

# Scots Music Group AGM

## Finance Report for Financial Year 2019-20

### Summary

This financial year has been impacted by the Covid situation. All was very much as normal up to March 2020, but for the remainder of the financial year (up to end-June 2020) SMG was seriously impacted financially.

### Income

Income for the last three financial years is shown below:

Operational Area	Income (2019-20)	Income (2018-19)	Income (2017-18)
Unrestricted Funds	£91,950	£124,661	£110,716
Restricted Funds	£1,430	£8,057	£10,418
Overall	£93,380	£132,718	£121,134

Our income for this financial year has been reduced due to the Covid situation which started affecting SMG during March 2020. We decided to cancel classes in the last two weeks of Term-2, and ran no classes in Term-3. We also were unable to run our fundraising ceilidhs from March onwards, and busking groups & Ceilidh Caleerie (which provide valuable fundraising) were unable to operate.

We were very grateful to the many members who donated their class fees for the last two weeks of Term-2 rather than take the offered refund.

Up to March, our operation was funded, as per normal, from:

- membership/subscription fees
- class fee income
- donations, grants & fundraising
- ceilidh and other event income.

From March to June, we received next to no income from classes and events, but were very grateful for around £3000 of donations.

Specific grants were received to support:

- the beginners Small Pipes classes (£350) from Lothian & Borders Piping Society.

We made our usual claim for Gift Aid on allowable donations, which was successful.

## Expenditure

Expenditure over the last three financial years is shown below:

Operational Area	Expenditure (2019-20)	Expenditure (2018-19)	Expenditure (2017-18)
Unrestricted Funds	£99,549	£119,258	£97,188
Restricted Funds	£5,799	£8,773	£8,839
Overall	£105,348	£128,031	£106,027

Our expenditure was as normal up to March 2020, when again the impact of Covid was felt. We were unable to operate from the Eric Liddell Centre which was closed, and began to operate from home offices, incurring some additional expenses (eg Zoom licence, business mobile phone).

We decided that we would pay our loyal tutors a percentage of their normal T3 fees, and began to plan for on-line classes in the following financial year (from July 2020). We fortunately did not need to pay for classroom/venue hires for Term-3, but continued to pay ELC for rent.

SMG's main expenditure in 2019-20 was in the following areas:

- Tutor fees & Classroom/Venue hire
- Event costs (eg for ceilidhs - bands and venue hire)
- SMG Staff (Development Worker and Administration) costs
- SMG Office operations.

## Year-end position

We track the SMG main operation and the Inspire Project separately for accounting purposes. These are shown in the accounts as Unrestricted (ie SMG main) and Restricted (ie mainly the Inspire Project) funds and the overall result for the financial year resulted in the reported figures of:

Operational Area	Deficit (2019-20)	Surplus/Deficit (2018-19)	Surplus (2017-18)
Unrestricted Funds	-£10,389	£5,403	£13,528
Restricted Funds	-£1,579	-£716	£1,579
Overall	(£11,968)	£4,687	£15,107

The SMG main operation showed a considerable deficit for the year. This was due mainly to the impact of the Covid situation.

The Inspire-3 Project was formed into a SCIO in April 2019, but has now been wound up as a result of the failure to secure on-going funding and the Covid situation.

## Reserves (Balance Sheet)

SMG reserves are as follows:

Operational Area	Reserve Funds At 30/6/20	Reserve Funds At 30/6/19	Reserve Funds At 30/6/18
Unrestricted Funds	£42,070	£52,459	£46,837
Restricted Funds	£2,816	£4,395	£5,330
Overall	£44,886	£56,854	£52,167

Due to the financial prudence of SMG, a significant financial reserve had been built up over preceding years. This has allowed us to continue to operate the charity, despite the deficit this year, and to be in a strong enough financial position to plan for future years.

Whilst we see our Reserves reducing, the current situation gives both the board and our auditors no immediate cause for concern. We continue to monitor the evolving situation at our regular board meetings.

Paul McIntosh (Treasurer)

Director - Scots Music Group, March 2021

SCOTS MUSIC GROUP

STATEMENT OF FINANCIAL ACTIVITIES  
(incorporating Income and Expenditure Account)

for the year ended 30 June 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
<b>Income and endowments from</b>					
<i>Donations and legacies</i>					
Donations		7,248	320	7,568	9,205
Subscriptions		8,720	-	8,720	8,885
<i>Charitable activities</i>					
Grants	3	980	450	1,430	8,057
Classes, events and workshops		67,268	-	67,268	88,869
<i>Other trading activities</i>					
Ceilidh income		8,001	-	8,001	15,365
Music sessions		-	-	-	1,820
Merchandise sales and other income		385	-	385	501
<i>Investment income</i>					
Bank interest		8	-	8	16
<b>Total income</b>		<b>92,610</b>	<b>770</b>	<b>93,380</b>	<b>132,718</b>
<b>Expenditure on</b>					
<i>Raising funds</i>					
Ceilidh costs		4,994	-	4,994	6,548
Merchandise costs		-	-	-	679
<i>Charitable activities</i>					
		94,555	5,799	100,354	120,804
<b>Total expenditure</b>	5	<b>99,549</b>	<b>5,799</b>	<b>105,348</b>	<b>128,031</b>
<b>Net income/(expenditure)</b>	2	<b>(6,939)</b>	<b>(5,029)</b>	<b>(11,968)</b>	<b>4,687</b>
Transfers between funds	14	(2,790)	2,790	-	-
<b>Net movement in funds</b>		<b>(9,729)</b>	<b>(2,239)</b>	<b>(11,968)</b>	<b>4,687</b>
Total funds at 1 July 2019	14	52,459	4,395	56,854	52,167
<b>Total funds at 30 June 2020</b>	14	<b>42,730</b>	<b>2,156</b>	<b>44,886</b>	<b>56,854</b>

The company has no recognised gains or losses other than the results for the period as set out above. All of the activities of the charitable company are classed as continuing. The notes on pages 20 to 27 form part of these financial statements.

**SCOTS MUSIC GROUP**

**BALANCE SHEET**

**as at 30 June 2020**

	<b>Notes</b>	<b>£</b>	<b>2020 £</b>	<b>2019 £</b>
<b>Fixed Assets</b>				
Tangible assets	8		349	-
<b>Current assets</b>				
Debtors	9	1,164		1,671
Cash at bank and in hand		46,637		61,563
			<u>47,801</u>	<u>62,234</u>
<b>Creditors: amounts falling due within one year</b>	10	(3,264)		(6,380)
			<u>44,537</u>	<u>56,854</u>
<b>Net current assets</b>				
			<u>44,886</u>	<u>56,854</u>
<b>Net Assets</b>	13		<u>44,886</u>	<u>56,854</u>
<b>Funds</b>				
Unrestricted funds	14		42,730	52,459
Restricted funds	14		2,156	4,395
			<u>44,886</u>	<u>56,854</u>
<b>Total funds</b>			<u>44,886</u>	<u>56,854</u>

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 27 January 2021 and signed on its behalf by:

**E Wilson**

Director and Chair of the Board

The notes on pages 20 to 27 form part of these financial statements.