

**SCOTTISH CHAMBER ORCHESTRA LIMITED**

**Directors' Report and  
Consolidated Financial Statements**

**For the year ended 31 March 2022**

*Company Registration Number SC075079  
Registered Charity Number SC015039*

**SCOTTISH CHAMBER ORCHESTRA LIMITED**

**Directors' Report and Consolidated Financial Statements**

**For the year ended 31 March 2022**

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# SCOTTISH CHAMBER ORCHESTRA LIMITED

## Directors' Report

### For the year ended 31 March 2022

The directors have pleasure in presenting their report and audited consolidated financial statements for the year ended 31 March 2022.

#### **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

# SCOTTISH CHAMBER ORCHESTRA LIMITED

## Directors' Report

For the year ended 31 March 2022

### Achievements and performance

COVID-19 continued to shape and influence our activities and working practices during the 2021/22 financial year. Ongoing restrictions meant we were unable to commence indoor concerts with live audiences in a sustained way until the middle of September 2021. We therefore continued to concentrate our resources on filmed events for online broadcast. Orchestra activity in April, May and June took place in Perth Concert Hall, a venue large enough to help mitigate people flow and ventilation at this critical time. This period continued to challenge us as we endeavoured to create a viable schedule that provided a high-quality programme for our audiences and Creative Learning partners and participants and work for our players. New quarantining restrictions for travellers (including conductors and soloists), in and out of the UK, added to the obstacles.

Our organizational priorities focused on:

- A revised and updated programme of delivery appropriate to the developing circumstances
- Audience and stakeholder engagement
- Preparing for a return to live events
- Business continuity and organisational resilience
- Support for Performing Members

We were pleased to be able to welcome a small audience into Perth Concert Hall for a recording of Mendelssohn's Violin Concerto for the Perth Festival of the Arts, with violinist Nicola Benedetti on 18<sup>th</sup> May. It was an important, and emotional afternoon as we made direct musical connections with an audience for the first time since 14th March 2020. It is quite impossible to underestimate just how much we all missed live audiences.

Key points and achievements throughout the financial year 2021/22 were as follows:

#### Programme Delivery

- We concluded our 2020/21 Season in April and May with well-received digital orchestral concerts from Perth Concert Hall featuring Conductor Emeritus, Joseph Swensen, Douglas Boyd and Sir James MacMillan performing alongside our Co-Leader Stephanie Gonley, saxophonist Jess Gillam, pianist Steven Osborne and percussionist Colin Currie. These were all released via our You Tube and Facebook channels as pre-recorded broadcasts without requirement for registration or paywall and resulted in average of c.6,000 views per concert.
- During this period, we also filmed a project for East Neuk Festival (with conductor-composer Thomas Adès and guitarist Sean Shibe) and recorded our Family Concert Stan and Mabel which was viewed 7,013 times.
- Filming continued into June with two projects which were released later in the year featuring Andrew Manze, and Kristian Bezuidenhout respectively.
- A cautious sense of optimism continued into August and September, with highly successful and well-received appearances to live audiences delivered outdoors at the Edinburgh International Festival and indoors at the Royal Albert Hall as part of the BBC Proms. There were complementary broadcasts on BBC Radio 3, BBC4 and iPlayer. Concerts in Musselburgh, Hamilton, Blair Castle and Duns, plus the Lammermuir Festival all contributed to a busy and productive time during the second half of the Summer.
- August also saw the filming of Haydn's Symphony No 103 and Stravinsky's Pulcinella with Principal Conductor Maxim Emelyanychev and for this year's secondary school flagship *Masterworks* project, Julia Wolfe's riSE and fLY (sic) with conductor Rebecca Tong and percussionist Colin Currie. From September onwards, a blended Winter Season of live weekly concerts complemented by selected online content worked well.
- In January, following a hiatus due to Omicron, we were pleased to return to live performance in an uplifting collaboration at Celtic Connections collaboration with singer Abi Sampa and the Orchestral Qawwali Project and internationally renowned Sitar player, Anoushka Shankar.

# SCOTTISH CHAMBER ORCHESTRA LIMITED

## Directors' Report

For the year ended 31 March 2022

### Audience and stakeholder engagement / Preparing for a return to live events

We were unable to present our usual extensive programme of summer touring throughout Scotland. To keep the spirit of Summer Touring alive, we curated and produced a series of six Musical Postcards for social media, featuring players performing in venues including Edinburgh Castle, Stirling Castle, The Kelpies, and Dundee's V+A.

August also saw the launch and opening events of our new Community Residency in the Craigmillar area of Edinburgh. SCO in Craigmillar is a five-year programme of music and cross-artform workshops and performances for residents of all ages in Greater Craigmillar. The programme includes nine ongoing creative projects in schools, nurseries and community centres, two commissioned community performances, involvement in and support of the recently revived Craigmillar Festival and free access to SCO city centre events such as our annual Family Festival. The aims of this ambitious project include enhancing school and community culture through positive interactions, helping reduce social isolation and improving wellbeing, improving local people's confidence and bringing live music-making to audiences who would not normally engage with the SCO.

Much of our Creative Learning programme transitioned successfully to digital during a year where face-to-face activity was not possible. Notably our talent development initiative SCO Academy in partnership with St Mary's Music School, New Vibe in partnership with NHS Lothian Child and Adolescent Mental Health Service, and ReConnect, our music-making project for people living with dementia.

As restrictions eased, a full programme of activity including New Vibe, ReConnect and Arts Alive (a national programme for schools, encouraging creativity, wellbeing, musical and social interaction, delivered collaboratively with the Scottish Book Trust) were all reinvigorated in person.

Our Youth Advisory Council (comprising nineteen young people aged 16-24) has had the opportunity to get to know musicians, management and Board members and learn about the activities and people who make up the Scottish Chamber Orchestra. The purpose of the council is to incorporate young voices into the SCO; to contribute advice and ideas to the main Board and on the SCO's strategic plans; to advise SCO Board, staff and musicians on content for young people in particular; to organise a series of events and to act as ambassadors for the SCO. We look forward to hearing more from them in the coming months.

In late September, the orchestra spent a day in Assumption Studios in Glasgow, making a special film of a new work by Greg Lawson, commissioned by Aviva Investors with the aim of inspiring climate action through music. Featuring violinist Pekka Kuusisto, *Symbiosis* was premiered online on 31st October to coincide with the COP26 Climate Conference in Glasgow.

Finally in September, our Chorus rehearsed together for the first time since March 2020 and subsequently recorded three short a capella pieces for online broadcast. Unfortunately, annual performances in Greyfriars Kirk in December had to be cancelled due to Omicron but the online broadcasts reached a wide audience; one of the films featured Zoë McWhinney performing an emotionally stirring BSL interpretation of the Purcell choral anthem *Hear My Prayer, O Lord*. This was released in March 2022 to coincide with Sign Language Week.

From September onwards, mask wearing indoors remained a legal requirement in Scotland and social distancing continued, both front and back of house. Whilst it was an option to offer 100% of seats for sale, research and feedback indicated a continued preference amongst our core audience for distanced seating to remain. Therefore, until the end of the calendar year, one-act concerts without intervals, reduced audiences at all venues – around 40-45% – as well as extra space requirements on stage to accommodate a full chamber orchestra remained in force.

We have been constantly reviewing and adapting our approach to public performance with a view to relaxing mitigations when considered safe to do so. Whilst continuing with this policy, following lifting of restrictions in January 2022, we hope we can now look forward to re-engaging in person with our stakeholders at concert halls and in the wider community.

## **SCOTTISH CHAMBER ORCHESTRA LIMITED**

### **Directors' Report**

**For the year ended 31 March 2022**

#### Business continuity, organizational resilience / Support for Performing Members

We are pleased to report that our core grant from the Scottish Government for the Financial Year 2021/22 remained stable, being held at 2020/21 levels. Further one-off capital and revenue grants enabled us to upgrade IT, provide ongoing support to our freelance Performing Members throughout the year, and invest further in staff and player development via Health and Safety training, attendance at the Association of British Orchestras annual conference and consultancy and staff/player workshops relating to Equality, Diversity & Inclusion.

The second year of a three-year award from CEC of £50k per annum was utilized to enhance our activity in the city across the concert platform and in the community.

We have been fortunate that so many loyal individuals have continued to donate to the SCO (especially during a time of no live concerts) and we were pleased with the response to our first ever Christmas Give which took place between 30 November and 7 December, as we sought to reengage with the many who supported our online concerts with donations. It is also testimony to our work in Creative Learning and our relationships with funders that many charitable trusts have agreed to defer grants until such time that we can fulfil our aims and their desired outcomes – especially in a year when applications for Trust and Foundation grants have been higher than any previous year. We know demand for these funds is now extraordinarily competitive and are grateful to all our funders.

In terms of environmental sustainability, we continue to review our annual carbon footprint, emissions, and energy consumption. Whilst there are measures to be put in place which aim to reduce each of these, it is inevitably touring – particularly internationally – where our footprint is highest. We are considering several ways of minimizing the impact of our touring activities and reducing the impact of international travel. Offsetting will be part of this strategy and as a first step, in September 2021, we purchased 250 PIUs (Pending Issuance Units) from Trees for Life. Each PIU represents one tonne of carbon dioxide sequestration at a future date from a project (e.g., forestry plantation) which has been validated under the Woodland Carbon Code. We also contributed to the Scottish Classical Sustainability Group and supported the publication in July of the Scottish Classical Music Green Guide.

As the Company is nearing the end of a 5-year Strategic Plan (2017-2022), a consultation exercise was initiated towards the end of the current financial year with the intention to agree a refreshed plan for 2023-2028 by October 2022.

## SCOTTISH CHAMBER ORCHESTRA LIMITED

### Directors' Report

For the year ended 31 March 2022

#### Financial review

The results for the year are detailed in the Consolidated Statement of Financial Activities on page 15. Total income and expenditure are considerably higher than in prior year due to an increase in activity (e.g. more digital concerts and a partial resumption of in-person concerts) and therefore a corresponding increase in performance income (ticket sales and engagement fees) and associated costs.

The consolidated net movement in funds is £206,350 (2021: £882,435). The principal movements in the current year are:

- a deficit in unrestricted funds before transfers of £57,112 (2021: surplus £606,136). 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 activity was sustained by an Orchestra tax credit of £377k.
- an increase in the designated Property Fund of £40,710 (2021: surplus £124,149) arising from the performance of the investment portfolio (see note below)
- a deficit in other designated funds of £62,781 (2021: surplus £198,048). This was incurred via planned expenditure on a CD recording and continued utilisation of a Business Recovery fund to sustain activity during 2021/22 and help support our musicians.
- an increase in Restricted Funds of £285,533 (2021: deficit £45,898), primarily due to receipt of Scottish Government funding to provide support through Omicron (Jan 2022) and beyond, e.g. including preparations for a European tour delivered shortly after the year-end in May 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 and a tour to the USA which has been delayed due to the pandemic but is now scheduled for October 2022.

On the Balance Sheet, the Revenue Reserve shows a surplus of £212,723, (2021 restated: surplus £254,835) and is underpinned by the General Reserve of £230,777 (2021: £230,777). Total unrestricted general funds on the balance sheet are therefore £443,500 (2021 restated: £485,612). The prior year restatement is due to recognition of a prepayment with regard to rent and is explained more fully in note 26.

Movements in restricted funds are detailed in note 17. The balance of restricted funds at year end of £608,516 (2021: £337,983) 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 2022, the group had total reserves of £2,843,247 (2021 restated: £2,636,897) which is above target level. However, within this balance are £608,516 (2021: £337,983) 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 increased by 7.34% over the 12 months to 31 March 2022 compared to a peer group composite benchmark index which increased by 5.13% over the same period.

# SCOTTISH CHAMBER ORCHESTRA LIMITED

## Directors' Report

For the year ended 31 March 2022

### ***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 to reflect the volatility of the current situation and particularly the impact of COVID-19 on operations, including safe working practices, venue availability, and travel and quarantine restrictions on international artists. As financial margins become increasingly tighter, there is an increased risk from any unavoidable changes in planning or unexpected box-office returns. The latter is expected to be significantly affected and will therefore be 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 has recently refreshed its 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 will continue to adapt its output to meet the dynamic and challenging landscape described above. Within the next year it hopes to:

- return to live music-making in more sustained and normal circumstances – welcoming back audiences and supporters across Scotland.
- undertake two international tours and other engagements – to Europe in May and to the USA in October
- consult with stakeholders and develop a refreshed strategic plan covering 2023-2028
- move into a second year of its Craigmillar residency in Edinburgh
- seek to appoint a new Associate Composer

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

### Directors' Report

For the year ended 31 March 2022

#### 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 2022

### 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)

David Cumming resigned 10/1/22

Zoe van Zwanenberg

Rachael Erskine

Joanna Baker, CBE

Sarah Davidson, CB

#### Local Authority

Cllr Donald Wilson (Edinburgh) resigned 5/5/22

Cllr Val Walker (Edinburgh) appointed 6/10/22

Cllr Christina Cannon (Glasgow) resigned 12/4/21

Cllr Eva Bolander (Glasgow) appointed 12/4/21

Cllr Rosemary Liewald (Fife) resigned 6/10/22

Cllr Jonny Tepp (Fife) appointed 6/10/22

### Company Secretary

Ian White, CA

### Orchestra Advisers

Laura Comini resigned 1/8/21

Peter Franks

Donald Gillan resigned 31/5/21

Louise Goodwin

Alison Green appointed 11/11/21

Philip Higham appointed 28/7/21

Su-a Lee

### Management team

Gavin Reid (Chief Executive)

Judith Colman (Concerts Director)

Kirsteen Davidson Kelly (Creative Learning Director)  
resigned 12/1/22

Laura Baxter (Creative Learning Director)  
appointed 7/2/22

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 2022

### 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 re-appoint Azets Audit Services, as auditor will be put to the members at the annual general meeting.

Approved by the Board of Directors on 6 October 2022

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 Ltd**  
**For the year ended 31 March 2022**

**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 2022 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 2022 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 the provisions applicable for small entities, in the circumstances set out in note 25 to the financial statements, 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 Ltd (continued)**  
**For the year ended 31 March 2022**

**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 Ltd (continued)**  
**For the year ended 31 March 2022**

**Responsibilities of the directors**

As explained more fully in the Director's Responsibilities set out on page 9, 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](http://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 Ltd (continued)**  
**For the year ended 31 March 2022**

**Auditor's responsibilities for the audit of the financial statements (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 charitable company's legal advisors.

We assessed the susceptibility of the group's 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 Ltd (continued)**  
**For the year ended 31 March 2022**

**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

Semple Street

Edinburgh

EH3 8BL

28 October 2022



**SCOTTISH CHAMBER ORCHESTRA LIMITED**

**Consolidated Statement of Financial Activities**  
*(incorporating the Consolidated Income and Expenditure Account)*  
**For the year ended 31 March 2022**

	Notes	Unrestricted Funds £	Property Fund £	Other Designated Funds £	Restricted Funds £	2022 Total £	2021 Total restated £
<b>Income from:</b>							
<i>Donations and legacies</i>							
grant income	4	2,042,000	-	58,267	636,243	2,736,510	2,589,643
sponsorship, donations, commissions and legacies	4	745,586	-	-	-	745,586	855,136
<i>Charitable activities</i>							
performance income	4	507,843	-	-	-	507,843	54,163
publications and other earned income	4	9,486	-	8,213	-	17,699	12,898
<i>Other trading activities</i>							
trading subsidiary sales	4	943	-	-	-	943	1,161
<i>Investment income</i>	4	16,664	-	-	-	16,664	14,850
<b>Total income</b>	4	3,322,522	-	66,480	636,243	4,025,245	3,527,851
<b>Expenditure on:</b>							
<i>Raising funds</i>							
development & sponsorship	6	203,670	-	-	103	203,773	180,091
trading subsidiary costs	6	779	-	-	-	779	1,284
<i>Charitable activities</i>	7	3,551,892	-	129,261	350,607	4,031,760	2,610,517
<b>Total expenditure</b>		3,756,341	-	129,261	350,710	4,236,312	2,791,892
Net gains on investments		-	40,710	-	-	40,710	124,149
<b>Net (expenditure)/income before taxation and transfers</b>		(433,819)	40,710	(62,781)	285,533	(170,357)	860,108
Orchestra tax credit		376,707	-	-	-	376,707	22,327
Net income before transfers		(57,112)	40,710	(62,781)	285,533	206,350	882,435
Transfers between funds		15,000	-	-	(15,000)	-	-
<b>Net movement in funds</b>		(42,112)	40,710	(62,781)	270,533	206,350	882,435
Total funds brought forward	17	485,612	445,559	1,367,743	337,983	2,636,897	1,754,462
<b>Total funds carried forward</b>	17	443,500	486,269	1,304,962	608,516	2,843,247	2,636,897

All the results for the year are derived from continuing operations.  
The notes on pages 20 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 2022**

	Notes	Unrestricted Funds £	Property Fund £	Other Designated Funds £	Restricted Funds £	2022 Total £	2021 Total restated £
<b>Income from:</b>							
<i>Donations and legacies</i>							
grant income	4	2,042,000	-	58,267	636,243	2,736,510	2,589,643
sponsorship, donations, commissions and legacies	4	745,586	-	-	-	745,586	855,136
<i>Charitable activities</i>							
performance income	4	507,843	-	-	-	507,843	54,163
publications and other earned income	4	9,486	-	8,213	-	17,699	12,898
<i>Investment income</i>	4	16,664	-	-	-	16,664	14,850
<b>Total income</b>	4	3,321,579	-	66,480	636,243	4,024,302	3,526,690
<b>Expenditure on:</b>							
<i>Raising funds</i>							
development & sponsorship	6	203,670	-	-	103	203,773	180,091
<i>Charitable activities</i>	7	3,551,892	-	129,261	350,607	4,031,760	2,608,146
<b>Total expenditure</b>		3,755,562	-	129,261	350,710	4,235,533	2,788,237
Net gains on investments		-	40,710	-	-	40,710	124,149
<b>Net (expenditure)/income before taxation and transfers</b>		(433,983)	40,710	(62,781)	285,533	(170,521)	862,602
Orchestra tax credit		376,707	-	-	-	376,707	22,327
Net income before transfers		(57,276)	40,710	(62,781)	285,533	206,186	884,929
Transfers between funds		15,000	-	-	(15,000)	-	-
<b>Net movement in funds</b>		(42,276)	40,710	(62,781)	270,533	206,186	884,929
Total funds brought forward	17	485,014	445,559	1,367,743	337,983	2,636,299	1,751,370
<b>Total funds carried forward</b>	17	442,738	486,269	1,304,962	608,516	2,842,485	2,636,299

All the results for the year are derived from continuing operations.  
The notes on pages 20 to 42 form part of these financial statements.

**SCOTTISH CHAMBER ORCHESTRA LIMITED**

**Consolidated Balance Sheet**

**As at 31 March 2022**

	<b>Notes</b>	<b>2022 £</b>	<b>2022 £</b>	<b>2021 restated £</b>	<b>2021 restated £</b>
<b>Fixed assets</b>					
Tangible assets	12	83,558		127,513	
Investments	13	838,549		797,839	
<b>Total fixed assets</b>			922,107		925,352
<b>Current assets</b>					
Stock	14	11,247		11,564	
Debtors	15	730,533		706,160	
Cash at bank and in hand		2,271,844		2,008,034	
<b>Total current assets</b>		3,013,624		2,725,758	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	16	(1,092,484)		(1,014,213)	
<b>Net current assets</b>			1,921,140		1,711,545
<b>Net assets</b>			2,843,247		2,636,897
<b>Reserves</b>	17				
Revenue reserve		212,723		254,835	
General reserve		230,777		230,777	
<b>Total unrestricted funds</b>			443,500		485,612
Property fund			486,269		445,559
Other designated funds			1,304,962		1,367,743
Restricted funds			608,516		337,983
<b>Total funds</b>			2,843,247		2,636,897

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 6 October 2022 and are signed on its behalf by:



..... Chairman  
Colin Buchan

Company Registration Number SC075079

The notes on pages 20 to 42 form part of these financial statements.


**SCOTTISH CHAMBER ORCHESTRA LIMITED**

**Company Balance Sheet**

**As at 31 March 2022**

	<b>Notes</b>	<b>2022 £</b>	<b>2022 £</b>	<b>2021 restated £</b>	<b>2021 restated £</b>
<b>Fixed assets</b>					
Tangible assets	12	83,558		127,513	
Investments	13	838,649		797,939	
<b>Total fixed assets</b>			922,207		925,452
<b>Current assets</b>					
Debtors	15	742,756		719,349	
Cash at bank and in hand		2,270,006		2,005,711	
<b>Total current assets</b>		3,012,762		2,725,060	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	16	(1,092,484)		(1,014,213)	
<b>Net current assets</b>			1,920,278		1,710,847
<b>Net assets</b>			2,842,485		2,636,299
<b>Reserves</b>	17				
Revenue Reserve		211,961		254,237	
General Reserve		230,777		230,777	
<b>Total unrestricted funds</b>			442,738		485,014
Property fund			486,269		445,559
Other designated funds			1,304,962		1,367,743
Restricted funds			608,516		337,983
<b>Total charity funds</b>			2,842,485		2,636,299

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 6 October 2022 and are signed on its behalf by:



..... Chairman  
Colin Buchan

Company Registration Number SC075079

The notes on pages 20 to 42 form part of these financial statements.

**SCOTTISH CHAMBER ORCHESTRA LIMITED**

**Consolidated and Company Statement of Cash Flows**

**As at 31 March 2022**

	Note	<b>Group</b>		<b>Company</b>	
		<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
<b>NET CASH FROM OPERATING ACTIVITIES:</b>	1A	<b>254,598</b>	<b>1,344,382</b>	<b>255,083</b>	<b>1,347,886</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Investment income		16,664	14,850	16,664	14,850
Proceeds from sale of tangible fixed assets		-	4,167	-	4,167
Purchase of tangible fixed assets		(7,452)	(62,929)	(7,452)	(62,929)
Proceeds from sale of investments		61,943	6,177	61,943	6,177
Purchase of investments		(61,943)	(6,178)	(61,943)	(6,178)
<b>NET CASH FROM INVESTING ACTIVITIES:</b>		<b>9,212</b>	<b>(43,913)</b>	<b>9,212</b>	<b>(43,913)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>263,810</b>	<b>1,300,469</b>	<b>264,295</b>	<b>1,303,973</b>
CASH AT THE BEGINNING OF THE YEAR		2,008,034	707,565	2,005,711	701,738
<b>CASH AT THE END OF THE YEAR</b>	1B	<b>2,271,844</b>	<b>2,008,034</b>	<b>2,270,006</b>	<b>2,005,711</b>

<b>Note 1A</b>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Net income for the year	206,350	882,435	206,186	884,929
Adjustments for:				
Depreciation charges	51,407	45,878	51,407	45,878
Gains on investments	(40,710)	(124,149)	(40,710)	(124,149)
Investment income	(16,664)	(14,850)	(16,664)	(14,850)
Gain on sale of fixed assets	-	(4,167)	-	(4,167)
Decrease in stock	317	437	-	-
(Increase) / decrease in debtors	(24,373)	454,489	(23,407)	455,681
Increase in creditors	78,271	104,309	78,271	104,564
<b>Net cash from operating activities</b>	<b>254,598</b>	<b>1,344,382</b>	<b>255,083</b>	<b>1,347,886</b>

<b>Note 1B – Analysis of cash and cash equivalents including changes in net debt GROUP</b>	<b>At 1 April 2021</b>	<b>Cashflows</b>	<b>Non-cash Changes</b>	<b>At 31 March 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	2,008,034	263,810	-	2,271,844
<b>COMPANY</b>				
Cash at bank and in hand	2,005,711	264,295	-	2,270,006

The notes on pages 20 to 42 form part of these financial statements.

# **SCOTTISH CHAMBER ORCHESTRA LIMITED**

## **Notes to the Consolidated Financial Statements**

**For the year ended 31 March 2022**

### **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.

Scottish Chamber Orchestra Limited is a 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 8 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 2022

#### 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 reflect impacts and forecasted recovery from the effects of COVID-19. 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 2022

#### 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 2022

### 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 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 2022

### 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 2022**

**3. Comparative Statement of Financial Activities - Group**

	<b>Unrestricted Funds £</b>	<b>Property Fund £</b>	<b>Designated Funds £</b>	<b>Restricted Funds £</b>	<b>2021 Total £</b>
<b>Income &amp; endowments from:</b>					
<i>Donations and legacies</i>					
grant income	2,042,000	-	383,788	163,855	2,589,643
sponsorship, donations, commissions and legacies	855,136	-	-	-	855,136
<i>Charitable activities</i>					
performance income	54,163	-	-	-	54,163
publications and other earned income	570	-	12,328	-	12,898
<i>Other trading activities</i>					
trading subsidiary sales	1,161	-	-	-	1,161
<i>Investment income</i>	14,850	-	-	-	14,850
<b>Total income</b>	2,967,880	-	396,116	163,855	3,527,851
<b>Expenditure on:</b>					
<i>Raising funds</i>					
development & sponsorship	179,833	-	-	258	180,091
trading subsidiary costs	1,284	-	-	-	1,284
<i>Charitable activities</i>	2,202,954	-	198,068	209,495	2,610,517
<b>Total expenditure</b>	2,384,071	-	198,068	209,753	2,791,892
Net gains on investments	-	124,149	-	-	124,149
<b>Net income / (expenditure) before transfers and orchestra tax credit</b>	583,809	124,149	198,048	(45,898)	860,108
Orchestra tax credit	22,327	-	-	-	22,327
<b>Net income / (expenditure) before transfers</b>	606,136	124,149	198,048	(45,898)	882,435
Gross transfers between funds	(600,000)	-	600,000	-	-
<b>Net movement in funds</b>	6,136	124,149	798,048	(45,898)	882,435

**SCOTTISH CHAMBER ORCHESTRA LIMITED**

**Notes to the Consolidated Financial Statements - continued**

**For the year ended 31 March 2022**

**Comparative Statement of Financial Activities – Company**

	<b>Unrestricted Funds £</b>	<b>Property Fund £</b>	<b>Designated Funds £</b>	<b>Restricted Funds £</b>	<b>2021 Total £</b>
<b>Income &amp; endowments from:</b>					
<i>Donations and legacies</i>					
grant income	2,042,000	-	383,788	163,855	2,589,643
sponsorship, donations, commissions and legacies	855,136	-	-	-	855,136
<i>Charitable activities</i>					
performance income	54,163	-	-	-	54,163
publications and other earned income	570	-	12,328	-	12,898
<i>Investment income</i>	14,850	-	-	-	14,850
<b>Total income</b>	2,966,719	-	396,116	163,855	3,526,690
<b>Expenditure on:</b>					
<i>Raising funds</i>					
development & sponsorship	179,833	-	-	258	180,091
<i>Charitable activities</i>	2,200,583	-	198,068	209,495	2,608,146
<b>Total expenditure</b>	2,380,416	-	198,068	209,753	2,788,237
Net gains on investments	-	124,149	-	-	124,149
<b>Net income / (expenditure) before transfers and orchestra tax credit</b>	586,303	124,149	198,048	(45,898)	862,602
Orchestra tax credit	22,327	-	-	-	22,327
<b>Net income/ (expenditure) before transfers</b>	608,630	124,149	198,048	(45,898)	884,929
Gross transfers between funds	(600,000)	-	600,000	-	-
<b>Net movement in funds</b>	8,630	124,149	798,048	(45,898)	884,929

**SCOTTISH CHAMBER ORCHESTRA LIMITED**

**Notes to the Consolidated Financial Statements - continued**

**For the year ended 31 March 2022**

**4. Income**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2022 £</b>	<b>2021 £</b>	<b>2022 £</b>	<b>2021 £</b>
<b>Grant income</b>					
Funding from public bodies	23	2,476,743	2,106,574	2,476,743	2,106,574
Project funding		259,767	483,069	259,767	483,069
		2,736,510	2,589,643	2,736,510	2,589,643
<b>Sponsorship, donations, commissions and legacies</b>					
Sponsorship and Corporate Partnerships		129,725	137,750	129,725	137,750
Trusts and Individuals		615,861	717,386	615,861	717,386
		745,586	855,136	745,586	855,136
<b>Performance income</b>	5	<b>507,843</b>	<b>54,163</b>	<b>507,843</b>	<b>54,163</b>
<b>Publications &amp; other earned income</b>					
Programme & hire sales		9,486	570	9,486	570
Royalty income		8,213	12,328	8,213	12,328
		17,699	12,898	17,699	12,898
<b>Trading subsidiary sales</b>		<b>943</b>	<b>1,161</b>	<b>-</b>	<b>-</b>
<b>Investment income</b>		<b>16,664</b>	<b>14,850</b>	<b>16,664</b>	<b>14,850</b>
<b>Total income</b>		<b>4,025,245</b>	<b>3,527,851</b>	<b>4,024,302</b>	<b>3,526,690</b>

Included in the above is £636,243 (2021: £163,855) 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:

	<b>2022 £</b>	<b>2021 £</b>
United Kingdom	507,843	54,163
European Community	-	-
<b>Total</b>	<b>507,843</b>	<b>54,163</b>

**SCOTTISH CHAMBER ORCHESTRA LIMITED**

**Notes to the Consolidated Financial Statements - continued**

**For the year ended 31 March 2022**

**6. Analysis of costs of raising funds – Group**

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

**Analysis of costs of raising funds – Company**

			<b>Development &amp; Sponsorship</b>	<b>Total 2022</b>
			<b>£</b>	<b>£</b>
Direct costs			202,524	202,524
Support costs	Note 8		1,120	1,120
Governance costs	Note 9		129	129
<b>Total</b>			<b>203,773</b>	<b>203,773</b>

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

		<b>Trading Subsidiary</b>	<b>Development &amp; Sponsorship</b>	<b>Total 2021</b>
		<b>£</b>	<b>£</b>	<b>£</b>
Direct costs		1,284	177,164	178,448
Support costs	Note 8	-	2,587	2,587
Governance costs	Note 9	-	340	340
<b>Total</b>		<b>1,284</b>	<b>180,091</b>	<b>181,375</b>

**Analysis of costs of raising funds – Company (Comparative)**

			<b>Development &amp; Sponsorship</b>	<b>Total 2021</b>
			<b>£</b>	<b>£</b>
Direct costs			177,164	177,164
Support costs	Note 8		2,587	2,587
Governance costs	Note 9		340	340
<b>Total</b>			<b>180,091</b>	<b>180,091</b>

**SCOTTISH CHAMBER ORCHESTRA LIMITED**

**Notes to the Consolidated Financial Statements - continued**

**For the year ended 31 March 2022**

**7. Analysis of costs of charitable activities – Group**

		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
<b>Total</b>		<b>2,985,155</b>	<b>632,004</b>	<b>414,601</b>	<b>4,031,760</b>

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 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
<b>Total</b>		<b>2,985,155</b>	<b>632,004</b>	<b>414,601</b>	<b>4,031,760</b>

**Analysis of costs of charitable activities – Group (Comparative)**

		Promotions	Engagements & Media	Creative Learning	Total 2021
		£	£	£	£
Concert & event costs		998,863	161,777	171,652	1,332,292
Staff costs		369,962	156,644	161,554	688,160
Direct overheads		185,813	38,669	10,317	234,799
Support costs	8	237,130	53,141	23,771	314,042
Governance costs	9	31,127	6,976	3,121	41,224
<b>Total</b>		<b>1,822,895</b>	<b>417,207</b>	<b>370,415</b>	<b>2,610,517</b>

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 2021
		£	£	£	£
Concert & event costs		996,492	161,777	171,652	1,329,921
Staff costs		369,962	156,644	161,554	688,160
Direct overheads		185,813	38,669	10,317	234,799
Support costs	8	237,130	53,141	23,771	314,042
Governance costs	9	31,127	6,976	3,121	41,224
<b>Total</b>		<b>1,820,524</b>	<b>417,207</b>	<b>370,415</b>	<b>2,608,146</b>

**SCOTTISH CHAMBER ORCHESTRA LIMITED**

**Notes to the Consolidated Financial Statements - continued**

**For the year ended 31 March 2022**

**8. Analysis of support costs – Group & Company**

	<b>Raising funds £</b>	<b>Promotions</b>	<b>Engagements &amp; Media £</b>	<b>Creative Learning £</b>	<b>Total 2022 £</b>
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
<b>Total</b>	<b>1,120</b>	<b>293,016</b>	<b>43,053</b>	<b>3,500</b>	<b>340,689</b>

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

**Analysis of support costs – Group & Company (Comparative)**

	<b>Raising funds £</b>	<b>Promotions</b>	<b>Engagements &amp; Media £</b>	<b>Creative Learning £</b>	<b>Total 2021 £</b>
General Administration	1,282	117,512	26,335	11,780	156,909
Property and Utilities	1,047	95,974	21,508	9,621	128,150
Restricted fund fixed asset depreciation	258	23,644	5,298	2,370	31,570
<b>Total</b>	<b>2,587</b>	<b>237,130</b>	<b>53,141</b>	<b>23,771</b>	<b>316,629</b>

**9. Analysis of governance costs – Group & Company**

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

**Analysis of governance costs – Group & Company (Comparative)**

	<b>Raising funds £</b>	<b>Promotions</b>	<b>Engagements &amp; Media £</b>	<b>Creative Learning £</b>	<b>Total 2021 £</b>
Audit and Legal	195	17,830	3,996	1,787	23,808
Staff Time & Meetings	145	13,297	2,980	1,334	17,756
<b>Total</b>	<b>340</b>	<b>31,127</b>	<b>6,976</b>	<b>3,121</b>	<b>41,564</b>



# SCOTTISH CHAMBER ORCHESTRA LIMITED

## Notes to the Consolidated Financial Statements - continued

For the year ended 31 March 2022

### 10. Net income / (expenditure)

This is stated after charging / (crediting):	2022 £	2021 £
Hire of equipment	1,391	1,196
Rent	93,056	91,372
Auditor's remuneration	13,000	12,250
Auditor's remuneration - non audit services	765	3,145
Depreciation	51,407	45,878
Gain on disposal of fixed assets	-	(4,167)
The surplus for the year arose as follows:		
Scottish Chamber Orchestra Limited	206,186	884,929
SCO Trading Limited	164	(2,494)
<b>Total</b>	<b>206,350</b>	<b>882,435</b>

### 11. Staff numbers and costs

The average monthly number of employees of the group during the year was as follows:	2022 Number	2021 Number
Office and management	24	23
The aggregate remuneration and associated costs of the group's employees were:	2022 £	2021 £
Wages and salaries	748,660	716,609
Employer's NI contributions	70,164	67,242
Employer's pension contributions	74,618	71,617
	<b>893,442</b>	<b>855,468</b>

One employee received aggregate remuneration in the range of £90,000 - £100,000 during the year (2021: one). The above remuneration does not include employer pension costs or employer national insurance contributions.

Employer's pension contributions in respect of the employee amounted to £9,476 (2021: £9,382).

The key management personnel of the group is comprised of six employees: Chief Executive, Concerts Director, Creative Learning Director, Head 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 £405,293 (2021: £399,456).

**SCOTTISH CHAMBER ORCHESTRA LIMITED**

**Notes to the Consolidated Financial Statements – continued**

**For the year ended 31 March 2022**

<b>12. Tangible assets - group and company</b>	<b>Furniture &amp; Fittings</b>	<b>Computer Systems</b>	<b>Musical Instruments</b>	<b>Music</b>	<b>Motor Vehicles</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2021	33,970	127,271	261,771	91,605	146,563	661,180
Additions	-	2,463	4,989	-	-	7,452
Disposals	(385)	(576)	-	-	-	(961)
At 31 March 2022	33,585	129,158	266,760	91,605	146,563	667,671
<b>Depreciation</b>						
At 1 April 2021	33,849	83,298	225,301	89,727	101,492	533,667
Provided for year	121	20,087	11,846	786	18,567	51,407
Disposals	(385)	(576)	-	-	-	(961)
At 31 March 2022	33,585	102,809	237,147	90,513	120,059	584,113
<b>Net book value</b>						
At 31 March 2022	-	26,349	29,613	1,092	26,504	83,558
At 31 March 2021	121	43,973	36,470	1,878	45,071	127,513

**13. Investments**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Quoted investments	825,289	789,320	825,289	789,320
Cash	13,260	8,519	13,260	8,519
Investment in subsidiary company	-	-	100	100
	838,549	797,839	838,649	797,939

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 2022 are £862 (2021: £698), which comprise current assets of £13,085 (2021: £13,887) less current liabilities of £12,223 (2021: £13,189). Relevant financial information regarding SCO Trading Limited for the year ended 31 March 2022 is as follows:

	<b>2022 £</b>	<b>2021 £</b>
Turnover	943	1,161
Gross profit	376	368
Administration expenses	(212)	(491)
Operating profit / (loss)	164	(123)
Profit / (loss) before tax	164	(123)
Tax	-	-
Net profit / (loss)	164	(123)

**SCOTTISH CHAMBER ORCHESTRA LIMITED**

**Notes to the Consolidated Financial Statements - continued**

**For the year ended 31 March 2022**

**13. Investments (continued)**

Quoted investments	Group and Company		
	2022 £	2021 £	
Fair value at 1 April	789,320	664,988	
Less: disposals at cost (proceeds £65,900, profit £3,021)	(62,879)	(24,962)	
Add: acquisitions at cost	61,943	6,178	
Net movements on revaluation at 31 March	36,905	143,116	
<b>Fair value at 31 March</b>	<b>825,289</b>	<b>789,320</b>	
	<b>2022 £</b>	<b>2021 £</b>	
Historical cost at 31 March	543,729	544,665	
The total portfolio is analysed as follows:	<b>UK £</b>	<b>Non-UK £</b>	<b>Total £</b>
Investments listed on a recognised stock exchange	427,300	397,989	825,289
Cash	13,260	-	13,260
Total	440,560	397,989	838,549
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 2022 were:			<b>Market Value £</b>
Findlay Park American ICAV USD			94,672
Lazard Global Listed Infrastructure Equity Fund A Dist GBP			56,640

**14. Stocks**

	<b>Group</b>	<b>Group</b>
	<b>2022 £</b>	<b>2021 £</b>
Compact discs and other related merchandise	11,247	11,564

**SCOTTISH CHAMBER ORCHESTRA LIMITED**

**Notes to the Consolidated Financial Statements - continued**

**For the year ended 31 March 2022**

**15. Debtors**

	<b>Group 2022 £</b>	<b>Group 2021 restated £</b>	<b>Company 2022 £</b>	<b>Company 2021 restated £</b>
Trade debtors	69,679	20,700	69,679	20,700
Prepayments and accrued income	622,473	623,581	622,473	623,581
Other debtors	38,381	61,879	38,381	61,879
Amounts due from subsidiary company	-	-	12,223	13,189
	<b>730,533</b>	<b>706,160</b>	<b>742,756</b>	<b>719,349</b>

**16. Creditors**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Trade creditors	265,654	125,153	265,654	125,153
Social security and other taxes	79,854	32,105	79,854	32,105
Other creditors	86,527	25,826	86,527	25,826
Accruals and deferred income	660,449	831,129	660,449	831,129
	<b>1,092,484</b>	<b>1,014,213</b>	<b>1,092,484</b>	<b>1,014,213</b>

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:

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Company 2022 £</b>	<b>Company 2021 £</b>
Advance funding & ticket sales b/fwd	550,520	390,065	550,520	390,065
Advance funding & ticket sales released in year	(301,600)	(385,790)	(301,600)	(385,790)
Advance funding & ticket sales received in year	38,700	546,245	38,700	546,245
As at 31 March 2022	<b>287,620</b>	<b>550,520</b>	<b>287,620</b>	<b>550,520</b>

**SCOTTISH CHAMBER ORCHESTRA LIMITED**

**Notes to the Consolidated Financial Statements - continued**

**For the year ended 31 March 2022**

**17. Statement of Funds - Group**

	At 1 April 2021 restated £	Income £	Expenditure £	Investment Gains £	Orchestra Tax Relief £	Transfers In / (Out) £	At 31 March 2022 £
<b>Unrestricted Funds</b>							
Revenue Reserve	254,835	3,322,522	(3,756,341)	-	376,707	15,000	212,723
General Reserve	230,777	-	-	-	-	-	230,777
<b>Total Unrestricted</b>	485,612	3,322,522	(3,756,341)	-	376,707	15,000	443,500
<b>Designated Funds</b>							
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 <sup>th</sup> Anniversary	100,000	-	-	-	-	-	100,000
Digital Projects	260,000	-	-	-	-	-	260,000
<b>Total Other Designated</b>	1,367,743	66,480	(129,261)			-	1,304,962
<b>Restricted Funds</b>							
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
<b>Total Restricted</b>	337,983	636,243	(350,710)	-	-	(15,000)	608,516
<b>Total Funds</b>	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 2022

### 17. Statement of Funds - Company

	At 1 April 2021 restated £	Income £	Expenditure £	Investment Gains £	Orchestra Tax Relief £	Transfers In / (Out) £	At 31 March 2022 £
<b>Unrestricted Funds</b>							
Revenue Reserve	254,237	3,321,579	(3,755,562)	-	376,707	15,000	211,961
General Reserve	230,777	-	-	-	-	-	230,777
<b>Total Unrestricted</b>	<b>485,014</b>	<b>3,321,579</b>	<b>(3,755,562)</b>	<b>-</b>	<b>376,707</b>	<b>15,000</b>	<b>442,738</b>
<b>Designated Funds</b>							
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 <sup>th</sup> Anniversary	100,000	-	-	-	-	-	100,000
Digital Projects	260,000	-	-	-	-	-	260,000
<b>Total Other Designated</b>	<b>1,367,743</b>	<b>66,480</b>	<b>(129,261)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,304,962</b>
<b>Restricted Funds</b>							
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
<b>Total Restricted</b>	<b>337,983</b>	<b>636,243</b>	<b>(350,710)</b>	<b>-</b>	<b>-</b>	<b>(15,000)</b>	<b>608,516</b>
<b>Total Funds</b>	<b>2,636,299</b>	<b>4,024,302</b>	<b>(4,235,533)</b>	<b>40,710</b>	<b>376,707</b>	<b>-</b>	<b>2,842,485</b>

**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 Europe in May 2022 and other international engagements.

**American Development:** to underpin a planned USA tour in October 2022 and other links with the USA.

**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.

**50<sup>th</sup> Anniversary:** to enable commissions and/or projects to be realised in the SCO's 50<sup>th</sup> 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 2022**

**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 2020 restated £	Income £	Expenditure £	Investment Losses £	Orchestra Tax Relief £	Transfers In / (Out) £	At 31 March 2021 restated £
<b>Unrestricted Funds</b>							
Revenue Reserve	358,699	2,967,880	(2,384,071)	-	22,327	(710,000)	254,835
General Reserve	120,777	-	-	-	-	110,000	230,777
<b>Total Unrestricted</b>	<b>479,476</b>	<b>2,967,880</b>	<b>(2,384,071)</b>	<b>-</b>	<b>22,327</b>	<b>(600,000)</b>	<b>485,612</b>
<b>Designated Funds</b>							
Property Fund	321,410	-	-	124,149	-	-	445,559
<i>Other Designated Funds</i>							
Recordings	105,883	12,328	-	-	-	90,000	208,211
Business Recovery	300,000	300,000	(198,068)	-	-	-	401,932
International Touring	80,000	45,000	-	-	-	-	125,000
American Development	83,812	38,788	-	-	-	100,000	222,600
CPD / Healthy Orchestra	-	-	-	-	-	50,000	50,000
50 <sup>th</sup> Anniversary	-	-	-	-	-	100,000	100,000
Digital Projects	-	-	-	-	-	260,000	260,000
<b>Total Other Designated</b>	<b>569,695</b>	<b>396,116</b>	<b>(198,068)</b>			<b>600,000</b>	<b>1,367,743</b>
<b>Restricted Funds</b>							
Creative Learning	-	99,281	(99,281)	-	-	-	-
SCO Productions	84,956	32,574	(78,902)	-	-	-	38,628
SCO Hall Development	83,291	-	-	-	-	-	83,291
SCO Fixed Assets	215,634	32,000	(31,570)	-	-	-	216,064
<b>Total Restricted</b>	<b>383,881</b>	<b>163,855</b>	<b>(209,753)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>337,983</b>
<b>Total Funds</b>	<b>1,754,462</b>	<b>3,527,851</b>	<b>(2,791,892)</b>	<b>124,149</b>	<b>22,327</b>	<b>-</b>	<b>2,636,897</b>

**SCOTTISH CHAMBER ORCHESTRA LIMITED**

**Notes to the Consolidated Financial Statements - continued**

**For the year ended 31 March 2022**

**17. Statement of Funds – Company (Comparative)**

	At 1 April 2020 restated £	Income £	Expenditure £	Investment Losses £	Orchestra Tax Relief £	Transfers In / (Out) £	At 31 March 2021 restated £
<b>Unrestricted Funds</b>							
Revenue Reserve	355,607	2,966,719	(2,380,416)	-	22,327	(710,000)	254,237
General Reserve	120,777	-	-	-	-	110,000	230,777
<b>Total Unrestricted</b>	<b>476,384</b>	<b>2,966,719</b>	<b>(2,380,416)</b>	<b>-</b>	<b>22,327</b>	<b>(600,000)</b>	<b>485,014</b>
<b>Designated Funds</b>							
Property Fund	321,410	-	-	124,149	-	-	445,559
<i>Other Designated Funds</i>							
Recordings	105,883	12,328	-	-	-	90,000	208,211
Business Recovery	300,000	300,000	(198,068)	-	-	-	401,932
International Touring	80,000	45,000	-	-	-	-	125,000
American Development	83,812	38,788	-	-	-	100,000	222,600
CPD / Healthy Orchestra	-	-	-	-	-	50,000	50,000
50 <sup>th</sup> Anniversary	-	-	-	-	-	100,000	100,000
Digital Projects	-	-	-	-	-	260,000	260,000
<b>Total Other Designated</b>	<b>569,695</b>	<b>396,116</b>	<b>(198,068)</b>	<b>-</b>	<b>-</b>	<b>600,000</b>	<b>1,367,743</b>
<b>Restricted Funds</b>							
Creative Learning	-	99,281	(99,281)	-	-	-	-
SCO Productions	84,956	32,574	(78,902)	-	-	-	38,628
SCO Hall Development	83,291	-	-	-	-	-	83,291
SCO Fixed Assets	215,634	32,000	(31,570)	-	-	-	216,064
<b>Total Restricted</b>	<b>383,881</b>	<b>163,855</b>	<b>(209,753)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>337,983</b>
<b>Total Funds</b>	<b>1,751,370</b>	<b>3,526,690</b>	<b>(2,788,237)</b>	<b>124,149</b>	<b>22,327</b>	<b>-</b>	<b>2,636,299</b>



**SCOTTISH CHAMBER ORCHESTRA LIMITED**

**Notes to the Consolidated Financial Statements - continued**

**For the year ended 31 March 2022**

**18. Analysis of net assets between funds**

<b>Group</b>	<b>Fixed Assets</b>	<b>Other Net Assets</b>	<b>Total 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
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
<b>Total</b>	<b>922,107</b>	<b>1,921,140</b>	<b>2,843,247</b>

<b>Company</b>	<b>Fixed Assets</b>	<b>Other Net Assets</b>	<b>Total 2022</b>
	<b>£</b>	<b>£</b>	
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
<b>Total</b>	<b>922,207</b>	<b>1,920,278</b>	<b>2,842,485</b>

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

<b>Group</b>	<b>Fixed Assets</b>	<b>Other Net Assets</b>	<b>Total 2021 restated</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted Funds	709,288	(223,676)	485,612
Designated Property Fund	-	445,559	445,559
Other Designated Funds	-	1,367,743	1,367,743
Restricted Funds	216,064	121,919	337,983
<b>Total</b>	<b>925,352</b>	<b>1,711,545</b>	<b>2,636,897</b>

<b>Company</b>	<b>Fixed Assets</b>	<b>Other Net Assets</b>	<b>Total 2021 restated</b>
	<b>£</b>	<b>£</b>	
Unrestricted Funds	709,388	(224,374)	485,014
Designated Property Fund	-	445,559	445,559
Other Designated Funds	-	1,367,743	1,367,743
Restricted Funds	216,064	121,919	337,983
<b>Total</b>	<b>925,452</b>	<b>1,710,847</b>	<b>2,636,299</b>

# SCOTTISH CHAMBER ORCHESTRA LIMITED

## Notes to the Consolidated Financial Statements - continued

For the year ended 31 March 2022

### 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 55 members (30 performing and 25 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 2022, capital expenditure to the value of £nil was committed, but not provided for in the financial statements (2021 - £nil).

### 22. Operating lease commitments

At 31 March 2022, the group had total future commitments under non-cancellable operating leases payable as follows:-

	2022 £	2021 £
<b>Lease of premises</b>		
Within one year	117,838	107,732
Within two to five years	-	16,360
<b>Office equipment</b>		
Within one year	1,196	1,196
Within two to five years	1,794	2,290

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 2022

#### 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:-

	<b>Group and Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Scottish Government		
Core Revenue	1,992,000	1,992,000
International Touring Fund	75,000	-
Other Project Funding	359,743	64,574
<b>Total Scottish Government</b>	<b>2,426,743</b>	<b>2,056,574</b>
The City of Edinburgh Council	50,000	50,000
<b>Total other public bodies</b>	<b>50,000</b>	<b>50,000</b>
<b>Total funding from public bodies</b>	<b>2,476,743</b>	<b>2,106,574</b>

#### 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 £22,975 (2021: £20,000).

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.

#### 25. Non-Audit Services

In common with many other businesses of its size and nature, the company uses its auditors to prepare and submit returns to the tax authorities.

**SCOTTISH CHAMBER ORCHESTRA LIMITED**

**Notes to the Consolidated Financial Statements - continued**

**For the year ended 31 March 2022**

**26. Prior year restatement**

The prior year restatement is due to recognition of a prepayment with regard to rent. This change has resulted in an increase to the Revenue Reserve at 31 March 2021 of £76,143 and a corresponding increase to prepayments and accrued income of the same amount.

Impact on Group and Company financial statements

	<b>Reserves at</b>	
	<b>31/03/2021</b>	<b>31/03/2020</b>
	<b>£</b>	<b>£</b>
<b>GROUP</b>		
As previously stated	2,560,754	1,678,319
Prior year adjustment:		
Recognition of rent prepayment in debtors	76,143	76,143
	<u>2,636,897</u>	<u>1,754,462</u>
<b>COMPANY</b>		
As previously stated	2,560,156	1,675,227
Prior year adjustment:		
Recognition of rent prepayment in debtors	76,143	76,143
	<u>2,636,299</u>	<u>1,751,370</u>