially supported by The W A Cargill Trust and a donation was received from Perth and Kinross Council in connection with the concert in Perth. Grant Ltd sponsored the December concert in Edinburgh. Further unrestricted donations were received from the Tayport Charity Shop, and from Edradour who have committed to providing some ongoing funding for the Orchestra.

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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. Blackadders Solicitors, sponsored the programmes for two concerts by paying for the cost of the programmes.

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 well up on the previous year's sales. The increase was largely due to the release during the year of a new DVD of the February 2016 Perth concert. A further CD and DVD are in preparation with their intended release in 2017. Royalties on sales of 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 2016. 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 during 2013, the aim being to professionalise the orchestra to the public through internal and external channels and to obtain sponsorship. This is proving successful with the Marketing Administrator heading up a marketing team focussing on certain areas. Specific improvements so far are the creation of a new and professional web site and the receipt of additional sponsorship. There has also been focus on the design and production of concert programmes and on a consistent approach to concert organisation to assist individual administrators.

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 2016 and is continuing with its regular series of concerts in Scotland and England as well as Belfast, returning to Northern Ireland for the first time since 2003. The Orchestra is returning to Belfast in 2017 and consideration is currently being given to concerts further afield, possibly in 2018.

The Orchestra has generally made new CDs /DVDs every 1 to 2 years, and intends to continue to do so. A new DVD of the February 2016 Perth concert was released in the year and a recent concert has been recorded and it is intended that a new CD and DVD will be produced for release in 2017.

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.

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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 is 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, Nottingham 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 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 £7,089, as summarised below. This is before rehearsal costs, donations to other charities, and overheads rehearsal costs, offset by income from sponsorship and other activities. The overall result was a net deficit of £9,055 for the year.

UK Concerts

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

	£
Perth, Horsecross Concert Hall, February 2016	4,745
Aberdeen, Beach Ballroom, March 2016	(6,181)
Nottingham, Royal Concert Hall, April 2016	(9,524)
Edinburgh, Usher Hall, June 2016	(1,670)
Glasgow, Royal Concert Hall, September 2016	4,552
Belfast, Waterfront Hall, October 2016	(12,926)
Edinburgh, Usher Hall, December 2016	13,915
Total for year	(7,089)

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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 2016 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

	2016	2015
	£	£
Niel Gow Fiddle Festival	2,000	-
Scots Fiddle Festival	1,000	-
Nomad Beat	1,000	-
Granite City Pipes & Drums	250	400
Nottingham Police Pipe Band	250	250
JGHS (James Gillespie's High School) Pipe Band	250	-
Vale of Atholl Pipe Band Association	350	-
Cleland Memorial Pipe Band	250	-
Williamwood Pipe Band	250	-
Stockbridge Pipe Band	250	-
Davidson Mains & District Pipe Band	-	500
Edradour Pitlochry and Blair Atholl Pipe Band	-	350
Troon Boys Bridgade Pipe Band	-	350
West Fife Schools Pipe Band	-	250
Total donations made in the year	5,850	2,100

In addition to the funds disbursed directly by the SFO as covered above, an amount of £5,471 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:

	2016	2015
	£	£
Merchandise	2,518	3,040
Royalties	1,273	1,477

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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. There had previously been a restricted reserve for a tour to Russia although confirmation was received in the year that the restriction could be lifted from this and this has therefore been released to general reserves.

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 2016 were £230,343 of which £2,500 were restricted.

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

The Board were delighted to welcome Douglas Smith and Bob Diament who have joined the Board.

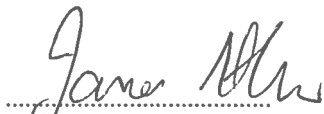
Orchestra members and trustees give freely of their time. On average the 97 members gave around 8 full days each for concerts, recordings and rehearsals during the year. The Board members, who are also trustees, are estimated to have contributed additional time ranging from 100 to 1,000 hours in performance 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 6 May 2017 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.

Approved by the trustees of the Charity on 6 May 2017 and signed on its behalf by:


.....
Mr James Hair Kerr BA^{Acc} 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 2016 which are set out on pages 11 to 25 .

Your attention is drawn to the fact that the Charity has prepared the Financial Statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has since been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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.

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

Independent examiner's statement

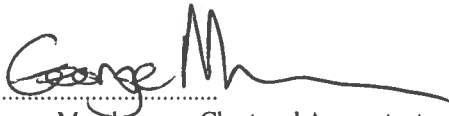
In connection with my examination, no matter has come to my attention:

(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

8 May 2017

The Scottish Fiddle Orchestra

Statement of Financial Activities for the Year Ended 31 December 2016 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2016 £
Income and Endowments from:				
Donations and legacies	2	7,296	3,250	10,546
Charitable activities	3	148,113	-	148,113
Investment income	4	2,225	-	2,225
Total Income		157,634	3,250	160,884
Expenditure on:				
Charitable activities	5	(166,689)	(3,250)	(169,939)
Total Expenditure		(166,689)	(3,250)	(169,939)
Net expenditure		(9,055)	-	(9,055)
Transfer between funds		5,000	(5,000)	-
Reconciliation of funds				
Total funds brought forward		231,898	7,500	239,398
Total funds carried forward	15	227,843	2,500	230,343
	Note	Unrestricted funds £	Restricted funds £	Total 2015 £
Income and Endowments from:				
Donations and legacies	2	9,116	2,500	11,616
Charitable activities	3	143,381	-	143,381
Investment income	4	216	-	216
Total Income		152,713	2,500	155,213
Expenditure on:				
Charitable activities	5	(147,079)	(2,500)	(149,579)
Total Expenditure		(147,079)	(2,500)	(149,579)
Net income		5,634	-	5,634
Transfer between funds		-	-	-
Reconciliation of funds				
Total funds brought forward		226,264	7,500	233,764
Total funds carried forward	15	231,898	7,500	239,398

All of the Charity's activities derive from continuing operations during the above two periods.

The funds breakdown is shown in note 15.

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(Registration number: SC310900) Balance Sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	10	3,757	4,174
Investments	11	1,000	1,000
		4,757	5,174
Current assets			
Debtors	12	28,631	27,910
Cash at bank and in hand		202,803	212,502
		231,434	240,412
Creditors: Amounts falling due within one year	13	(5,848)	(6,188)
Net current assets		225,586	234,224
Net assets		230,343	239,398
Funds of the Charity:			
Restricted income funds			
Restricted funds		2,500	7,500
Unrestricted income funds			
Unrestricted income funds		227,843	231,898
Total funds	15	230,343	239,398

For the financial year ending 31 December 2016 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 11 to 25 were approved by the trustees, and authorised for issue on 6 May 2017 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 2016

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.

Transition to FRS 102

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. No restatements are required as a result of the transition to FRS 102.

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.

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Notes to the Financial Statements for the Year Ended 31 December 2016

Investment income

Investment income is recognised on a receivable basis.

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

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Notes to the Financial Statements for the Year Ended 31 December 2016

Fixed asset investments

Fixed asset investments, other than programme related 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 value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

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.

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.

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Notes to the Financial Statements for the Year Ended 31 December 2016

2 Income from donations and legacies

	Unrestricted funds	Restricted funds	Total 2016	Total 2015
	General	funds	£	£
	£	£	£	£
Donations and legacies;				
Donations from group undertakings	2,518	-	2,518	3,040
Appeals and donations	4,778	3,250	8,028	8,576
	<u>7,296</u>	<u>3,250</u>	<u>10,546</u>	<u>11,616</u>

3 Income from charitable activities

	Unrestricted funds	Total 2016	Total 2015
	General	£	£
	£	£	£
Ticket sales	141,047	141,047	137,038
Other income	5,816	5,816	5,078
Subscriptions	1,250	1,250	1,265
	<u>148,113</u>	<u>148,113</u>	<u>143,381</u>

4 Investment income

	Unrestricted funds	Total 2016	Total 2015
	General	£	£
	£	£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	2,225	2,225	216
	<u>2,225</u>	<u>2,225</u>	<u>216</u>

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Notes to the Financial Statements for the Year Ended 31 December 2016

5 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	Total 2016 £	Total 2015 £
Venue hire, artists and roadie fees, etc	78,125	-	78,125	71,519
Printing, posting and stationery	524	-	524	1,427
Donations	5,850	-	5,850	8,212
Equipment hire	3,990	-	3,990	4,074
Sundry and other costs	48	-	48	946
Travel and subsistence	46,063	1,985	48,048	42,817
Advertising and promotion	30,516	-	30,516	17,744
Insurance	-	620	620	620
Independent Examiner's remuneration	-	1,560	1,560	1,572
Bank charges	-	241	241	183
Depreciation of tangible fixed assets	-	417	417	465
	165,116	4,823	169,939	149,579

£166,689 (2015 - £147,079) of the above expenditure was attributable to unrestricted funds and £3,250 (2015 - £2,500) to restricted funds.

6 Analysis of governance and support costs

	Unrestricted funds	Total 2016 £	Total 2015 £
	General £		
Independent Examiner's remuneration	1,560	1,560	1,572
Depreciation, amortisation and other similar costs	417	417	465
Other governance costs	1,985	1,985	2,066
Allocated support costs	861	861	803
	4,823	4,823	4,906

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Notes to the Financial Statements for the Year Ended 31 December 2016

7 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2016 £	2015 £
Depreciation of fixed assets	417	465

8 Trustees remuneration and expenses

No trustee received any remuneration during the year. However £3,361 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 £
Cost		
At 1 January 2016	10,397	10,397
At 31 December 2016	10,397	10,397
Depreciation		
At 1 January 2016	6,223	6,223
Charge for the year	417	417
At 31 December 2016	6,640	6,640
Net book value		
At 31 December 2016	3,757	3,757
At 31 December 2015	4,174	4,174

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Notes to the Financial Statements for the Year Ended 31 December 2016

11 Fixed asset investments

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 January 2016	<u>1,000</u>	<u>1,000</u>
At 31 December 2016	<u>1,000</u>	<u>1,000</u>
Net book value		
At 31 December 2016	<u><u>1,000</u></u>	<u><u>1,000</u></u>
At 31 December 2015	<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
Subsidiary undertakings				
SFO Productions Limited	Scotland	Ordinary	100%	Sale of concert programmes and merchandise

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Notes to the Financial Statements for the Year Ended 31 December 2016

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

	2016 £	2015 £
Trade debtors	19,471	21,945
Due from group undertakings	2,615	2,132
Prepayments	6,545	3,833
	<u>28,631</u>	<u>27,910</u>

13 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	3,648	3,988
Accruals	2,200	2,200
	<u>5,848</u>	<u>6,188</u>

14 Charity status

The company is constituted as a company limited by guarantee. As at the balance sheet date there were 97 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 on the Memorandum of Association.

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Notes to the Financial Statements for the Year Ended 31 December 2016

15 Funds

	Balance at 1 January 2016 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2016 £
Unrestricted funds					
<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
Total unrestricted funds	231,898	157,634	(166,689)	5,000	227,843
Restricted funds	7,500	3,250	(3,250)	(5,000)	2,500
Total funds	239,398	160,884	(169,939)	-	230,343
	Balance at 1 January 2015 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 December 2015 £
Unrestricted funds					
<i>Unrestricted general funds</i>					
General funds	134,764	152,713	(147,079)	(3,000)	137,398
<i>Unrestricted designated funds</i>					
Designated funds	91,500	-	-	3,000	94,500
Total unrestricted funds	226,264	152,713	(147,079)	-	231,898
Restricted funds	7,500	2,500	(2,500)	-	7,500
Total funds	233,764	155,213	(149,579)	-	239,398

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Notes to the Financial Statements for the Year Ended 31 December 2016

16 Analysis of net assets between funds

	Unrestricted funds		Total funds £
	General funds £	Restricted funds £	
Tangible fixed assets	3,757	-	3,757
Fixed asset investments	1,000	-	1,000
Current assets	228,934	2,500	231,434
Current liabilities	(5,848)	-	(5,848)
Total net assets	<u>227,843</u>	<u>2,500</u>	<u>230,343</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 £2,518 from SFO Productions Limited, a wholly owned subsidiary of the company. At the balance sheet date the amount due from SFO Productions Limited was £2,615 (2015 - £2,132).

The Scottish Fiddle Orchestra

Notes to the Financial Statements for the Year Ended 31 December 2016

18 Transition to FRS 102

Balance Sheet at 1 January 2015

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets				
Tangible assets	4,639	-	-	4,639
Investments	1,000	-	-	1,000
	<u>5,639</u>	<u>-</u>	<u>-</u>	<u>5,639</u>
Current assets				
Debtors	34,118	-	-	34,118
Cash at bank and in hand	208,343	-	-	208,343
	242,461	-	-	242,461
Creditors: Amounts falling due within one year	<u>(14,336)</u>	<u>-</u>	<u>-</u>	<u>(14,336)</u>
Net current assets	<u>228,125</u>	<u>-</u>	<u>-</u>	<u>228,125</u>
Net assets	<u>233,764</u>	<u>-</u>	<u>-</u>	<u>233,764</u>
Funds of the Charity				
Unrestricted income funds	(226,264)	-	-	(226,264)
Restricted income funds	<u>(7,500)</u>	<u>-</u>	<u>-</u>	<u>(7,500)</u>
Total funds	<u>(233,764)</u>	<u>-</u>	<u>-</u>	<u>(233,764)</u>

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Notes to the Financial Statements for the Year Ended 31 December 2016

Balance Sheet at 31 December 2015

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets				
Tangible assets	4,174	-	-	4,174
Investments	1,000	-	-	1,000
	<u>5,174</u>	<u>-</u>	<u>-</u>	<u>5,174</u>
Current assets				
Debtors	27,910	-	-	27,910
Cash at bank and in hand	212,502	-	-	212,502
	240,412	-	-	240,412
Creditors: Amounts falling due within one year	(6,188)	-	-	(6,188)
Net current assets	<u>234,224</u>	<u>-</u>	<u>-</u>	<u>234,224</u>
Net assets	<u>239,398</u>	<u>-</u>	<u>-</u>	<u>239,398</u>
Funds of the Charity				
Unrestricted income funds	(231,898)	-	-	(231,898)
Restricted income funds	(7,500)	-	-	(7,500)
Total funds	<u>(239,398)</u>	<u>-</u>	<u>-</u>	<u>(239,398)</u>

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Notes to the Financial Statements for the Year Ended 31 December 2016

Statement of Financial Activities for the year ended 31 December 2015

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Income and Endowments from:				
Donations and legacies	11,616	-	-	11,616
Charitable activities	143,381	-	-	143,381
Investment income	216	-	-	216
Total income	155,213	-	-	155,213
Expenditure on:				
Charitable activities	(149,579)	-	-	(149,579)
Net income	5,634	-	-	5,634
Net movement in funds	5,634	-	-	5,634