

Scots Music Group AGM

Finance Report for Financial Year 2020-21

Summary

This financial year (ending in June 2021), the charity again reported a deficit, but not as large as in the previous year (when we cancelled almost all activities from March-June 2020). This financial year, we were able to run a full programme of classes and some workshops on-line, and this maintained our class/event income. We did, however, remain affected by Covid in several key areas.

Income & Expenditure

Income & Expenditure for the last three financial years is shown below:

	Results (2020-21)	Results (2019-20)	Results (2018-19)
Income	£100,602	£93,380	£132,718
Expenditure	£102,573	£105,348	£128,031
Surplus/(Deficit)	£-1,971	£-11,968	£4,687

Key Points in 2020-21:

- Membership fees (£7,445: down from £8,720)
- Members (442: down from 528)
- Class fee and workshop income (£84,625: up from £67,268)
- Term-1 bookings (386 classes booked: down from 464)
- Donations (£8,355: up from £7,568)
- Gift Aid claim (£1,808: up from £600)
- Merchandise (£171: down from £385).
- We were unable to run any fundraising ceilidhs
- Busking groups & Ceilidh Caleerie (which normally provide valuable fundraising) were unable to operate
- We commenced a web-site revamp, which continued into 2021-22. Costs of c £1200 (£400 in 2020-21) were capitalised and depreciated over 4 years as per our depreciation policy.

We claimed Gift Aid on allowable donations. We do this retrospectively (ie the claim was for 2019-20 donations). We also claimed some additional Gift Aid (c £1,200) on donated Term-2 class income, as we had cancelled two weeks at the end of Term-2, and asked students to donate these two weeks fees if possible.

The Inspire project failed to win additional funding during 2019, and the SCIO was wound-up in April 2020. The remaining funds of around £2k were transferred to SMG, as approved by the Inspire funders, for which we were very grateful.

Costs over the year were as forecast, mainly consisting of tutor fees, staff costs and office costs.

We had been forecasting a deficit of around £5.2k, but with the additional Gift Aid received, and the transfer of the remaining Inspire funds, the deficit was reduced to c £2k.

Reserves (Balance Sheet)

SMG reserves are as follows:

Reserve Funds	At 30/6/21	At 30/6/20	At 30/6/19
Reserves	£42,915	£44,886	£56,854

Due to the financial prudence of SMG, a modest financial reserve had been accumulated over preceding years. This allowed us to continue to operate the charity, despite the deficit in the last two financial years. We remain vigilant with the changing times.

Outlook into current year & beyond

The outlook into the current year is worrying for the board. Membership is down again to 394 (from 442) and Term-1 bookings down to 351 (from 388), with a further drop in Term-2 to around 300.

We cut two un-viable classes in Term-1 and a further two in Term-2, with several others currently on the borderline. As a result, class income is down significantly on last year at this stage.

We have already taken some steps to reduce costs, down-sizing into one office (from two) at the Eric Liddell Centre, saving £151 pcm from Dec 2021. We are carefully reviewing our business model, to determine what other changes can be made to ensure our charity's continued operation.

Paul McIntosh (Treasurer)

Director - Scots Music Group, Jan 2022