

**SCOTS MUSIC GROUP**  
**(A company limited by guarantee)**

**Report and Financial Statements**

**Year ended 31 March 2010**

**Charity No: SC032702**  
**Company No: SC265190**

**SCOTS MUSIC GROUP**  
**for the year ended 31 March 2010**

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**SCOTS MUSIC GROUP**  
**REPORT OF THE DIRECTORS**  
**for the year ended 31 March 2010**

The directors, who are also Trustees of the charity for the purposes of charitable law, present their report and the financial statements for the year ended 31 March 2010.

**Reference and administrative information**

**Company Number**  
SC265190

**Charity Number**  
SC032702

**Directors holding office on 1 April 2009 or subsequently appointed:**

J G Boyle	
A I Cameron	
L S Campbell	(resigned 2 November 2009)
C Galleitch	
J D Hoy	
D H Leslie - Treasurer to 2 November 2009	(resigned 2 November 2009)
A J MacLeod	
I W Macrae	
R A D Millar	(resigned 2 November 2009)
E Penman	(resigned 2 November 2009)
J A Whiteford - Treasurer from 2 November 2009	
P S Carr	(appointed 2 November 2009)
A E Woolerton	(appointed 31 August 2010)
M J Walker	(appointed 22 September 2010)

**Company Secretary**  
C Anderson

**Senior Management Team**  
C Anderson - Project Leader

**Registered Office and Principal Operating Address**  
St. Georges West  
58 Shandwick Place  
Edinburgh, EH2 4RT

**Independent Examiner**  
Kevin Cattanach  
Chartered Accountant  
Whitelaw Wells  
9 Ainslie Place  
Edinburgh, EH3 6AT

**Bankers**  
Bank of Scotland  
Community Banking  
Pentland House, 8 Lochside Avenue  
South Gyle, Edinburgh, EH12 9DJ

## SCOTS MUSIC GROUP

### REPORT OF THE DIRECTORS

for the year ended 31 March 2010

#### **Structure, governance and management**

##### Governing document

Scots Music Group (SMG) is a charitable company limited by guarantee, incorporated on 19<sup>th</sup> March 2004 for the advancement of education for the public benefit by providing an education programme of Scots traditional music, song and dance. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

##### Recruitment and appointment of directors

Board members are primarily recruited from amongst members, via the AGM. The board considers what vacancies are likely to arise, what skills and backgrounds are needed, and publicises in its newsletter and website beforehand. The Board also has co-opted members to fill vacancies and identified skills gaps where the need has arisen.

##### Director's induction and training

New Board members are formally welcomed and introduced to others at their first Board meeting. It is ensured that they understand the role of the Board and its members, and that they have access to Articles of Association, accounts, business plans and minutes of previous Board meetings, and they are given the opportunity to arrange to visit the office for short induction sessions with staff. In the past couple of years we have used a mix of special Board events and specific agenda items to brief new Board members and to keep existing Board members up to date. Directors are encouraged to and have indeed attended various courses as appropriate.

##### Risk management

In the course of 2009/2010 the major risks identified by the Board remained: low level of reserves, continuity of funding, absence of key staff, and continuity of accommodation provision by City of Edinburgh Council (CEC). Steps were taken to manage these risks and progress continues to be made, but they continue to be kept under review. Continuity of funding is now the most significant issue for the organisation.

##### Organisational structure

The directors are responsible for strategic decision making of the charity. They delegate the day-to-day management to the project leader, who supervises the other staff. The project leader attends Board meetings, and is supported by a nominated Board member, as well as a sub-group of the Board (called the Business Team), which meets on an as-needed basis to cover the more short-term operational issues that require some Board input. Business Team decisions and actions are fed back to the full Board.

#### **Objects and activities**

The objectives of the charitable company are to:

- Use traditional music, song and dance to bring people together to gain new skills, build confidence, raise self-esteem and promote identity.
- Give participants the skills and opportunities to perform together and take music back to the heart of their community.
- Use a participatory style of learning and ensure that the participants are involved in all the aspects of the organisation's development through feedback groups, committees and voluntary activities.
- Develop a structured programme of workshops and social activities that will support participants to progress through the programme and move onto further activities or join mainstream classes.

**SCOTS MUSIC GROUP**  
**REPORT OF THE DIRECTORS**  
**for the year ended 31 March 2010**

**Objects and activities (continued)**

SMG teaches, promotes, and performs Scottish traditional music song and dance. It offers a comprehensive programme of music, song and dance including: weekly classes, monthly events, specific community projects and weekend workshops. The organisation also provides music sessions and performance opportunities such as 'The Big Seat by the Fire'. SMG raises funding for the programme through securing grants and charging fees to those who can afford it.

Up until the end of December 2009, SMG had a team of three part-time staff including the Administrator 28 hours, Development Worker 20 hours and the Project Leader 21 hours. In addition it had over 55 volunteers who work across the organisation. Due to financial pressures a decision was made to dispense with the services of the administrator from December 2009. This post was seconded from the CEC and SMG terminated this arrangement. To cover this post SMG recruited and trained over 12 dedicated volunteers who have been providing administration support since January 2010. This team has made an enormous contribution to the organisation enabling it to continue to offer a full programme. These volunteers however need to be trained, supported and managed and this has impacted on the workload of the two remaining staff. The Board continue to explore options to protect staff from overwork.

**Achievements and performance**

Core programme Development

SMG provides a high quality diverse weekly class programme across Scottish traditional music, song and dance. Classes respond to the requests of the participants and are provided for 28 weeks over 3 terms. Last year SMG offered 41 core weekly classes which included mainstream music and dance plus those in a minority position (e.g. pipes mandolin, moothie and step dance). These classes are often difficult to sustain due to low numbers but are important to ensure a rich variety of music provision. Classes, participants and tutors come together through end of term 'stramashes' and an annual concert.

Last year SMG also offered 7 Ceilidhs plus a range of performance opportunities including the SMGs own folk club 'The Big Seat by the Fire' and Café Ceilidh a daytime session which is open to all. Events have generally been offered monthly during term time.

Ceilidh Culture 2010

SMG had a strong presence at Ceilidh Culture, Edinburgh's Festival of the traditional arts in 2010. For the first time the Power of Song event was moved from its usual November date to the following March 2010. This rescheduling was due to SMG receiving funding later than anticipated to set-up and run this event. As a result this event was smaller than usual offering 4 quality half-day song workshops which attracted 49 participants. A mix of other events was offered as part of the festival including the 'SMG Big Seat by the Fire', SMG Café Ceilidh, a successful PA workshop plus the annual SMG 'Come and Try' session. This event included stalls and taster workshops and attracting 82 participants plus over 150 visitors.

SMG Performance Groups

SMG has three very active performance groups who have been in huge demand over the last year plus a new large folk choir called 'All Together Now', which came together in 2009-2010 with 52 members.

## SCOTS MUSIC GROUP

### REPORT OF THE DIRECTORS

for the year ended 31 March 2010

#### **Achievements and performance (continued)**

##### SMG Performance Groups (continued)

'Linten Adie', SMG's own folk choir have been on tour, The SMG Pipe band have played at an enormous range of locations and Ceilidh Caleerie have been gigging across Edinburgh and beyond with three very successful public performances in Spain. Concerts have taken place in a wide range of locations including the Headway project, The Corstorphine Trust, Eric Liddell Day Care Centre, Clermiston Alzheimers society, Tollcross Christmas lights, Leith Festival Parade, Grassmarket Trade Fair event, St George's West cafe, Fountainbridge library, Samaritans at St Brides & Scottish Widows plus many others. The SMG Guitar and mandolin class, our fourth performance group left SMG this year to develop as an independent group and have since forged ahead with their own performance schedule.

SMG supports the Edinburgh traditional music session development offering support to musicians who wish to go to sessions through the SMG slow session, promoting attendance at existing sessions and developing new sessions in Edinburgh. Last year we set-up a new session in The Whisky Bar and we have recently set up a new monthly daytime session at the Tass which has already been well supported.

During 2009-2010 SMG members, supporters and tutors came together to give their time and skills to put on a number of performances as fundraising events. These events have not only raised funds but have offered great opportunities to listen to and join in with some high quality music. There was a performance at the Pleasance by people from the Diggers session and also the 'Playathon' which provided 23 live performances by SMG classes attracting over 200 people to the event. Some performances were focused on raising the profile of SMG including two appearances on Anthony Gormley's 'Plinth' in London.

##### Inspire Project

Funded through an Scottish Arts Council (SAC) Inspire grant, SMG ran a pilot project offering traditional music, song and dance workshops reaching 100 people who are homeless or isolated on an outreach basis through partnerships with four projects Stepping Stones, Stafford Centre, The Bethany Trust and the Rock Trust. This project proved very successful and helped us secure a larger SAC Inspire grant of £75,750 plus match funding through the Robertson's Trust to provide a large scale 15 month initiative which will support people who are homeless, disadvantaged or isolated to make positive changes in their lives through the arts. To deliver this project we have recruited a new part-time Development Worker and Artistic Director plus around 8 tutors. This initiative started in May 2010.

##### Merchandise

We continue to sell the SMG tune book and CDs plus the SMG tea-towel at all our events.

##### Tutor development

Tutors were offered annual inductions plus ongoing support throughout the year from the SMG Development worker.

##### Volunteers

With the loss of the Administrator post at the end of December 2009 we recruited a team of over 12 volunteers who were trained and supported to provide the administration function to the project. Relevant support continues to be offered to some volunteers enabling them to take a strong role in running events such as the 'Big Seat by the Fire' and the Café Ceilidh. The SMG Board attracted new Directors (volunteers) strengthening the governance of the organisation. The IT volunteer team continued to refine the office systems and website development to ensure a much more effective and efficient payment process and information sharing.

## **SCOTS MUSIC GROUP**

### **REPORT OF THE DIRECTORS**

**for the year ended 31 March 2010**

#### Organisational Review

This year we received funding from the SAC to complete an organisational review which involved consultants working in partnership with us to look at all areas of the organisation to find ways this could be improved in the future. One of the vital parts of this work was to identify possible future sources of funding for the organisation.

In addition to this we also secured a small grant from the SAC Music Department to develop the community aspect of our work.

#### **Financial Review**

##### Principal funding sources

Our main external sources of funding in this year were grants from the Scottish Arts Council, The Robertson Trust, Foyle Foundation and the City of Edinburgh Council. Other funding was raised from general donations and the continuing provision of classes, events and workshops.

##### Reserves Policy

The overall financial strategy for SMG is that our programme of classes should cover its own costs and that a mix of income generation and external funding should cover development activities and that income from special fund-raising events should be used to boost reserves. The fairly stringent cost management that has been in place during the past several years has continued to pay off, and this year we made a slight profit, building on our previous reserves and working towards the target outlined in our last AGM of four months operating costs. At the year-end, free reserves, being unrestricted funds not tied up in fixed assets, amounted to £35,298. It is now considered appropriate for our organisation to have a reserve of six month operating costs, which amounts to approximately £62,500 based on our budget for 2010. The directors will continue to work toward this target.

##### **Plans for future periods**

Following the loss of funding from the Scottish Arts Council for core activities, SMG has had to devote much time and effort to reviewing its business model and strategy. We have completed our organisational review in December 2009 and this has led to a new business plan being prepared for 2010–2013.

Fund raising continues to be a major issue and this year it is priority that we find funding for our core costs. We will continue to devote time and effort to reviewing its business model and strategy. An application to the SAC is in the assessment process for a part-time Volunteer Co-ordinator (administration) to manage the team of administration volunteers and remove this burden from the two remaining staff.

In the meantime, SMG will look to continue to improve the quality of its core class programme, regular events and workshops. It will build on the existing performance programme which embraces a huge range of formal and informal opportunity for people to share what they have learnt with others in the community. However, depending on the outcome of on-going attempts to gain some short term funding, we may have to curtail support for classes and other activities with smaller attendances.

As mentioned in the achievements section above, SMG has successfully secured a grant for the Inspire project and this is in progress and will take place during the next year leading to a final concert in May 2011 with the project finishing in July 2011.

**SCOTS MUSIC GROUP**

**REPORT OF THE DIRECTORS**

**for the year ended 31 March 2010**

**Directors' responsibilities**

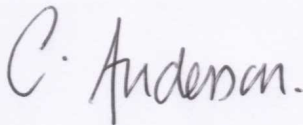
Company law requires the board of directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the directors should follow best practice and:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small entities.

Approved by the board on 8 October 2010 and signed on its behalf by:



C Anderson  
Company Secretary

**SCOTS MUSIC GROUP**

**INDEPENDENT EXAMINERS' REPORT TO THE MEMBERS OF SCOTS MUSIC GROUP**

**for the year ended 31 March 2010**

I report on the accounts for the year ended 31 March 2010 as set out on pages 9 to 16.

**Respective responsibilities of the Trustees and the Independent Examiner**

The charity's Trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's Trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Charities Accounts (Scotland) Regulations 2006 does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

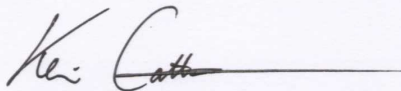
**Basis of independent examiner's report**

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

**Independent examiner's statement**

In the course of my examination, no matter has come to my attention:

- 1) which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with Section 44 (1)(a) of the 2005 Act, Regulation 4 of the 2006 Accounts Regulations and sections 381, 382 and 386 of the Companies Act 2006; and
  - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulationshave not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Kevin Cattanach  
Chartered Accountant  
Whitelaw Wells Chartered Accountants  
9 Ainslie Place  
Edinburgh  
EH3 6AT

8 October 2010

**SCOTS MUSIC GROUP**

**INCOME AND EXPENDITURE ACCOUNT**  
(incorporating Statement of Financial Activities)

for the year ended 31 March 2010

	Notes	Unrestricted Funds 2010 £	Restricted Funds 2010 £	Total Funds 2010 £	Total Funds 2009 £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
<i>Voluntary income</i>					
Donations and grants	3	12,391	-	12,391	7,013
Subscriptions		7,080	-	7,080	6,738
<i>Activities for generating funds</i>					
Merchandise sales and other income		2,717	-	2,717	2,983
<i>Investment income</i>					
Bank interest		390	-	390	1,300
<b>Incoming resources from charitable activities</b>					
Grants	3	-	67,590	67,590	90,557
Classes, events and workshops		69,536	-	69,536	72,728
		_____	_____	_____	_____
<b>Total incoming resources</b>		92,114	67,590	159,704	181,319
		_____	_____	_____	_____
<b>Resources expended</b>					
<b>Cost of generating funds</b>					
Merchandise purchases		297	-	297	1,061
<b>Charitable activities</b>		71,910	61,385	133,295	127,147
<b>Governance costs</b>		1,410	-	1,410	1,380
		_____	_____	_____	_____
<b>Total resources expended</b>	4	73,617	61,385	135,002	129,588
		_____	_____	_____	_____
<b>Net incoming resources before transfers</b>		18,497	6,205	24,702	51,731
Net transfers between funds	11	(11,845)	11,845	-	-
		_____	_____	_____	_____
<b>Net movement in funds</b>		6,652	18,050	24,702	51,731
Total funds at 1 April 2009		29,082	31,950	61,032	9,301
		_____	_____	_____	_____
<b>Total funds at 31 March 2010</b>	12	35,734	50,000	85,734	61,032
		=====	=====	=====	=====

The company has no recognised gains or losses other than the results for the year as set out above.  
All of the activities of the charitable company are classed as continuing.

**SCOTS MUSIC GROUP**

**BALANCE SHEET**

**As at 31 March 2010**

	Notes	£	2010 £	2009 £
<b>Fixed Assets</b>				
Tangible assets	7		436	654
<b>Current assets</b>				
Stock		3,160		2,289
Debtors	8	349		6,207
Cash at bank and in hand		90,264		58,423
			<hr/>	<hr/>
		93,773		66,919
<b>Creditors: amounts falling due within one year</b>	9	(8,475)		(6,541)
			<hr/>	<hr/>
<b>Net current assets</b>			85,298	60,378
			<hr/>	<hr/>
<b>Net Assets</b>	12		85,734	61,032
			<hr/>	<hr/>
<b>Funds</b>				
Unrestricted funds	11		35,734	29,082
Restricted funds	11		50,000	31,950
			<hr/>	<hr/>
<b>Total funds</b>			85,734	61,032
			<hr/>	<hr/>

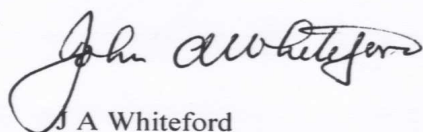
The directors are satisfied that the charitable company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibility for:

- (i) ensuring that the charitable company keeps proper accounting records which comply with sections 386 and 387 of the Act; and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the board on 8 October 2010 and signed on its behalf by:



J A Whiteford  
Director

## SCOTS MUSIC GROUP

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2010

#### 1. Accounting policies

- (a) The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and follow the recommendations in Accounting and Reporting by Charities : Statement of Recommended Practice issued in March 2005.
- (b) Incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:
- Voluntary income from donations and subscriptions and is included in full in the Statement of Financial Activities when receivable.
  - Voluntary income from grants, where entitlement is not conditional on delivery of a specific performance by the charity, is recognised when the charity becomes unconditionally entitled to the grant. Grants, where entitlement is conditional on delivery of a specific performance by the charity, are accounted for as the charity earns the right to consideration by its performance.
  - Investment income is included when receivable
  - Incoming resources from charitable activities is included when the charity has earned the right to the income.
- (c) Resources expended are recognised on an accruals basis as a liability is incurred. The charitable company is not registered for VAT and accordingly resources expended are shown gross of irrecoverable VAT.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.
  - Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include independent examination fees and costs linked to the strategic management of the charity.
  - All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis. Support costs are allocated as follows:
    - Teaching and events 40%
    - Promotion of Culture & Community 60%
- (d) Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds. Restricted funds are subject to the restrictions on their expenditure imposed by the donor.
- (e) Tangible fixed assets are recorded at cost. The charity has the policy not to capitalise items under £250. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:
- Furniture and Fittings 25% straight line
  - Office Equipment 25% straight line

**SCOTS MUSIC GROUP**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**for the year ended 31 March 2010**

**1. Accounting policies (continued)**

- (f) Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SOFA on a straight-line basis over the period of the lease.
- (g) The charity operates a defined contribution pension scheme. Contributions payable to the scheme are charged to Statement of Financial Activities in the period to which they relate.

**2. Net incoming resources for the year**

This is stated after charging:-

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Independent Examiner's fees	1,410	1,380
Depreciation	218	218
Operating lease rentals: land and buildings	3,000	3,000
	_____	_____

**3. Donations and grants received**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2010 Total</b>	<b>2009 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Grants</b>				
Scottish Arts Council				
<i>Core Grant</i>	-	-	-	58,607
<i>Inspire Pilot Grant</i>	-	600	600	5,400
<i>Inspire Grant</i>	-	40,000	40,000	-
<i>Organisational Development Grant</i>	-	2,950	2,950	26,550
<i>Managed Fund</i>	-	14,040	14,040	-
The Robertson Trust	-	10,000	10,000	-
Foyle Foundation	3,000	-	3,000	-
City of Edinburgh Council	2,758	-	2,758	2,903
Charities Aid	-	-	-	157
	_____	_____	_____	_____
	5,758	67,590	73,348	93,617
<b>Donations</b>				
General Donations	6,633	-	6,633	3,953
	_____	_____	_____	_____
<b>Total grants and donations</b>	<b>12,391</b>	<b>67,590</b>	<b>79,981</b>	<b>97,570</b>
	_____	_____	_____	_____

**SCOTS MUSIC GROUP**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**for the year ended 31 March 2010**

**4. Total resources expended**

	<b>Promotion of Culture &amp; community £</b>	<b>Teaching &amp; Events £</b>	<b>2010 Total £</b>	<b>2009 Total £</b>
<b>Costs directly allocated to activities</b>				
Merchandise purchases	297	-	297	1,061
Classes, events and workshop costs	13,469	40,406	53,875	53,398
<b>Support costs allocated to activities</b>				
Staff costs and training	33,800	22,534	56,334	59,357
Travel and subsistence	1,084	722	1,806	1,957
Marketing and publicity	712	474	1,186	2,106
Professional fees	231	154	385	1,108
Office costs	5,156	3,437	8,593	8,190
Consultancy	5,766	3,844	9,610	-
Bank interest and charges	773	515	1,288	813
Depreciation	131	87	218	218
	<hr/>	<hr/>	<hr/>	<hr/>
	61,419	72,173	133,592	128,208
	<hr/>	<hr/>		
<b>Governance costs</b>				
Independent Examiner's fees			1,410	1,380
			<hr/>	<hr/>
<b>Total resources expended</b>			135,002	129,588
			<hr/>	<hr/>

**5. Staff numbers and costs**

	<b>2010 £</b>	<b>2009 £</b>
Wages & salaries	49,921	52,271
Social security costs	2,751	2,459
Pensions	3,651	3,520
	<hr/>	<hr/>
	56,323	58,250
	<hr/>	<hr/>

The average monthly number of employees, calculated as full time equivalents, during the year was:

	<b>No.</b>	<b>No.</b>
Advancement of education of Scots Music	2	2
	<hr/>	<hr/>

**SCOTS MUSIC GROUP**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**for the year ended 31 March 2010**

**5. Staff numbers and costs (continued)**

No employee received remuneration of more than £60,000 in either the current or previous years.

Included in staff costs and numbers above is one individual not directly employed by the charity. The City of Edinburgh Council seconds one person to the charity, raising invoices on a quarterly basis for the salary cost. The total cost in the year was £17,179 (2009: £21,362).

**6. Taxation**

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

**7. Tangible Fixed Assets**

	<b>Office Equipment £</b>	<b>Furniture and Fittings £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2009	4,579	860	5,439
Additions	-	-	-
Disposals	-	-	-
	4,579	860	5,439
<b>Depreciation</b>			
At 1 April 2009	3,925	860	4,785
Charge for year	218	-	218
Eliminated on disposal	-	-	-
	4,143	860	5,003
<b>Net Book Value</b>			
At 31 March 2010	436	-	436
At 31 March 2009	654	-	654

**8. Debtors**

	<b>2010 £</b>	<b>2009 £</b>
Grant debtors	-	5,860
Prepayments and other debtors	349	347
	349	6,207

**SCOTS MUSIC GROUP**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**for the year ended 31 March 2010**

<b>9. Creditors: amounts falling due within one year</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Class fees received in advance	3,846	2,712
Accruals and other creditors	4,629	3,829
	<hr/>	<hr/>
	8,475	6,541
	<hr/> <hr/>	<hr/> <hr/>

**10. Related Party Transactions**

During the year one of the charitable company's directors was paid fees amounting to £1,271 (2009: £945). The fees were incurred when the director tutored a music class, workshop or similar event and were not incurred as payment for services as a director. No amount remained outstanding at the year end (2009: £nil).

**11. Movement in Funds**

	At 1 April 2009 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2010 £
<b>Restricted Funds</b>					
Inspire Pilot	5,400	600	(6,280)	280	-
Inspire	-	50,000	-	-	50,000
Organisational Development	26,550	2,950	(35,973)	6,473	-
Managed Fund Project	-	14,040	(19,132)	5,092	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	31,950	67,590	(61,385)	11,845	50,000
<b>Unrestricted Funds</b>					
General Fund	29,082	92,114	(73,617)	(11,845)	35,734
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Funds</b>	61,032	159,704	(135,002)	-	85,734
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The **Inspire Pilot** restricted fund was created on receipt of income from the Scottish Arts Council. The grant was towards the cost of a new initiative enabling access and participation in the living traditions for homeless and isolated people.

Following the success of the **Inspire Pilot** project, further funding was obtained from the Scottish Arts Council and The Robertson Trust for the **Inspire** project. The grants are contributions toward the cost of bringing homeless and isolated people together through Scottish traditional music, song and dance.

## SCOTS MUSIC GROUP

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2010

#### 11. Movement in Funds (continued)

The **Organisational Development** restricted fund was created on receipt of income from the Scottish Arts Council. The grant was towards the cost of organisational development to enable Scots Music Group to be more structurally and financially secure.

The **Managed Project** restricted fund was created on receipt of income from the Scottish Arts Council. The grant is towards the costs of enabling Scots Music Group to increase participation and build audiences through workshops and events.

Transfers between funds represent contributions by Scots Music Group of its own unrestricted funds toward specific projects.

#### 12. Analysis of net assets between funds

	<b>General Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds £</b>
Tangible fixed assets	436	-	436
Current assets	43,773	50,000	93,773
Current liabilities	(8,475)	-	(8,475)
	<hr/>	<hr/>	<hr/>
<b>Net assets at 31 March 2010</b>	<b>35,734</b>	<b>50,000</b>	<b>85,734</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

#### 13. Company limited by guarantee

The company is limited by the guarantee of each member to contribute not more than £1 each in the event of winding up the charitable company. At the balance sheet date there were in the region of 604 members.

#### 14. Commitments Under Operating Leases

At 31 March 2010 the charitable company had aggregate annual commitments under non-cancellable operating leases as set out below:

	<b>2010 £</b>	<b>2009 £</b>
Land and Buildings		
Operating leases which expire:		
Within 1 – 2 years	3,210	3,000
	<hr/>	<hr/>