

SCOTTISH CHAMBER ORCHESTRA LIMITED

**Directors' Report and
Consolidated Financial Statements**

For the year ended 31 March 2023

***Company Registration Number SC075079
Registered Charity Number SC015039***

SCOTTISH CHAMBER ORCHESTRA LIMITED

Directors' Report and Consolidated Financial Statements

For the year ended 31 March 2023

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SCOTTISH CHAMBER ORCHESTRA LIMITED

Directors' Report

For the year ended 31 March 2023

The directors have pleasure in presenting their report and audited consolidated financial statements for the year ended 31 March 2023.

Objectives and activities

The Scottish Chamber Orchestra ("SCO") was established in 1974 and was incorporated as a company, limited by guarantee, on 4 June 1981.

The SCO is dedicated to the performance, creation and appreciation of music throughout Scotland, United Kingdom and internationally.

The SCO is a major contributor to Scotland's international profile. One of the country's five National Performing Companies, the SCO is a significant cultural ambassador and one of Scotland's most internationally respected arts organisations. Through its core activities, the SCO makes a highly significant contribution to the quality of life the length and breadth of Scotland. They encompass a wide-ranging and diverse programme of performances and a commitment to an extensive repertoire including the commissioning and performance of new music by both Scottish and non-Scottish composers.

The SCO has a long-established reputation as a leader in the field of creative learning. Musicians connect with and inspire people of all ages, backgrounds and abilities across Scotland, in an innovative, accessible and engaging programme of activities in nurseries, schools, colleges, universities, hospitals, care homes, and community centres.

All aspects of the SCO's work are assessed regularly, using a range of criteria and measures, including critical feedback, peer review, number of performances and workshops delivered against targets and audience and participation figures.

Vision

To be universally recognised as a dynamic and inspirational chamber orchestra – open, accessible and inclusive, easy to engage with, confident, innovative, contemporary and courageous, achieving the highest levels of excellence in everything we do.

Mission

Transforming and enhancing lives and communities throughout Scotland and beyond through the power of inspirational music-making.

Values

- Aiming for the highest levels of excellence in all we do
- Accessible and welcoming to all of the diverse communities and partners with whom we engage
- Embracing innovation and risk-taking
- Developing and supporting our people
- Developing and utilising our resources to promote financial stability and organisational sustainability

Strategic Priorities

- Developing our audiences, our repertoire and our partners
- Supporting new talent
- Increasing our national and international profile
- Growing our digital presence
- Ensuring our financial sustainability and organisational resilience

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Achievements and performance

2022/23 was a year of optimism, hope and considerable artistic success for the Scottish Chamber Orchestra, albeit with some continued challenge after the significant disruption of COVID-19. The many creative achievements of the SCO – on and off stage were in evidence throughout the year. Winter and Summer Season concerts, tours in Europe and the US with Principal Conductor Maxim Emelyanychev, bold experiments aiming to reach new and diverse audiences, such as Un:titled and Leith Theatre digital films, as well as life-enhancing Creative Learning work in Craigmillar in Edinburgh and elsewhere across Scotland, all attest to the SCO's ambition, talent, resourcefulness and impact.

With the worst effects of the Omicron variant seemingly behind us by April 2022, COVID-19 still put significant daily pressures on our operations, particularly thanks to the ongoing and regular requirement to find replacement musicians at the last minute. To take one, albeit extreme example, it took 80 phone calls to find a deputy for one of our string players who had to withdraw from a project at short notice.

However, by the start of the new financial year, we were largely back on track with regular, live concerts, and our 2021/22 Winter Season came to a spectacular conclusion in May with Maxim Emelyanychev, violinist Alina Ibragimova and the Orchestra giving three outstanding performances of Beethoven, Prokofiev and Stravinsky. Reviews were excellent. The week was also an opportunity to reflect on and give thanks for the enormous contribution Sub-Principal Double Bass Adrian Borner made to the SCO over an astonishing 47 years.

Several weeks before season end, we were joined by our Chorus for a performance of Handel's Messiah – their first live concert since the start of the pandemic. At that point, it was still necessary to maintain distance between performers on stage, so this was no straight forward Messiah. It was, however, a musical triumph.

The end of the domestic season in May was followed by our first international tour in three years. Concerts in Luxembourg, Antwerp, Amsterdam, Basel and Würzburg were very well received. So much so that we received an immediate re-invitation to Würzburg.

On our return at the start of June, we launched our first Summer Tour of Scotland since 2019. A community-based residency in the Highlands saw chamber concerts, Come and Play workshops and schools' and family concerts in Drumnadrochit, Inverness and Elgin, as well as a trip to Shetland for a wide-ranging programme of engagement activities that included workshops in primary schools, concerts for children and their families and a weekend of uplifting music-making with local young musicians.

The Chorus also performed a capella in Stirling Castle in early Summer. Further trips during this period, took the Orchestra to Castle Douglas, Langholm, Selkirk and the East Neuk Festival, led by conductor (and former Principal Bassoon) Peter Whelan. The players were then joined by Maxim for his first taste of Scottish touring - in Stirling Castle, Dunoon and Glenrothes - preceding a two-concert visit to Montpellier with pianist Benjamin Grosvenor for the Radio France Occitanie Festival. It is wonderful that Maxim has so enthusiastically engaged with our summer programme. We will continue to plan for future tours with him in the coming seasons.

Our two appearances at the 2022 Edinburgh International Festival were extremely well-received. The second one, with Maxim and Nicola Benedetti as violin soloist, was of particular significance given Nicola's recently-announced role as Festival Director.

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August also saw our involvement for the second year running in the Craigmillar and Niddrie Community Festival in Edinburgh, with a series of events in local venues, including two performances of children's concert, Stan and Mabel. This was an important opportunity for us in the context of our ongoing five-year residency in Craigmillar, enabling us to develop work collaboratively with partners in the community and make a meaningful contribution to an important event in the local calendar. A real achievement of our first year in Craigmillar was the delivery of a total of 282 workshops across the community, enabling us to connect with a wide range of local people, from children and young people and their parents and carers as well as local adults, including older community members living with dementia.

Anna Clyne's extremely fruitful time with us as Associate Composer drew to a close this year. Amongst her various orchestral, ensemble and chorus commissions - Anna mentored three young women composers working in Scotland, bridging the gap between study and the profession: Electra Perivolaris, Gillian Walker and Georgina MacDonell Finlayson. The result was a new three-movement suite – one written by each composer – for the full forces of the SCO. The complete work was given its first performances in Kingussie, Findhorn, Fraserburgh and Arbroath at the end of August conducted by Catherine Larsen-Maguire.

Over 1400 school students had the opportunity to hear the work and learn about techniques the composers used in their writing and the challenges they had to overcome, as part of this year's IMMERSE project (formerly Masterworks). Three interactive performances presented by Rachel Leach and again conducted by Catherine Larsen-Maguire, took place in Musselburgh, Ayr and Dumfries in mid-September. After the disruption caused by COVID-19, we were encouraged by the enthusiastic response from schools to this project.

Our new 2022/23 Winter Season launched in style with three performances – in Perth, Edinburgh and Glasgow - of Sir James MacMillan's new 2nd Violin Concerto, commissioned by the SCO and performed by Nicola Benedetti. Our Chorus joined us the following week for two joyful performances of Haydn's Creation.

We can also report on a very successful tour of the US in October. Concerts took place in Amherst, Troy, Lewisburg, Ithaca, Brookville, East Lansing, Goshen, Akron and Kansas. The orchestra, Maxim and Nicola Benedetti were outstanding throughout. Nine back-to-back performances of the same programme, with so much travel, is a tall order. With Maxim at the helm, each one was fresh, energetic and insightful. We are extremely grateful to several generous donors who supported the tour. We were also pleased to receive additional funding for both our European and US tours from the Scottish Government's International Touring Fund.

Season concerts resumed at the start of November with three performances of a programme devised in collaboration with our Artistic Planning Group – comprising a number of SCO musicians - and directed by violinist, Anthony Marwood. The first one being a return to the Younger Hall in St Andrews following its recent refurbishment. Further projects throughout November, included specially devised concerts in Summerhall in Edinburgh and St Luke's in Glasgow called Un:titled, filmed performances from Leith Theatre for online distribution and our annual side-by-side programme with students from the Royal Conservatoire of Scotland. 2022 came to a close with two beautiful Christmas concerts in Greyfriars Kirk in Edinburgh given by our own SCO Chorus directed by Gregory Batsleer.

2023 got off to an excellent start with well-received and well-attended New Year concerts in Edinburgh, St Andrews and Ayr. Further concerts in January included visits from Conductor Emeritus, Joseph Swensen and François Leleux, a fascinating collaboration with Celtic Connections Festival, Chris Stout (fiddle) and Catriona Mackay (harp) and two performances in the Canaries International Music Festival, featuring SCO Principal Clarinettist Maximiliano Martin as soloist.

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Back in Scotland, we gave our first-ever Relaxed Concert for people living with Dementia. Presented and performed in the Queen's Hall in Edinburgh in partnership with Alzheimer's Scotland, by an ensemble of 10 SCO players, the concert was a truly wonderful experience for everyone. So much so, there is now great enthusiasm from on and off the platform, to develop this strand of activity and find more opportunities to present concerts in less formal settings. The planning, preparation and delivery of this concert by all players was tremendous. Particular praise goes to sub-Principal Bassoon, Alison Green for curating and presenting with such care.

In the same week, we presented our Family Festival in Perth – to 650 primary school children – followed by performances in Edinburgh and Aberdeen. Well-received concerts in subsequent weeks included the Ladies of our Chorus joining Maxim and the Orchestra for delightful performances of Mendelssohn's A Midsummer Night's Dream.

Strategic Planning

Our current five-year Strategic Plan concluded at the end of 2022, so in April, we launched a company-wide conversation with the aim of creating a new Plan ready for 2023. Facilitated by external consultant Catherine Holden the consultation provided opportunities for everyone in the organisation – Board, Staff, Musicians and Chorus – to contribute their thoughts, ideas and feedback on the direction we might take over the next five-year period. 1:1 discussions, departmental conversations and questionnaires have provided valuable insights. In October, the Board approved the new Plan, with a revised vision, mission and range of aims focussed on excellence, inclusion and collaboration all with the purpose of creating musical experiences which transform and enhance lives across Scotland and beyond, reflecting our dynamic world.

Public Funding

Our Scottish Government Core Grant for 2022/23 was confirmed at the same level as the previous year. However, as well as an award to support international touring activity, we were able to continue to utilise significant Scottish Government funding received in 2021/22 to encourage post-COVID audience engagement, digital and in-person activity, plus short to medium term management support to deal with some of the years' pressures.

In December, we were advised that our core grant for 2023/24 would remain at the same level - £1.992m.

We remain extremely grateful to the Scottish Government for this outstanding support.

We were also pleased to note that our City of Edinburgh grant was confirmed for a further year. This is the third of a three-year funding agreement.

In March, there was welcome news from the UK Government, that Orchestra Tax Relief would remain at the current increased rate of 50% for the next two years from 1 April 2023.

Individual Giving, Trusts and Foundations

We are very thankful to our many loyal supporters who continue to invest in our work. Their investment has never been more needed than now. Our Major Gift income (annual donations of over £5,000 from individuals) has also been sustained for this year and the opportunity to have more in-person meetings and special events following the worst of the pandemic gave us the platform to grow this source of income in 2023.

Our Trusts and Foundations fundraising continues to perform well and is in large part down to our impactful Creative Learning Programme and how attractive that is to funders. However, demand for this type of funding remains competitive. Following the success of 2021's SCO Christmas Give, we ran the initiative again this year from November 29th to December 6th. A matched funding target was raised from £10,000 to £20,000 to encourage even more people to support. This has been made possible by the generosity of two of our major donors. In total, the campaign raised £15,760, approximately 25% more than the prior year, excluding the match funding.

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Youth Advisory Council

Our YAC continued to evolve and develop throughout the year. Members worked particularly closely with our Marketing team, offering valuable insights and ideas as we seek to increase engagement with younger and more diverse audiences. We were pleased to welcome two members of the YAC, to our full Board meetings as Observers.

Overall, 2022/23 was a very successful year for the SCO, with consistently excellent concerts throughout Scotland and abroad, encouraging signs of new and returning audiences, exciting initiatives in Creative Learning and audience development, development of a range of new partnerships, strong philanthropic support and fresh thinking and insights throughout the organisation. These have all contributed to a feeling of optimism after the challenges of recent years.

However, a wider look at the cultural sector across Scotland and the UK, indicates difficult times ahead. Public funding has never been under such strain, locally or nationally. It is therefore very important indeed to note the continuing support of the Scottish Government and City of Edinburgh Council through their vital core funding, as well as the recognition of the significance of our sector from the continuing tax relief from Westminster.

Glowing audience feedback, excellent reviews, no end of positive reactions and responses from across our creative learning activities and increasing engagement with people new to the SCO, all tell a very encouraging story about the importance and relevance of this work, particularly as we approach our 50th anniversary year in 2024.

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For the year ended 31 March 2023

Financial review

The results for the year are detailed in the Consolidated Statement of Financial Activities on page 16. Total income and expenditure are higher than in prior year due to an increase in activity (e.g. a full Winter season and a return to overseas touring). Consequently, the most significant increases are in the lines of performance income (ticket sales and engagement fees) and associated costs.

The consolidated net movement in funds is a deficit of £124,284 (2022: surplus £206,350). The principal movements in the current year are:

- a surplus in unrestricted funds before transfers of £492,541 (2022: deficit £57,112). This result reflects the bulk of activity – a mixture of in-person and digital orchestral projects, radio and tv broadcasts, and Creative Learning activity, as more fully described in the Achievements and Performance section. This result includes an Orchestra tax credit of £1,018,936 which is significantly higher than in prior year due to the increase in preparation costs and full year of relief at the headline rate of 50% (i.e. the rate of relief increased from 25% to 50% in October 2021).
- a deficit in the designated Property Fund before transfers of £65,952 (2022: surplus £40,710) arising from the performance of the investment portfolio (see note below)
- a deficit in other designated funds of £336,651 before transfers (2022: deficit £62,781). This was incurred via planned expenditure on digital projects, a European Tour (May 2022), a USA tour (October 2022) and continued utilisation of a Business Recovery fund to sustain activity during 2022/23.
- a deficit in Restricted Funds of £214,222 (2022: increase £285,533), which also represented funding allocated to the international tours noted above as well as ongoing expenditure of Scottish Government project funding received in 31/3/2022.

The purpose of designated funds is explained more fully in note 17. These are funds set aside by the Trustees to support planned activity, such as future recordings, international touring, digital projects and player development.

On the Balance Sheet, the Revenue Reserve shows a surplus of £155,264 (2022: surplus £212,723), and is underpinned by the General Reserve of £230,777 (2022: £230,777). Total unrestricted general funds on the balance sheet are therefore £386,041 (2022: £443,500).

Movements in restricted funds are detailed in note 17. The balance of restricted funds at year end of £394,294 (2022: £608,516) consists of three separate amounts. Firstly, a balance relating to SCO Productions (International Touring, ongoing Covid recovery, and development of the SCO Chorus), secondly, funding for Concert Hall Development which will be utilised as the Orchestra prepares for a move into a new Edinburgh performance base, and finally a Fixed Assets fund which covers the depreciation of assets purchased using restricted capital grants.

Principal Funding Sources and Reserves Policy

The principal funding sources of the company are a core grant from the Scottish Government, box office income, philanthropic support, corporate sponsorship and local authority funding. The Board has identified a minimum reserve requirement equivalent to three months' costs, which will enable the company to meet commitments as they fall due. At 31 March 2023, the group had total reserves of £2,718,963 (2022: £2,843,247) which is above target level. However, within this balance are £394,294 (2022: £608,516) of restricted funds which are not available for the general purposes of the company. The Trustees have designated reserves to a range of future activity as explained more fully in note 17. Through regular review of financial performance, open and transparent dialogue with key stakeholders and seeking to identify additional funding, the directors aim to manage this position and address any gap which may arise due to unanticipated costs or decline in income.

Investment policy and performance

The Board has set an investment policy for its endowment fund of balanced growth with medium risk. The day-to-day investment management has been delegated to a firm of investment management professionals Adam & Company Investment Management whose performance is reviewed and monitored by the Directors on a regular basis. The main investment objective is to protect the capital of the SCO in real terms. Directors regularly review ethical restrictions as well as opportunities to develop the portfolio's ESG (environmental, social and governance) credentials and sustainability of investments. There is currently a restriction on direct investment in tobacco. The portfolio's value decreased by 5.14% over the 12 months to 31 March 2023 compared to a peer group composite benchmark index which decreased by 4.73% over the same period.

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For the year ended 31 March 2023

Risk Management

The Board's risk management strategy comprises

- Regular review of the principal risks and uncertainties faced by the group;
- The establishment of policies, systems and procedures to mitigate those risks;
- The implementation of procedures to minimise or manage any potential impact on the organisation, should those risks materialise.

The overall approach remains valid, although the risk analysis and underlying risk assessments continue to be updated according to circumstances, e.g., changes to visa requirements for both outward international touring (Europe and the US) and bringing artists into the UK. As financial margins become increasingly tighter, there is an increased risk from any unavoidable changes in planning or unexpected box-office returns. The latter monitored carefully as the orchestra continues its return to a more regular schedule of concert-giving. Budgeting and expenditure are tightly controlled, and planning systems are constantly reviewed in an attempt to lessen the impact of such eventualities.

Aside from navigating risks around COVID-19, the principal risk continues to be a sudden or unexpected decline in central government funding, especially in a high-inflation economy. The status of this funding is monitored carefully via regular reporting, evaluation against set objectives and dialogue with the funder. Where possible, forward planning is tailored accordingly.

A failure to attract and retain significant private sector income (Corporate Sponsorship; Individual Giving; Trusts & Foundations) which has grown considerably over recent years would also be detrimental to the company's ability to operate successfully. The company is working on a refreshed fundraising strategy, is actively encouraging legacy giving and continues with implementation of a customer-relationship management database to mitigate this risk.

Plans for future periods

The orchestra has started to implement its new strategic plan from April 2023, and will celebrate its 50th anniversary season from September 2023 – May 2024. Highlights of the season include:

- An extension of Principal Conductor Maxim Emelyanychev's contract with the Orchestra for a further five years.
- World-renowned guests including Thomas Adès, Nicola Benedetti, Colin Currie, Karen Cargill, Richard Egarr, Andrew Manze and Roderick Williams.
- An SCO for everyone, with a new matinee series, dementia-friendly concerts, a brand-new work specially for children (*The Great Grumpy Gaboon*) and a digital season.
- Maxim's 'Eroica' - A Grand Tour of Scotland to visit seven towns and cities across Scotland.
- A residency with visionary Finnish violinist Pekka Kuusisto who presents a fresh new perspective on Vivaldi's *The Four Seasons*
- New music - the world premiere of Sir James MacMillan's choral work *Composed in August*, the UK premiere of Anna Clyne's violin concerto *Time and Tides* and three new works by SCO Associate Composer Jay Capperault.
- Several UK engagements including Mendelssohn's *Elijah* at the BBC Proms in July with the SCO Chorus.
- Two overseas engagements in Paris (June) and Hamburg (August)

The SCO will also continue to play an active role in the development of the Dunard Centre, the new performance venue planned for the centre of Edinburgh.

The SCO gratefully acknowledges financial support from the Scottish Government, other public bodies, Business Partners, Trusts and Foundations, and individual Patrons all of whom support our work and help make it possible. Special thanks are also extended to our principal benefactor Dunard Fund for its continued support during the current year. The SCO is also extremely grateful for the loyalty and encouragement from its regular ticket-buying audience and creative learning participants.

SCOTTISH CHAMBER ORCHESTRA LIMITED

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For the year ended 31 March 2023

Structure, governance and management

The company is a company limited by guarantee governed by its Memorandum and Articles of Association. The number of directors is as follows:

Ex Officio	Chairman
Lay	Maximum of six
Local Authority	Maximum of three

The full board of the company – which deals with strategic issues – meets four to five times per year. New directors are identified and recruited with reference to maintaining the appropriate balance of skills and experience on the board. All new directors are provided with an induction pack and meet separately with the Chair and Chief Executive in order to familiarise themselves with the content of the Memorandum and Articles of Association, the committee and decision-making process, the business plan, the financial performance of the company and their legal obligations under company and charity law. Development and training needs are identified in consultation with the Chair and arranged as required for all directors.

Directors take office for up to two three-year terms. In exceptional circumstances, directors may be invited to take office for up to a further and final three years.

Day-to-day management of the company is delegated by the board to the Chief Executive, who is supported by a management team. Arrangements for setting the pay and remuneration of the company's Chief Executive are managed by the Chairman and other trustees of the Executive Committee who will consider industry and sector pay benchmarks, the resources and requirements of the company as well as the individual performance development review process.

The group consists of Scottish Chamber Orchestra Limited (the parent company) and SCO Trading Limited, its wholly owned subsidiary.

Related party transactions

No director received any remuneration or expenses as a result of their office as a director.

City of Edinburgh Council, Glasgow City Council and Fife Council have nominated representatives who were appointed directors of the company. City of Edinburgh Council awards an annual core grant to the company.

SCOTTISH CHAMBER ORCHESTRA LIMITED

Directors' Report

For the year ended 31 March 2023

Reference and administrative details

Scottish Chamber Orchestra Limited

Charitable company registered in Scotland

Company Number SC075079

Scottish Charity Number SC015039

Patron

His Majesty the King

Life President

Donald MacDonald, CBE CA

Chief Executive

Gavin Reid

Directors

Lay

Colin Buchan, Chair	to 28/6/23
Joanna Baker, CBE, Chair	from 28/6/23
Zoe van Zwanenberg	
Rachael Erskine	
Sarah Davidson, CB	
Peter Maniura	appointed 1/12/22

Local Authority

Cllr Donald Wilson (Edinburgh)	resigned 5/5/22
Cllr Val Walker (Edinburgh)	appointed 6/10/22
Cllr Eva Bolander (Glasgow)	
Cllr Rosemary Liewald (Fife)	resigned 6/10/22
Cllr Jonny Tepp (Fife)	appointed 6/10/22

Company Secretary

Ian White CA

Orchestra Advisers

Peter Franks
Louise Lewis Goodwin
Alison Green
Philip Higham
Su-a Lee

Management team

Gavin Reid (Chief Executive)
Judith Colman (Concerts Director)
Laura Baxter (Creative Learning Director)
Derek Gilchrist (Marketing & Communications Director)
Ian White CA (Finance & Administration Director)
Lucinda Coulthard (Head of Development)
resigned 3/6/22
Martin Lawlor (Development Director)
appointed 29/8/22

Auditor

Azets Audit Services
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Bankers

The Royal Bank of Scotland plc
36 St Andrew Square
Edinburgh
EH2 2YB

Solicitors

Turcan Connell
Princes Exchange
1 Earl Grey Street
Edinburgh
EH3 9EE

Registered office

4 Royal Terrace
Edinburgh
EH7 5AB

Investment advisers

Adam & Company Investment Management Ltd
40 Princes Street
Edinburgh
EH2 2BY

SCOTTISH CHAMBER ORCHESTRA LIMITED

Directors' Report

For the year ended 31 March 2023

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Standards and applicable law). Under company law the directors 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 Company and of the surplus or deficit of the group and the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for maintaining adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Statement of Recommended Practice (SORP) "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)", the Charities and Trustee Investment (Scotland) Act 2005, and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditor

As far as the directors are aware at the time the report is approved:

- there is no relevant information of which the Group and Parent Charitable Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information, and to establish that the Group and Parent Charitable Company's auditor is aware of the information.

Small company exemptions

The above report has been prepared in accordance with the 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) and in accordance with special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Auditor

A resolution to appoint an auditor for financial year 2023/24 will be put to the members at the annual general meeting following a tender process towards the end of this year.

Approved by the Board of Directors on 5 October 2023

And signed on its behalf by



Ian White CA
Company Secretary
Edinburgh

SCOTTISH CHAMBER ORCHESTRA LIMITED
(a company limited by guarantee)

Independent Auditor's Report to the Members and Directors of Scottish Chamber Orchestra Limited
For the year ended 31 March 2023

Opinion

We have audited the financial statements of Scottish Chamber Orchestra Limited (the 'parent charitable company') and its subsidiary (the group) for the year ended 31 March 2023 which comprise the Consolidated and Parent Charitable Company Statement of Financial Activities (incorporating the Income and Expenditure Account), the Consolidated and Parent Charitable Company Balance Sheet, the Consolidated and Parent Charitable Company Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2023 and of the group's and the parent charitable company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC's) Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

SCOTTISH CHAMBER ORCHESTRA LIMITED
(a company limited by guarantee)

Independent Auditor's Report to the Members and Directors of Scottish Chamber Orchestra Limited
(continued)
For the year ended 31 March 2023

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report, which includes the Report of the Trustees prepared for the purposes of charity law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

SCOTTISH CHAMBER ORCHESTRA LIMITED
(a company limited by guarantee)

Independent Auditor's Report to the Members and Directors of Scottish Chamber Orchestra Limited
(continued)
For the year ended 31 March 2023

Responsibilities of the directors

As explained more fully in the Director's Responsibilities set out on page 10, the directors (who are the directors of the charitable company for the purpose of company law and the trustees of the charitable company for the purpose of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the group and parent charitable company, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the group and parent charitable company is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the group and parent charitable company that were contrary to applicable laws and regulations, including fraud.

SCOTTISH CHAMBER ORCHESTRA LIMITED
(a company limited by guarantee)

Independent Auditor's Report to the Members and Directors of Scottish Chamber Orchestra Limited
(continued)
For the year ended 31 March 2023

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group and parent charitable company through discussions with management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent charitable company, including the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and taxation, data protection, anti-bribery, environmental, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any correspondence with HMRC, relevant regulators and the group and parent charitable company's legal advisors.

We assessed the susceptibility of the financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in these financial statements were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

SCOTTISH CHAMBER ORCHESTRA LIMITED
(a company limited by guarantee)

Independent Auditor's Report to the Members and Directors of Scottish Chamber Orchestra Limited
(continued)
For the year ended 31 March 2023

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's directors, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the parent charitable company's members, as a body, and the directors, as a body, those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charitable company, the parent charitable company's members, as a body, and the parent charitable company's directors, as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Allison Gibson, Senior Statutory Auditor

For and on behalf of Azets Audit Services, Statutory Auditor

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Chartered Accountants

Exchange Place 3

Sample Street

Edinburgh

EH3 8BL

Date: 11 October 2023

SCOTTISH CHAMBER ORCHESTRA LIMITED

Consolidated Statement of Financial Activities
(incorporating the Consolidated Income and Expenditure Account)
For the year ended 31 March 2023

	Notes	Unrestricted Funds £	Property Fund £	Other Designated Funds £	Restricted Funds £	2023 Total £	2022 Total £
Income from:							
<i>Donations and legacies</i>							
grant income	4	2,042,000	-	65,011	252,225	2,359,236	2,736,510
sponsorship, donations, commissions and legacies	4	742,316	-	-	-	742,316	745,586
<i>Charitable activities</i>							
performance income	4	1,410,885	-	-	15,711	1,426,596	507,843
publications and other earned income	4	25,341	-	9,176	-	34,517	17,699
<i>Other trading activities</i>							
CD & merchandise income	4	3,936	-	-	-	3,936	943
<i>Investment income</i>	4	26,892	-	-	-	26,892	16,664
Total income	4	4,251,370	-	74,187	267,936	4,593,493	4,025,245
Expenditure on:							
<i>Raising funds</i>							
development & sponsorship	6	174,507	-	-	167	174,674	203,773
CD & merchandise costs	6	2,923	-	-	-	2,923	779
<i>Charitable activities</i>	7	4,600,335	-	410,838	481,991	5,493,164	4,031,760
Total expenditure		4,777,765	-	410,838	482,158	5,670,761	4,236,312
Net (losses) /gains on investments		-	(65,952)	-	-	(65,952)	40,710
Net expenditure before taxation and transfers		(526,395)	(65,952)	(336,651)	(214,222)	(1,143,220)	(170,357)
Orchestra tax credit		1,018,936	-	-	-	1,018,936	376,707
Net (expenditure) / income before transfers		492,541	(65,952)	(336,651)	(214,222)	(124,284)	206,350
Transfers between funds	17	(550,000)	50,000	500,000	-	-	-
Net movement in funds		(57,459)	(15,952)	163,349	(214,222)	(124,284)	206,350
Total funds brought forward	17	443,500	486,269	1,304,962	608,516	2,843,247	2,636,897
Total funds carried forward	17	386,041	470,317	1,468,311	394,294	2,718,963	2,843,247

All the results for the year are derived from continuing operations.
The notes on pages 21 to 42 form part of these financial statements.

SCOTTISH CHAMBER ORCHESTRA LIMITED

**Company Statement of Financial Activities
(incorporating Income and Expenditure Account)
For the year ended 31 March 2023**

	Notes	Unrestricted Funds £	Property Fund £	Other Designated Funds £	Restricted Funds £	2023 Total £	2022 Total £
Income from:							
<i>Donations and legacies</i>							
grant income	4	2,042,000	-	65,011	252,225	2,359,236	2,736,510
sponsorship, donations, commissions and legacies	4	742,316	-	-	-	742,316	745,586
<i>Charitable activities</i>							
performance income	4	1,410,885	-	-	15,711	1,426,596	507,843
publications and other earned income	4	25,341	-	9,176	-	34,517	17,699
<i>Other trading activities</i>							
CD & merchandise income	4	3,936	-	-	-	3,936	-
<i>Investment income</i>	4	26,892	-	-	-	26,892	16,664
Total income	4	4,251,370	-	74,187	267,936	4,593,493	4,024,302
Expenditure on:							
<i>Raising funds</i>							
development & sponsorship	6	174,507	-	-	167	174,674	203,773
CD & merchandise costs	6	2,923	-	-	-	2,923	-
<i>Charitable activities</i>	7	4,600,294	-	410,838	481,991	5,493,123	4,031,760
Total expenditure		4,777,724	-	410,838	482,158	5,670,720	4,235,533
Net (losses) / gains on investments		-	(65,952)	-	-	(65,952)	40,710
Net expenditure before taxation and transfers		(526,354)	(65,952)	(336,651)	(214,222)	(1,143,179)	(170,521)
Orchestra tax credit		1,018,936	-	-	-	1,018,936	376,707
Net (expenditure) / income before transfers		492,582	(65,952)	(336,651)	(214,222)	(124,243)	206,186
Transfers between funds	17	(550,000)	50,000	500,000	-	-	-
Net movement in funds		(57,418)	(15,952)	163,349	(214,222)	(124,243)	206,186
Total funds brought forward	17	442,738	486,269	1,304,962	608,516	2,842,485	2,636,299
Total funds carried forward	17	385,320	470,317	1,468,311	394,294	2,718,242	2,842,485

All the results for the year are derived from continuing operations.
The notes on pages 21 to 42 form part of these financial statements.

SCOTTISH CHAMBER ORCHESTRA LIMITED

Consolidated Balance Sheet

As at 31 March 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	12	73,972		83,558	
Investments	13	851,547		838,549	
Total fixed assets			925,519		922,107
Current assets					
Stock	14	8,324		11,247	
Debtors	15	1,802,080		730,533	
Cash at bank and in hand		836,218		2,271,844	
Total current assets		2,646,622		3,013,624	
Liabilities					
Creditors: Amounts falling due within one year	16	(853,178)		(1,092,484)	
Net current assets			1,793,444		1,921,140
Net assets			2,718,963		2,843,247
Reserves	17				
Revenue reserve		155,264		212,723	
General reserve		230,777		230,777	
Total unrestricted funds			386,041		443,500
Property fund			470,317		486,269
Other designated funds			1,468,311		1,304,962
Restricted funds			394,294		608,516
Total funds			2,718,963		2,843,247

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. The financial statements were authorised for issue by the Board of Directors on 5 October 2023 and are signed on its behalf by:



..... Chair
Joanna Baker, CBE

Company Registration Number SC075079

The notes on pages 21 to 42 form part of these financial statements.

SCOTTISH CHAMBER ORCHESTRA LIMITED

Company Balance Sheet

As at 31 March 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	12	73,972		83,558	
Investments	13	851,647		838,649	
Total fixed assets			925,619		922,207
Current assets					
Stock	14	8,324		-	
Debtors	15	1,803,056		742,756	
Cash at bank and in hand		834,421		2,270,006	
Total current assets		2,645,801		3,012,762	
Liabilities					
Creditors: Amounts falling due within one year	16	(853,178)		(1,092,484)	
Net current assets			1,792,623		1,920,278
Net assets			2,718,242		2,842,485
Reserves	17				
Revenue Reserve		154,543		211,961	
General Reserve		230,777		230,777	
Total unrestricted funds			385,320		442,738
Property fund			470,317		486,269
Other designated funds			1,468,311		1,304,962
Restricted funds			394,294		608,516
Total charity funds			2,718,242		2,842,485

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. The financial statements were authorised for issue by the Board of Directors on 5 October 2023 and are signed on its behalf by:



..... Chair
Joanna Baker, CBE

Company Registration Number SC075079

The notes on pages 21 to 42 form part of these financial statements.

SCOTTISH CHAMBER ORCHESTRA LIMITED

Consolidated and Company Statement of Cash Flows

As at 31 March 2023

		Group		Company	
	Note	2023 £	2022 £	2023 £	2022 £
CASH FLOWS FROM OPERATING ACTIVITIES:					
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES:	1A	(1,358,016)	254,598	(1,357,975)	255,083
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income		26,892	16,664	26,892	16,664
Proceeds from sale of tangible fixed assets		6,200	-	6,200	-
Purchase of tangible fixed assets		(31,752)	(7,452)	(31,752)	(7,452)
Net Proceeds from sale of investments		8,063	61,943	8,063	61,943
Purchase of investments		(8,062)	(61,943)	(8,062)	(61,943)
Transfer of cash from income a/c to capital a/c		(78,951)	-	(78,951)	-
NET CASH FROM INVESTING ACTIVITIES:		(77,610)	9,212	(77,610)	9,212
CHANGE IN CASH AND CASH EQUIVALENTS		(1,435,626)	263,810	(1,435,585)	264,295
CASH AT THE BEGINNING OF THE YEAR		2,271,844	2,008,034	2,270,006	2,005,711
CASH AT THE END OF THE YEAR	1B	836,218	2,271,844	834,421	2,270,006

Note 1A	GROUP		COMPANY	
	2023	2022	2023	2022
	£	£	£	£
Net (expenditure)/income for the year	(124,284)	206,350	(124,243)	206,186
Adjustments for:				
Depreciation charges	41,338	51,407	41,338	51,407
Losses/(gains) on investment	65,952	(40,710)	65,952	(40,710)
Investment income	(26,892)	(16,664)	(26,892)	(16,664)
Gain on sale of fixed assets	(6,200)	-	(6,200)	-
Decrease/(increase) in stock	2,923	317	(8,324)	-
Increase in debtors	(1,071,547)	(24,373)	(1,060,300)	(23,407)
(Decrease)/increase in creditors	(239,306)	78,271	(239,306)	78,271
Net cash (used in)/provided by operating activities	(1,358,016)	254,598	(1,357,975)	255,083

Note 1B – Analysis of cash and cash equivalents including changes in net debt GROUP	At 1 April 2022 £	Cashflows £	Non-cash Changes £	At 31 March 2023 £
Cash at bank and in hand	2,271,844	(1,435,626)	-	836,218
COMPANY				
Cash at bank and in hand	2,270,006	(1,435,585)	-	834,421

The notes on pages 21 to 42 form part of these financial statements.

SCOTTISH CHAMBER ORCHESTRA LIMITED

Notes to the Consolidated Financial Statements

For the year ended 31 March 2023

1. Accounting policies

General information

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the group's transactions are denominated. They comprise the financial statements of Scottish Chamber Orchestra Limited and its subsidiary SCO Trading Limited.

The principal activity of Scottish Chamber Orchestra Limited is to promote the performance, creation and appreciation of music throughout Scotland, the United Kingdom and internationally.

The principal activity of SCO Trading Limited is the sale of CD recordings, other related merchandise and programme advertising in order to support the operations of the Scottish Chamber Orchestra. During the year this activity was hived-up to the parent company and SCO Trading Ltd ceased its trading activities.

Scottish Chamber Orchestra Limited is a private charitable company limited by guarantee incorporated in the United Kingdom and registered in Scotland. It is recognised as a charity for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC015039. In the event of the winding up of the charitable company a member is liable to contribute a sum not exceeding £1. Details of the registered office and company registration number can be found on page 9 of these financial statements.

Basis of accounting

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102") (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice (SORP) '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)', the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Scottish Chamber Orchestra Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires directors to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The financial statements consolidate the results of the company and its wholly owned subsidiary SCO Trading Limited (Company Number SC126870) on a line by line basis. The company together with SCO Trading Limited comprises the Group.

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented in dealing with items which are considered material in relation to the group and charitable company's financial statements unless otherwise stated.

SCOTTISH CHAMBER ORCHESTRA LIMITED

Notes to the Consolidated Financial Statements - continued

For the year ended 31 March 2023

1. Accounting policies - continued

Going concern

The directors are of the opinion that the group can continue to meet its obligations as they fall due for the foreseeable future. The company is reliant on grants from the Scottish Government and the directors believe that adequate funding from this source combined with unrestricted and designated reserves can be factored into annual budgets to continue to operate. Therefore, the directors have prepared the financial statements on a going concern basis.

Recognition and allocation of income

Income is recognised when the company has legal entitlement to the funds, the receipt is probable and the amount can be measured reliably. Where practicable, income is related to the operating activities of the company.

Where there are performance conditions attached to any grants and donations, income is recognised when the conditions have been met or when meeting the conditions are within the company's control and there is sufficient evidence that they have been met or will be met. Where a grant condition allows for the recovery of any unexpended grant, a liability is recognised when repayment becomes probable.

Where there are terms placed on income that limit the company's discretion over how that income can be used, that income is shown as restricted income in the accounts.

Entitlement to legacy income exists when the company has sufficient evidence that a gift has been left, the executor is satisfied that the gift will not be required to satisfy claims on the estate and any conditions are within the control of the company or have been met. Where legacies have been notified to the company and the criteria for income recognition haven't been met, the legacy is treated as a contingent asset and disclosed if material. Legacy income is measured at fair value, generally the cash amount receivable, and is discounted if deferred for more than 12 months. The unwinding of the discount is recognised as interest receivable

Gift aid is treated as part of the related gift unless the donor or terms of appeal have specified otherwise and is credited when receivable.

Income received in advance of a performance is deferred until the criteria for income recognition are met. Sponsorship income and dividend income are credited to the Statement of Financial Activities when the right to receipt is established and is measured at fair value, generally the transaction value.

SCOTTISH CHAMBER ORCHESTRA LIMITED

Notes to the Consolidated Financial Statements - continued

For the year ended 31 March 2023

1. Accounting policies - continued

Recognition and allocation of expenditure

Expenditure is recognised when the company has entered into a legal or constructive obligation and related where practicable to the operating activities of the company (e.g. Promotions, Engagements, Creative Learning). Where possible, expenditure is attributed directly to the function to which it relates. Where this is not possible it is allocated on the basis of staff time (where duties span more than one activity), or on a basis consistent with the use of the resources, for example in proportion to the direct expenditure incurred under each heading. The allocation of support costs is shown in Note 8.

Raising funds comprises those costs which are associated with the generation of income from sources other than from undertaking charitable activities, and includes costs of attracting sponsorship and other private donations and trading costs.

Charitable expenditure comprises those costs incurred by the company in the delivery of its charitable activities and services.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the company and include costs linked to the strategic management of the company.

Funds

Unrestricted funds are income sources which are receivable for the objects of the company without further specified purposes and are available as general funds.

Designated funds are unrestricted income sources which have been earmarked for a specific future purpose.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Transfers from unrestricted funds are made to meet any shortfalls in restricted projects.

Fixed assets

Fixed Assets are stated at cost. Depreciation is provided on all fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Furniture and fittings	10%-25% straight line
Computer systems	20%-33%% straight line
Musical instruments	10%-20% straight line
Music	10% straight line
Motor vehicles	25% straight line

SCOTTISH CHAMBER ORCHESTRA LIMITED

Notes to the Consolidated Financial Statements - continued

For the year ended 31 March 2023

1. Accounting policies - continued

Investments

Quoted investments are stated at fair value at the reporting date. The wholly owned trading subsidiary of the company is included in the financial statements at cost less impairment. Gains and losses arising on revaluation are recognised in the Statement of Financial Activities in the period in which they arise.

Stocks

Stocks are valued at the lower of cost and net realisable value after due regard for obsolete and slow-moving stocks, in the ordinary course of business.

Debtors

Trade debtors are amounts due from customers for goods sold or services performed. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally invoice price, less any allowances for doubtful debts.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks which are readily convertible and are measured at fair value.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired. They are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

Financial assets and financial liabilities

Financial instruments are recognised in the statements of financial activities when the company becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are accounted for as set out below. A financing transaction is measured at the present value of the future payments discounted at the market rate of interest for similar debt instrument.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS102.

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective interest rate method. All financial instruments not classified as basic are measured at fair value at the end of the reporting period with the resulting changes recognised in income or expenditure. Where the fair value cannot be reliably measured, they are recognised at cost less impairment.

Financial assets are derecognised when the contractual rights to the cash flows from the assets expire, or when the company has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

SCOTTISH CHAMBER ORCHESTRA LIMITED

Notes to the Consolidated Financial Statements - continued

For the year ended 31 March 2023

1. Accounting policies - continued

Leases and hire purchase contracts

Leases which transfer substantially all of the risks and rewards of ownership to the charity are classed as finance leases. Assets held under finance leases are recognised as assets at the lower of the fair value of the asset at the date of acquisition and the present minimum lease payments. The related obligation to the lessor is included in the balance sheet as a finance lease obligation.

Finance costs, which represent the difference between the total leasing commitment and the fair value of the assets acquired, are charged to the statement of financial activities over the lease term at a constant rate.

Rentals payable under operating leases are charged to expenditure on a straight line basis over the lease term.

Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Pension commitments

The charity operates a personal pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. Contributions payable by the charity are charged to the Statement of Financial Activities in the year to which they relate.

Orchestra tax credit

The orchestra tax credit is credited to the Statement of Financial Activities consistent with the principles of corporation tax, based on performances during the financial year which meet the criteria of the relief.

2. Critical judgements and estimates

In preparing the financial statements directors make estimates and assumptions which affect reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The estimates and assumptions with a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Legacy income is measured at fair value, but where part of a legacy left to the company includes property or shares to be sold, judgement is used to estimate the amount receivable.

SCOTTISH CHAMBER ORCHESTRA LIMITED

Notes to the Consolidated Financial Statements - continued

For the year ended 31 March 2023

3. Comparative Statement of Financial Activities - Group

	Unrestricted Funds £	Property Fund £	Designated Funds £	Restricted Funds £	2022 Total £
Income & endowments from:					
<i>Donations and legacies</i>					
grant income	2,042,000	-	58,267	636,243	2,736,510
sponsorship, donations, commissions and legacies	745,586	-	-	-	745,586
<i>Charitable activities</i>					
performance income	507,843	-	-	-	507,843
publications and other earned income	9,486	-	8,213	-	17,699
<i>Other trading activities</i>					
trading subsidiary sales	943	-	-	-	943
<i>Investment income</i>	16,664	-	-	-	16,664
Total income	3,322,522	-	66,480	636,243	4,025,245
Expenditure on:					
<i>Raising funds</i>					
development & sponsorship	203,670	-	-	103	203,773
trading subsidiary costs	779	-	-	-	779
<i>Charitable activities</i>	3,551,892	-	129,261	350,607	4,031,760
Total expenditure	3,756,341	-	129,261	350,710	4,236,312
Net gains on investments	-	40,710	-	-	40,710
Net (expenditure / income before transfers and orchestra tax credit	(433,819)	40,710	(62,781)	285,533	(170,357)
Orchestra tax credit	376,707	-	-	-	376,707
Net (expenditure) / income before transfers	(57,112)	40,710	(62,781)	285,533	206,350
Gross transfers between funds	15,000	-	-	(15,000)	-
Net movement in funds	(42,112)	40,710	(62,781)	270,533	206,350

SCOTTISH CHAMBER ORCHESTRA LIMITED

Notes to the Consolidated Financial Statements - continued

For the year ended 31 March 2023

Comparative Statement of Financial Activities – Company

	Unrestricted Funds £	Property Fund £	Designated Funds £	Restricted Funds £	2022 Total £
Income & endowments from:					
<i>Donations and legacies</i>					
grant income	2,042,000	-	58,267	636,243	2,736,510
sponsorship, donations, commissions and legacies	745,586	-	-	-	745,586
<i>Charitable activities</i>					
performance income	507,843	-	-	-	507,843
publications and other earned income	9,486	-	8,213	-	17,699
<i>Investment income</i>	16,664	-	-	-	16,664
Total income	3,321,579	-	66,480	636,243	4,024,302
Expenditure on:					
<i>Raising funds</i>					
development & sponsorship	203,670	-	-	103	203,773
<i>Charitable activities</i>	3,551,892	-	129,261	350,607	4,031,760
Total expenditure	3,755,562	-	129,261	350,710	4,235,533
Net gains on investments	-	40,710	-	-	40,710
Net (expenditure) / income before transfers and orchestra tax credit	(433,983)	40,710	(62,781)	285,533	(170,521)
Orchestra tax credit	376,707	-	-	-	376,707
Net (expenditure) / income before transfers	(57,276)	40,710	(62,781)	285,533	206,186
Gross transfers between funds	15,000	-	-	(15,000)	-
Net movement in funds	(42,276)	40,710	(62,781)	270,533	206,186

SCOTTISH CHAMBER ORCHESTRA LIMITED

Notes to the Consolidated Financial Statements - continued

For the year ended 31 March 2023

4. Income

		Group		Company	
	Note	2023 £	2022 £	2023 £	2022 £
Grant income					
Funding from public bodies	23	2,117,000	2,476,743	2,117,000	2,476,743
Project funding		242,236	259,767	242,236	259,767
		2,359,236	2,736,510	2,359,236	2,736,510
Sponsorship, donations, commissions and legacies					
Sponsorship and Corporate Partnerships		102,000	129,725	102,000	129,725
Trusts and Individuals		640,316	615,861	640,316	615,861
		742,316	745,586	742,316	745,586
Performance income	5	1,426,596	507,843	1,426,596	507,843
Publications & other earned income					
Programme & hire sales		25,341	9,486	25,341	9,486
Royalty income		9,176	8,213	9,176	8,213
		34,517	17,699	34,517	17,699
Trading subsidiary sales		3,936	943	3,936	-
Investment income		26,892	16,664	26,892	16,664
Total income		4,593,493	4,025,245	4,593,493	4,024,302

Included in the above is £15,711 (2022: £nil) of restricted performance income. Also included is £252,225 (2022: £636,243) of restricted grant income from a range of Trusts and Foundations to support Creative Learning activity, and from the Scottish Government (as per note 23) towards capital expenditure, international touring, recovery from Covid19, and in recognition of cancellations incurred due to Covid19 restrictions between December 2021 and January 2022. There were no unfulfilled performance-related conditions or contingencies attached to the Scottish Government grants. Unrestricted grants from the Scottish Government and City of Edinburgh Council are for the support of the general activities of the SCO.

5. Performance income – Group and Company

Performance income is earned from the group's principal activity of concert promotion. The analysis of performance income by geographical area is as follows:

	2023 £	2022 £
United Kingdom	821,544	507,843
European Community	605,052	-
Total	1,426,596	507,843

SCOTTISH CHAMBER ORCHESTRA LIMITED

Notes to the Consolidated Financial Statements - continued

For the year ended 31 March 2023

6. Analysis of costs of raising funds – Group

		CD & Merchandise Costs £	Development & Sponsorship £	Total 2023 £
Direct costs		2,923	172,370	175,293
Support costs	Note 8	-	1,901	1,901
Governance costs	Note 9	-	403	403
Total		2,923	174,674	177,597

Analysis of costs of raising funds – Company

		CD & Merchandise Costs £	Development & Sponsorship £	Total 2023 £
Direct costs		2,923	172,370	175,293
Support costs	Note 8	-	1,901	1,901
Governance costs	Note 9	-	403	403
Total		2,923	174,674	177,597

6. Analysis of costs of raising funds – Group (Comparative)

		Trading Subsidiary £	Development & Sponsorship £	Total 2022 £
Direct costs		779	202,524	203,303
Support costs	Note 8	-	1,120	1,120
Governance costs	Note 9	-	129	129
Total		779	203,773	204,552

Analysis of costs of raising funds – Company (Comparative)

		Development & Sponsorship £	Total 2022 £
Direct costs		202,524	202,524
Support costs	Note 8	1,120	1,120
Governance costs	Note 9	129	129
Total		203,773	203,773

SCOTTISH CHAMBER ORCHESTRA LIMITED

Notes to the Consolidated Financial Statements - continued

For the year ended 31 March 2023

7. Analysis of costs of charitable activities – Group

		Promotions	Engagements & Media	Creative Learning	Total 2023
		£	£	£	£
Concert & event costs		2,355,663	1,216,795	268,078	3,840,536
Staff costs		424,945	186,602	177,852	789,399
Direct overheads		347,423	106,392	22,740	476,555
Support costs	8	231,826	77,389	9,770	318,985
Governance costs	9	49,194	16,422	2,073	67,689
Total		3,409,051	1,603,600	480,513	5,493,164

Direct Overheads include audition, transport & external player costs; SCO Chorus; music & instrument hire; composer commissions, box-office commissions, marketing & promotional activity

Analysis of costs of charitable activities – Company

		Promotions	Engagements & Media	Creative Learning	Total 2023
		£	£	£	£
Concert & event costs		2,355,622	1,216,795	268,078	3,840,495
Staff costs		424,945	186,602	177,852	789,399
Direct overheads		347,423	106,392	22,740	476,555
Support costs	8	231,826	77,389	9,770	318,985
Governance costs	9	49,194	16,422	2,073	67,689
Total		3,409,010	1,603,600	480,513	5,493,123

Analysis of costs of charitable activities – Group (Comparative)

		Promotions	Engagements & Media	Creative Learning	Total 2022
		£	£	£	£
Concert & event costs		2,055,748	350,375	224,014	2,630,137
Staff costs		394,573	166,949	171,688	733,210
Direct overheads		208,108	66,674	14,996	289,778
Support costs	8	293,016	43,053	3,500	339,569
Governance costs	9	33,710	4,953	403	39,066
Total		2,985,155	632,004	414,601	4,031,760

Direct Overheads include audition, transport & external player costs; SCO Chorus; music & instrument hire; composer commissions, box-office commissions, marketing & promotional activity

Analysis of costs of charitable activities – Company (Comparative)

		Promotions	Engagements & Media	Creative Learning	Total 2022
		£	£	£	£
Concert & event costs		2,055,748	350,375	224,014	2,630,137
Staff costs		394,573	166,949	171,688	733,210
Direct overheads		208,108	66,674	14,996	289,778
Support costs	8	293,016	43,053	3,500	339,569
Governance costs	9	33,710	4,953	403	39,066
Total		2,985,155	632,004	414,601	4,031,760

SCOTTISH CHAMBER ORCHESTRA LIMITED

Notes to the Consolidated Financial Statements - continued

For the year ended 31 March 2023

8. Analysis of support costs – Group & Company

	Raising funds £	Promotions	Engagements & Media £	Creative Learning £	Total 2023 £
General Administration	902	110,021	36,727	4,637	152,287
Property and Utilities	832	101,427	33,859	4,274	140,392
Restricted fund fixed asset depreciation	167	20,378	6,803	859	28,207
Total	1,901	231,826	77,389	9,770	320,886

General Administration includes: facility management, office leases, communications, IT, health & safety, insurance and compliance costs.

Analysis of support costs – Group & Company (Comparative)

	Raising funds £	Promotions	Engagements & Media £	Creative Learning £	Total 2022 £
General Administration	586	153,146	22,502	1,829	178,063
Property and Utilities	431	112,900	16,588	1,349	131,268
Restricted fund fixed asset depreciation	103	26,970	3,963	322	31,358
Total	1,120	293,016	43,053	3,500	340,689

9. Analysis of governance costs – Group & Company

	Raising funds £	Promotions	Engagements & Media £	Creative Learning £	Total 2023 £
Audit and Legal	267	32,552	10,866	1,372	45,057
Staff Time & Meetings	136	16,642	5,556	701	23,035
Total	403	49,194	16,422	2,073	68,092

Analysis of governance costs – Group & Company (Comparative)

	Raising funds £	Promotions	Engagements & Media £	Creative Learning £	Total 2022 £
Audit and Legal	67	17,428	2,561	208	20,264
Staff Time & Meetings	62	16,282	2,392	195	18,931
Total	129	33,710	4,953	403	39,195

SCOTTISH CHAMBER ORCHESTRA LIMITED

Notes to the Consolidated Financial Statements - continued

For the year ended 31 March 2023

10. Net (expenditure) / income

This is stated after charging / (crediting):	2023 £	2022 £
Hire of equipment	1,391	1,391
Rent	101,478	93,056
Auditor's remuneration	19,055	13,000
Auditor's remuneration - non audit services	10,950	765
Depreciation	41,338	51,407
Gain on disposal of fixed assets	(6,200)	-
The (deficit) / surplus for the year arose as follows:		
Scottish Chamber Orchestra Limited	(124,243)	206,186
SCO Trading Limited	(41)	164
Total	(124,284)	206,350

11. Staff numbers and costs

The average monthly number of employees of the group during the year was as follows:	2023 Number	2022 Number
Office and management	24	24
The aggregate remuneration and associated costs of the group's employees were:		
	2023 £	2022 £
Wages and salaries	777,766	748,660
Employer's NI contributions	76,017	70,164
Employer's pension contributions	77,446	74,618
	931,229	893,442

One employee received aggregate remuneration in the range of £100,000 - £110,000 during the year (2022: none). No employee received aggregate remuneration in the range £90,000-£100,000 during the year (2022: one). One employee received aggregate remuneration in the range of £60,000 - £70,000 during the year (2022: none). The above remuneration does not include employer pension costs or employer national insurance contributions.

Employer's pension contributions in respect of the employees amounted to £16,275 (2022: £9,476).

The key management personnel of the group is comprised of six employees: Chief Executive, Concerts Director, Creative Learning Director, Director of Development, Marketing & Communications Director, Finance & Administration Director. The cost to the company of salaries, benefits in kind, pension contributions and employer's national insurance contributions for key management was £433,072 (2022: £405,293).

SCOTTISH CHAMBER ORCHESTRA LIMITED

Notes to the Consolidated Financial Statements – continued

For the year ended 31 March 2023

12. Tangible assets - group and company	Furniture & Fittings	Computer Systems	Musical Instruments	Music	Motor Vehicles	Total
Cost	£	£	£	£	£	£
At 1 April 2022	33,585	129,158	266,760	91,605	146,563	667,671
Additions	-	13,754	-	-	17,998	31,752
Disposals	-	-	-	-	(9,195)	(9,195)
At 31 March 2023	33,585	142,912	266,760	91,605	155,366	690,228
Depreciation						
At 1 April 2022	33,585	102,809	237,147	90,513	120,059	584,113
Provided for year	-	15,645	8,851	667	16,175	41,338
Disposals	-	-	-	-	(9,195)	(9,195)
At 31 March 2023	33,585	118,454	245,998	91,180	127,039	616,256
Net book value						
At 31 March 2023	-	24,458	20,762	425	28,327	73,972
At 31 March 2022	-	26,349	29,613	1,092	26,504	83,558

13. Investments

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Quoted investments	758,337	825,289	758,337	825,289
Cash	93,210	13,260	93,210	13,260
Investment in subsidiary company	-	-	100	100
	851,547	838,549	851,647	838,649

The investment in the subsidiary represents 100% of the issued share capital of SCO Trading Limited. The company is a trading company registered in Scotland (no. SC126870), the registered address is 4 Royal Terrace, Edinburgh, Midlothian, EH7 5AB.

The net assets of SCO Trading at 31 March 2023 are £821 (2022: £862), which comprise current assets of £1,797 (2022: £13,085) less current liabilities of £976 (2022: £12,223). Relevant financial information regarding SCO Trading Limited for the year ended 31 March 2023 is as follows:

	2023 £	2022 £
Turnover	-	943
Gross profit	-	376
Administration expenses	-	(212)
Operating profit	-	164
Profit before tax	-	164
Tax	-	-
Net profit	-	164

Gift aid of £41 was paid to the parent charity during the year (2022: £nil).

SCOTTISH CHAMBER ORCHESTRA LIMITED

Notes to the Consolidated Financial Statements - continued

For the year ended 31 March 2023

13. Investments (continued)

Quoted investments	Group and Company		
	2023 £	2022 £	
Fair value at 1 April	825,289	789,320	
Less: disposals at cost (proceeds £14,367, loss £4,236)	(18,603)	(62,879)	
Add: acquisitions at cost	8,062	61,943	
Net movements on revaluation at 31 March	(56,411)	36,905	
Fair value at 31 March	758,337	825,289	
	2023 £	2022 £	
Historical cost at 31 March	533,231	543,729	
The total portfolio is analysed as follows:	UK £	Non-UK £	Total £
Investments listed on a recognised stock exchange	377,439	380,898	758,337
Cash	93,210	0	93,210
Total	470,649	380,898	851,547
The investments are managed by Adam and Company Investment Management. The holdings comprising in excess of 5% of the total market value of the investments at 31 March 2023 were:			Market Value £
Findlay Park American ICAV USD	11.08%	94,315	
Lazard Global Listed Infrastructure Equity Fund A Dist GBP	6.45%	54,939	
Polar Capital Technology Trust	5.39%	45,885	

14. Stocks	Group	Group	Company	Company
	2023 £	2022 £	2023 £	2022 £
Compact discs and other related merchandise	8,324	11,247	8,324	-

SCOTTISH CHAMBER ORCHESTRA LIMITED

Notes to the Consolidated Financial Statements - continued

For the year ended 31 March 2023

15. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	122,727	69,679	122,727	69,679
Prepayments and accrued income	1,559,807	622,473	1,559,807	622,473
Other debtors	119,546	38,381	119,546	38,381
Amounts due from subsidiary company	-	-	976	12,223
	1,802,080	730,533	1,803,056	742,756

16. Creditors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade creditors	243,340	265,654	243,340	265,654
Social security and other taxes	51,904	79,854	51,904	79,854
Other creditors	111,051	86,527	111,051	86,527
Accruals and deferred income	446,883	660,449	446,883	660,449
	853,178	1,092,484	853,178	1,092,484

Included within the balance of accruals and deferred income are donations which contain terms and conditions that must be met before the charity is entitled to the resources. Advance ticket sales are also deferred. The movement in deferred income was as follows:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Advance funding & ticket sales b/fwd	287,620	550,520	287,620	550,520
Advance funding & ticket sales released in year	(556,640)	(301,600)	(556,640)	(301,600)
Advance funding & ticket sales received in year	453,420	38,700	453,420	38,700
As at 31 March 2023	184,400	287,620	184,400	287,620

SCOTTISH CHAMBER ORCHESTRA LIMITED

Notes to the Consolidated Financial Statements - continued

For the year ended 31 March 2023

17. Statement of Funds - Group

	At 1 April 2022 £	Income £	Expenditure £	Investment Gains £	Orchestra Tax Relief £	Transfers In / (Out) £	At 31 March 2023 £
Unrestricted Funds							
Revenue Reserve	212,723	4,251,370	(4,777,765)	-	1,018,936	(550,000)	155,264
General Reserve	230,777	-	-	-	-	-	230,777
Total Unrestricted	443,500	4,251,370	(4,777,765)	-	1,018,936	(550,000)	386,041
Designated Funds							
Property Fund	486,269	-	-	(65,952)	-	50,000	470,317
<i>Other Designated Funds</i>							
Recordings	142,991	9,176	-	-	-	65,000	217,167
Business Recovery	348,906	-	(32,000)	-	-	-	316,906
International Touring	152,000	30,000	(131,712)	-	-	125,000	175,288
American Development	253,868	35,011	(207,486)	-	-	-	81,393
CPD / Healthy Orchestra	47,197	-	(615)	-	-	50,000	96,582
50 th Anniversary	100,000	-	-	-	-	185,000	285,000
Digital Projects	260,000	-	(39,025)	-	-	75,000	295,975
Total Other Designated	1,304,962	74,187	(410,838)	-	-	500,000	1,468,311
Restricted Funds							
Creative Learning	-	176,225	(176,225)	-	-	-	-
SCO Productions	322,519	91,711	(277,726)	-	-	-	136,504
SCO Hall Development	83,291	-	-	-	-	-	83,291
SCO Fixed Assets	202,706	-	(28,207)	-	-	-	174,499
Total Restricted	608,516	267,936	(482,158)	-	-	-	394,294
Total Funds	2,843,247	4,593,493	(5,670,761)	(65,952)	1,018,936	-	2,718,963

SCOTTISH CHAMBER ORCHESTRA LIMITED

Notes to the Consolidated Financial Statements - continued

For the year ended 31 March 2023

17. Statement of Funds - Company

	At 1 April 2022 £	Income £	Expenditure £	Investment Gains £	Orchestra Tax Relief £	Transfers In / (Out) £	At 31 March 2023 £
Unrestricted Funds							
Revenue Reserve	211,961	4,251,370	(4,777,724)	-	1,018,936	(550,000)	154,543
General Reserve	230,777	-	-	-	-	-	230,777
Total Unrestricted	442,738	4,251,370	(4,777,724)	-	1,018,936	(550,000)	385,320
Designated Funds							
Property Fund	486,269	-	-	(65,952)	-	50,000	470,317
<i>Other Designated Funds</i>							
Recordings	142,991	9,176	-	-	-	65,000	217,167
Business Recovery	348,906	-	(32,000)	-	-	-	316,906
International Touring	152,000	30,000	(131,712)	-	-	125,000	175,288
American Development	253,868	35,011	(207,486)	-	-	-	81,393
CPD / Healthy Orchestra	47,197	-	(615)	-	-	50,000	96,582
50 th Anniversary	100,000	-	-	-	-	185,000	285,000
Digital Projects	260,000	-	(39,025)	-	-	75,000	295,975
Total Other Designated	1,304,962	74,187	(410,838)	-	-	500,000	1,468,311
Restricted Funds							
Creative Learning	-	176,225	(176,225)	-	-	-	-
SCO Productions	322,519	91,711	(277,726)	-	-	-	136,504
SCO Hall Development	83,291	-	-	-	-	-	83,291
SCO Fixed Assets	202,706	-	(28,207)	-	-	-	174,499
Total Restricted	608,516	267,936	(482,158)	-	-	-	394,294
Total Funds	2,842,485	4,593,493	(5,670,720)	(65,952)	1,018,936	-	2,718,242

Unrestricted Funds are funds that are available for the company to use toward any purpose.

Revenue Reserve: set aside to offset adverse variances arising from normal operations and to provide some flexibility for Trustees to consider in-year changes to planned activity.

General Reserve: as suggested by the name, general reserves are not kept aside for any particular purpose other than the general financial strengthening of the company in line with the agreed Reserves Policy.

Designated Funds are unrestricted funds that have been set aside by the company for a specific purpose.

Property Fund: arising from the sale of a previously owned property and to support lease commitments regarding repairs and maintenance of the administration office.

Recordings: to support plans to record further CDs for commercial release.

Business Recovery: to support transition and recovery from the effects of COVID-19.

International Touring: to support planned trips to Paris, Hamburg and other international engagements.

American Development: to underpin USA-related activity and/or touring in future seasons.

CPD / Healthy Orchestra: to support health initiatives for Performing Members, and matched funding towards continuing professional development (CPD) activities which will enhance the work of musicians with the SCO.

50th Anniversary: to enable commissions and/or projects to be realised in the SCO's 50th anniversary season 2024/5

Digital Projects: to support ongoing digital infrastructure, projects and activity.

SCOTTISH CHAMBER ORCHESTRA LIMITED

Notes to the Consolidated Financial Statements - continued

For the year ended 31 March 2023

17. Statement of Funds – Company (continued)

Restricted Funds are reserves where the use to which the income can be put is specified by the grantor or donor. In all cases, the uses to which the income can be put must be within the Objects of the company.

Creative Learning Fund: to support education and community engagement activity.

SCO Productions Fund: to support specific SCO Productions and activity, e.g. additional SCO Chorus activity

SCO Hall Development Fund: SCO projects and planning for a proposed move to the Dunard Centre a new all-purpose performance venue in Edinburgh.

SCO Fixed Assets Fund: a balance of grants relating to capital expenditure offset by ongoing depreciation of the restricted asset purchases.

17. Statement of Funds – Group (Comparative)

	At 1 April 2021 restated £	Income £	Expenditure £	Investment Losses £	Orchestra Tax Relief £	Transfers In / (Out) £	At 31 March 2022 £
Unrestricted Funds							
Revenue Reserve	254,835	3,322,522	(3,756,341)	-	376,707	15,000	212,723
General Reserve	230,777	-	-	-	-	-	230,777
Total Unrestricted	485,612	3,322,522	(3,756,341)	-	376,707	15,000	443,500
Designated Funds							
Property Fund	445,559	-	-	40,710	-	-	486,269
<i>Other Designated Funds</i>							
Recordings	208,211	8,212	(73,432)	-	-	-	142,991
Business Recovery	401,932	-	(53,026)	-	-	-	348,906
International Touring	125,000	27,000	-	-	-	-	152,000
American Development	222,600	31,268	-	-	-	-	253,868
CPD / Healthy Orchestra	50,000	-	(2,803)	-	-	-	47,197
50 th Anniversary	100,000	-	-	-	-	-	100,000
Digital Projects	260,000	-	-	-	-	-	260,000
Total Other Designated	1,367,743	66,480	(129,261)	-	-	-	1,304,962
Restricted Funds							
Creative Learning	-	201,500	(201,500)	-	-	-	-
SCO Productions	38,628	416,743	(117,852)	-	-	(15,000)	322,519
SCO Hall Development	83,291	-	-	-	-	-	83,291
SCO Fixed Assets	216,064	18,000	(31,358)	-	-	-	202,706
Total Restricted	337,983	636,243	(350,710)	-	-	(15,000)	608,516
Total Funds	2,636,897	4,025,245	(4,236,312)	40,710	376,707	-	2,843,247

SCOTTISH CHAMBER ORCHESTRA LIMITED

Notes to the Consolidated Financial Statements - continued

For the year ended 31 March 2023

17. Statement of Funds – Company (Comparative)

	At 1 April 2021 restated £	Income £	Expenditure £	Investment Losses £	Orchestra Tax Relief £	Transfers In / (Out) £	At 31 March 2022 £
Unrestricted Funds							
Revenue Reserve	254,237	3,321,579	(3,755,562)	-	376,707	15,000	211,961
General Reserve	230,777	-	-	-	-	-	230,777
Total Unrestricted	485,014	3,321,579	(3,755,562)	-	376,707	15,000	442,738
Designated Funds							
Property Fund	445,559	-	-	40,710	-	-	486,269
<i>Other Designated Funds</i>							
Recordings	208,211	8,212	(73,432)	-	-	-	142,991
Business Recovery	401,932	-	(53,026)	-	-	-	348,906
International Touring	125,000	27,000	-	-	-	-	152,000
American Development	222,600	31,268	-	-	-	-	253,868
CPD / Healthy Orchestra	50,000	-	(2,803)	-	-	-	47,197
50 th Anniversary	100,000	-	-	-	-	-	100,000
Digital Projects	260,000	-	-	-	-	-	260,000
Total Other Designated	1,367,743	66,480	(129,261)	-	-	-	1,304,962
Restricted Funds							
Creative Learning	-	201,500	(201,500)	-	-	-	-
SCO Productions	38,628	416,743	(117,852)	-	-	(15,000)	322,519
SCO Hall Development	83,291	-	-	-	-	-	83,291
SCO Fixed Assets	216,064	18,000	(31,358)	-	-	-	202,706
Total Restricted	337,983	636,243	(350,710)	-	-	(15,000)	608,516
Total Funds	2,636,299	4,024,302	(4,235,533)	40,710	376,707	-	2,842,485

SCOTTISH CHAMBER ORCHESTRA LIMITED

Notes to the Consolidated Financial Statements - continued

For the year ended 31 March 2023

18. Analysis of net assets between funds

Group	Fixed Assets	Other Net Assets	Total 2023
	£	£	£
Unrestricted Funds	751,020	(364,979)	386,041
Designated Property Fund	-	470,317	470,317
Other Designated Funds	-	1,468,311	1,468,311
Restricted Funds	174,499	219,795	394,294
Total	925,519	1,793,444	2,718,963

Company	Fixed Assets	Other Net Assets	Total 2023
	£	£	£
Unrestricted Funds	751,120	(365,800)	385,320
Designated Property Fund	-	470,317	470,317
Other Designated Funds	-	1,468,311	1,468,311
Restricted Funds	174,499	219,795	394,294
Total	925,619	1,792,623	2,718,242

**Analysis of net assets between funds
(Comparative)**

Group	Fixed Assets	Other Net Assets	Total 2022
	£	£	£
Unrestricted Funds	719,401	(275,901)	443,500
Designated Property Fund	-	486,269	486,269
Other Designated Funds	-	1,304,962	1,304,962
Restricted Funds	202,706	405,810	608,516
Total	922,107	1,921,140	2,843,247

Company	Fixed Assets	Other Net Assets	Total 2022
	£	£	£
Unrestricted Funds	719,501	(276,763)	442,738
Designated Property Fund	-	486,269	486,269
Other Designated Funds	-	1,304,962	1,304,962
Restricted Funds	202,706	405,810	608,516
Total	922,207	1,920,278	2,842,485

SCOTTISH CHAMBER ORCHESTRA LIMITED

Notes to the Consolidated Financial Statements - continued

For the year ended 31 March 2023

19. Constitution

The company is limited by guarantee and has no share capital. Each member of the company has undertaken to contribute an amount not exceeding £1 towards the deficit arising in the event of the SCO being placed in liquidation. As at the conclusion of the last annual general meeting, there were 54 members (30 performing and 24 lay).

20. Taxation

There is no liability for tax as the holding company is accepted for charitable status in Scotland by HM Revenue & Customs. The subsidiary, SCO Trading Limited donates all profit to the holding company by gift aid and therefore has no liability to tax.

21. Capital commitments

At 31 March 2023, capital expenditure to the value of £nil was committed, but not provided for in the financial statements (2022 - £nil).

22. Operating lease commitments

At 31 March 2023, the group had total future commitments under non-cancellable operating leases payable as follows:-

	2023 £	2022 £
Lease of premises		
Within one year	118,978	117,838
Within two to five years	70,000	-
Office equipment		
Within one year	1,196	1,196
Within two to five years	598	1,794

The subsidiary Company does not have any operating leases.

SCOTTISH CHAMBER ORCHESTRA LIMITED

Notes to the Consolidated Financial Statements - continued

For the year ended 31 March 2023

23. Funding from public bodies

The Scottish Chamber Orchestra receives financial support from the Scottish Government and Local Authorities throughout Scotland through revenue funding. The principal grants received during the year were as follows:-

	Group and Company	
	2023	2022
	£	£
Scottish Government		
Core Revenue	1,992,000	1,992,000
International Touring Fund	75,000	75,000
Other Project Funding	-	359,743
Total Scottish Government	2,067,000	2,426,743
The City of Edinburgh Council	50,000	50,000
Total other public bodies	50,000	50,000
Total funding from public bodies	2,117,000	2,476,743

24. Related Party Transactions

No director receives any remuneration or expenses as a result of their office as a director. The City of Edinburgh Council, Glasgow City Council and Fife Council have nominated representatives who were appointed directors of the company. City of Edinburgh Council awards an annual core grant to the company (Note 23). During the year the aggregate amount of donations received from directors was £10,800 (2022: £22,975).

Exemption has been taken under FRS 102 section 33: 'Related Party Disclosures' paragraph 33.1A from disclosing group related transactions as the entire share capital and voting rights of all subsidiaries are held within the group.