



Alexander Sloan
Accountants and Business Advisers

Charity registration number SC001539 (Scotland)

Company registration number SC075443 (Scotland)

SCOTTISH BAROQUE ENSEMBLE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023



SCOTTISH BAROQUE ENSEMBLE LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Andrew Berridge Jeffrey Fergus (Chair) Neil Kelly Jonathan Morton Tom Service Lesley Watt Nicolas Zekulin Morag Burnett James McAulay Amy Woodhouse Nicola Gordon Diane Clark (Appointed 4 May 2022)
Secretary	MacRoberts Corporate Services Limited
Charity number (Scotland)	SC001539
Company number	SC075443
Principal address	350 Sauchiehall Street Glasgow G2 3JD
Registered office	350 Sauchiehall Street Glasgow G2 3JD
Key Management Personnel	Chief Executive - Jenny Jamison General Manager - Catherine Ferrell (maternity leave from 27.2.2023) General Manager - Tom Lovatt (maternity cover from 23.1.2023)
Auditor	Alexander Sloan 1 Lochrin Square 92-98 Fountainbridge Edinburgh EH3 9QA
Bankers	Handelsbanken 206 St Vincent Street Glasgow G2 5SG

SCOTTISH BAROQUE ENSEMBLE LIMITED

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SCOTTISH BAROQUE ENSEMBLE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing documentation, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019).

Objectives and activities

Objectives and aims

As per governing documentation, the objectives for which the company is established are to promote and present concerts of music in Scotland and elsewhere. Scottish Ensemble (trading name of Scottish Baroque Ensemble Limited) is a professional ensemble of leading string players, performing music to the highest international standard to as diverse an audience as possible. It presents regular concerts in Scotland's main cities; performs in rural locations; tours throughout the UK and abroad; records, broadcasts, and creates digital content; and leads educational activities that seek to promote and enhance an understanding and appreciation of music by people of all ages and backgrounds. Its music-making activities create public benefit through increasing the promotion of, participation in and appreciation of the arts, and through the wider social and wellbeing outcomes that this appreciation and participation engender.

Vision and Mission Statements

Vision

Scottish Ensemble (SE) is a highly flexible music ensemble that inspires diverse audiences through its creative collaborations. Its artistic projects are widely celebrated at home and across the globe as outstanding, distinctive and boundary-pushing.

SE has an appetite for creating rich new partnerships across repertoire, genre, form and location. When people come to an SE performance, they expect to be taken on an imaginative, transformational musical journey. From performances with classical singers and instrumentalists to those with visual artists, choreographers, puppeteers and folk musicians, SE is committed to creating live experiences that engage a broad audience and make new artistic connections.

With roots in the classical tradition, SE now stands out as a sector-leading music organisation in both its operational and artistic models. Its musicians and managers are known as open and ambitious and are willing to explore new areas of practice and to support others to realise compelling, exciting artistic ideas. As a result, SE is in demand across the world.

Access to SE's performances is significantly widened through an imaginative and integrated Creative Learning programme and the creation of high-quality digital content, enabling audiences to connect with the life-affirming power of collaborative music-making.

Mission

SE refreshed its Mission Statement in 2022. SE's new Mission Statement informs and inspires strategic decision-making:

SE creates one-off, exhilarating musical experiences which deepen connections between audiences and artists, and enhance wellbeing.

SCOTTISH BAROQUE ENSEMBLE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance

Collaborative Musical Adventures

In 2022-23, SE performed to around 8,000 people across Scotland and a further 5,000 via international dates. Over 1,000 additional individuals participated in events specifically targeted at young audiences and/or at channeling music's capacity to improve wellbeing, while upwards of 90,000 were reached through trackable digital engagement.

In line with its mission, SE developed captivating new performance formats, and highly atmospheric concert environments, to attract an ever-more diverse audience, and to provide exhilarating experiences for all those who attended.

Live Performance Activity

On the first day of the financial year, SE performed the fourth of eight concerts with sensational double bassist Edgar Meyer, as part of a US tour featuring the world premieres of a new double bass concerto by Edgar (co-commissioned by SE and Modin Center, Richmond USA). This project ultimately led to a collaborative recording between SE, Edgar Meyer, and performing group The Knights NYC, which would go on to be recorded in 2023 for future release.

Upon the return from the USA, SE prepared to welcome collaborators from Germany, Norway and Estonia, for the culmination of a Creative Europe project – The Bridge – which saw four performing groups join forces for a four-day festival in Glasgow. SE was lead partner on this project (a status no longer open to UK organisations, following Brexit). The Bridge aimed to bring together innovative ensembles from across Europe to explore audience development and performance practice, with the aim of generating transnational knowledge and exchange to enhance the profile of participating ensembles and their work. Over the preceding years, online forums had welcomed participants from eight countries to share ideas, and plans for the future, including musician exchanges, co-commissioning, and new networking opportunities.

The festival in Glasgow was one of the largest undertakings in SE's history. With over fifty performers, seven ticketed concerts plus more than twelve pop-up and engagement events, as well as two world premieres, the event showcased European collaboration and partnership on a significant scale. Despite this falling just as audiences were starting to return to live events, the festival drew large crowds, with significant numbers of new audience members citing the bold programming and unusual venue selection as their reasons for attending.

Just a month later, in May 2022, SE was back on the road touring a new take on the cross-artform collaboration approach that it is increasingly known for. Scottish Creations was a collaboration between SE and Creative Lives (a charity that celebrates everyday creativity across all artforms). A new commission by Ailie Robertson sat at the heart of a programme celebrating contemporary Scottish creativity, with works by other Scottish composers framing Ailie's significant new piece – Archetypes. Archetypes depicts five characters that appear across folklore and storytelling in multiple traditions and heritages. Inspired by this story-telling angle, SE and Creative Lives put a call out to amateur artists across Scotland, inviting them to submit creative responses to personal or local stories. Celebrating the fervent creativity that took place in people's homes during the Covid-19 pandemic, the project gave people an outlet for reflection and communion. Selected artworks became part of a touring exhibition which accompanied the concert tour, and all submissions are shared in perpetuity via a digital exhibition.

With barely a breath, the group completed the Scottish Creations tour in the Highlands, Islands and cities of Scotland, and headed off to Stockholm to reprise one of the most successful shows in the organisation's catalogue – Goldberg Variations – ternary patterns for insomnia. Alongside collaborators Andersson Dance, three Swedish performances at Folkoperan marked the start of a major reprise year. Later in the season (March 2023), the show returned for five UK dates, before touring to the Netherlands. The last performance of the season was also the fiftieth performance of this ground-breaking piece. SE also toured a trio arrangement of Bach's Goldberg Variations to the Highlands and Islands in September 2022, linking rural programming with mainstage work.

This reprise model marked a new stage in SE's development – with major projects now being considered for remounting in more of the model of a theatre-company than a classical music organisation. This approach allows for greater organisational resilience and sustainability, as the resources required to create projects from scratch can be balanced with work which has a high chance of success, thanks to a strong track record.

SCOTTISH BAROQUE ENSEMBLE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Sustainability considerations also informed the groups' tour to the Netherlands, which acted as a pilot for more sustainable European touring – with both international and in-country travel being made on trains. This was part of SE's carbon-quota approach to planning and reducing its carbon emissions, allowing the group to maintain an international presence, while pro-actively adapting its systems in the move to net zero.

The rest of the year was framed by two atmosphere-led concert projects. Concerts by Candlelight, now a firm fixture of the annual season, features reflective repertoire in striking churches and cathedrals across Scotland, while a new addition – Concerts for a Summers Night, takes a contrasting approach – in venues filled with natural light in the height of summer. The latter was piloted in June 2022, with great success; planning is underway to make these two tours a key part of the annual cycle, with audience development initiatives underway to encourage attenders to book for both.

In addition to the sense of heightened atmosphere and light, both these projects also feature 'journey-programming' – where short works and extracts are blended into sets that blur boundaries between genres and challenge expectations. Across the two projects, twenty-one composers were featured, including Hans Abrahamsen, Thomas Adès, Witold Lutoslawski, Elizabeth Maconchy, Jessie Montgomery, Henry Purcell, Caroline Shaw, Dobrinka Tabakova, Pēteris Vasks, and Errollyn Wallen

Finally for this financial year, two major new projects, which transformed performance formats and supported SE musicians to hone ambitious new skills, were designed to appeal to non-traditional classical audiences:

- in Sync, which premiered in September 2022, was a theatrical musical performance for audiences aged 11 and up. Conceived and realized in collaboration with Nottingham-based MishMash Productions – experts in developing musical performances for young audiences – this production featured a tour-de-force of music from across centuries and across the globe. With the repertoire (by Claude Debussy, Reena Esmail, Jessie Montgomery, Caroline Shaw, Dmitri Shostakovich and many more) entirely memorized, musicians were free to move and interact with the young audiences, with direction and choreography intensifying the emotions of the music. The project was informed by young voices – with early sharings in partner schools and young producers engaged in its creation – and toured to both school settings and for public audiences, a model which will be repeated in 2023/24.

- 'Breathe' was a concert performance designed to highlight music's capacity to improve wellbeing. Growing from a long-term collaboration with Maggie's Centres, this project saw audiences surround musicians and musicians surround audiences, in performances which played with different listening techniques, spatialisation and interaction. Asking audiences to share reflections on how the music made them feel proved an intimate and at times provocative task. Feedback from audience surveys indicated around 40% of attenders were new to SE, and 95% of respondents indicated they would like to see more of this sort of performance format.

Digital Activity

With learning and connections forged during the pandemic still informing strategic decisions, and after receiving confirmation of a Recovery Grant, distributed by Creative Scotland on behalf of the Scottish Government, SE continued to create and share engaging digital content. This activity was also supported by the multi-year support generously contributed as an Audience Award from The Royal Philharmonic Society and Rachel Baker Memorial Charity, to support SE's development of a new filmic language for classical music.

Much of the content captured in this year will be released in 2023/24 to promote and enhance future activity. However, in this year, SE shared:

- Six short documentaries celebrating the people, communities and stories behind the Scottish Creations project with Ailie Robertson
- A full-length film of Scottish Creations, captured at Mareel, Shetland, and a full-length live-audio stream of Concerts by Candlelight, recorded at Greyfriars Kirk, Edinburgh
- A digital exhibition featuring artworks shown as part of Scottish Creations
- A documentary about SE-led Creative Europe project, The Bridge
- Breathe for Schools: digital resource packs to accompany Music for Wellbeing programmes delivered with schools in Aberdeen, Dundee and Glasgow.

Development of a new data-informed music installation project also continued, supported by a grant from Creative Informatics, and the Recovery Grant enabled four SE players to participate in a training programme designed to increase their understanding of online media, audience engagement and personal brand.

SCOTTISH BAROQUE ENSEMBLE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Creative Learning and Community Engagement

Integral to SE's Vision statement is a commitment to Creative Learning and participation work which enables the organisation to engage with and inspire more vulnerable audiences, support young players, and connect its musical work with wellbeing objectives.

2022-23 saw a continued prioritisation of projects which give participants and partners the skills and ideas as to how music can be used to improve wellbeing in their day-to-day lives. Over the course of the year, through work with multiple organisations, including via a long-standing collaboration with Maggie's Centres, musicians and managers leading this work honed a workshop with a high degree of adaptability, and the means to respond to participants' particular wellbeing needs. This area of work is set to become a flagship part of SE's programme in the years ahead, and is an area that is highly valued by local authority and philanthropic supporters.

Continuing to propel development of this work, performances in all the Maggie's Centres in Scotland (most of whom were visited twice – in November 2022 and February 2023) proved to be as impactful as ever. Adaptations were also made during pilot Music for Wellbeing sessions in schools, following the development of this idea with teachers during the pandemic. These sessions allow SE to connect with young people who have a particular need for mental health or wellbeing support, in lieu of the more established model adopted by professional music organisations, which often prioritises projects for pupils already studying music.

As mentioned above, a series of Music for Wellbeing videos, entitled Breathe for Schools, were released in autumn 2022, and designed to give either teachers or individuals bitesize opportunities to take 5-10 minute breaks in lessons, to find calm and focus on wellbeing, or to build a longer music and wellbeing listening lesson.

In addition to work with Maggie's service users and young people in partner schools, SE continued to engage in research as to how its work can best engage with young people, through youth-led feedback as part of the development of in Sync (mentioned above) and via ongoing research with Children in Scotland and the University of Stirling. This latter collaboration successfully secured Creative Scotland YMI support in September 2022 to support Innovation Labs over 2023, engaging children and young people, music practitioners and mental health practitioners to explore how to maximise the wellbeing benefits of live music events for young people.

Staff changes

As organisational output increased further post-pandemic, the staff structure and role-holders underwent several changes across 2022-23. Development Lead, Jo McIntosh, left the organisation after a year in post in October 2022. A new Creative Learning Manager, Ryan Hay, completed a six-month period until December 2022, before being offered a significant position at Northern Stage, Newcastle. A restructure resulted in two new positions – Trust & Foundations Officer and Marketing Officer – being recruited, with post-holders joining SE in November 2022, and immediately making a significant contribution to resilience and productivity.

SE's General Manager, Catherine Ferrell, commenced maternity leave in February 2022, with Tom Lovatt being recruited to cover, supported by a new Finance Manager, Kimberley Godley-Hendon.

Further restructuring in early 2023 has resulted in new role titles for some existing staff, and the intention to recruit a Wellbeing Programme Manager in June 2023, to support the development of a new flagship area of activity.

Chief Executive Jenny Jamison was appointed as Interim Chair of the Association of British Orchestras in January 2023.

Board

During 2022-23 one Lay Director resigned. Stella Morse left the SE board after six and a half years of service, as she took on new executive commitments. Post year-end, William McCall also tendered his resignation due to personal circumstances.

The board appointed a new Player Director, Diane Clark, to the board in May 2022. This is Diane's second time on the board, and she brings significant institutional knowledge, and a particularly keen understanding of the organisation's artistic journey.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

A board recruitment process was announced in June 2023, seeking new Directors with particular skills in financial strategy, corporate governance, marketing and fundraising. This process addresses both recent unexpected retirements and forthcoming planned resignations, as current Directors reach the end of their maximum terms. An ad hoc Appointments Committee oversees this process, with generous pro bono recruitment support provided by FWB Park Brown. Multiple appointments are expected to be made in summer/autumn 2023.

Player Directors continue to meet or speak with the Chief Executive every quarter, to ensure key feedback from all musicians is captured and shared at board meetings.

The board continues to hold at least one in camera meeting each year (with no Player Directors or Executive team present) and one meeting with Player Directors but no Executive team, to ensure confidential conversations can take place in appropriate settings.

The Board also received Equalities, Diversity and Inclusion training in February 2023, via a session led by Black Lives in Music, in line with SE's EDI Action Plan's objective to increase organisational knowledge and confidence. This training will continue across 2023, ensuring the lived experience of young people and people with disabilities also feed into organisational thinking and decision-making.

Extraordinary Circumstances and Business Continuity Plan

From March 2022, the SE team were operating in person and on the road. Touring recommenced and digital meetings became less necessary. With new members of staff, and a priority to support wellbeing and morale, a hybrid working structure was established to enable individuals to work from home or in the office at their preference.

The Board of Directors also adopted a hybrid meeting structure, to minimise travel risk and ensure high attendance overall.

All internal controls were upheld and digital transformation that had occurred during the pandemic continued to prove beneficial (for example, the company's IT systems became fully cloud-based in 2022).

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Financial review

During the financial year, SE's income totalled £1,236,014 (2022 - £892,390) of which c.39% represented statutory funding from Creative Scotland, Creative Europe and local authorities; c.10% was generated via fundraising from trusts and individuals; c.11% from Orchestral Tax Relief; and 25% from earned income. The charity spent £1,184,882 (2022 - £712,960) during the financial year - this increase in expenditure reflects the return to pre-pandemic levels of activity, with higher output across all core activities (own promoted concerts, engagements and creative learning activity) as well as the culmination of The Bridge project. The Statement of Financial Activities shows an overall net incoming resources for the year of £54,584 (2022 - net incoming resources of £179,430), principally due to the Recovery Grant received from Creative Scotland, as a deficit was recorded in both the Designated and General Funds.

Reserves Policy: Designated and Restricted Funds

Scottish Ensemble has general unrestricted reserves of £158,628 (2022 - £232,492) as shown on the Balance Sheet, as well as designated funds of £172,832 (2022 - £187,832).

SE's Reserves position continues to reflect the need for forward resourcing of future projects, and a prudent approach in a climate where political and economic uncertainty may affect future public subsidy.

SE has two principal Designated Funds:

- The Development Fund was established in 2011 to support SE's strategic plan. This planned build-up of funds, for specifically-defined projects, has enabled key strategic developments, including residency activity, recordings, international tours, cross-artform collaborations and an ambitious 50th anniversary season. Looking ahead, the Development Fund will continue to underpin new initiatives; in early 2022 the board approved the exploration of three innovative initiatives designed to test potential new artistic and community models of work. Following early scoping, one of these initiatives has been carried into 2023-24 (£4,000 of expenditure dedicated to scoping a new potential community home base for SE) and the board has also approved up to £20,000 of Development Fund resource to support ambitious cross-artform and cross-genre work in 2023-24. Finally, the Board approved the pilot of a new initiative aimed at increasing resilience in the long-term – the development of an income-generating quartet performance project. It is likely this project will cover the majority of its own costs, but the board is prepared to draw-down some additional Development Fund resource to offset losses if required. It is the board's intention that the Development Fund continues to support risk-taking, experimentation and model development for the medium-long-term, with the expectation that funds will be used to underwrite new projects or enable project development for particularly ambitious work each year.

- The Fund for the Future, which closed to donations in 2020 following a successful and well-received 50th anniversary fundraising campaign, also continues to underpin SE's creative outputs and ambition. In 2022-23, a contribution of £15,000 supported the development and premieres of a new production for young audiences, in line with the remit of campaign. It is anticipated this fund will be fully drawn down over a maximum of three more years.

SE also has two main Restricted Funds, one of which was new in this year.

The Calder Commissioning Fund – in memory of SE's founder John Calder – was established in 2021-22, thanks to an exceptional donation. This support has been invested to enable SE to commission and create new work for years to come. At the request of the donor, the donation is being held in a low-risk investment fund and the capital is protected by the donor's wishes for this fund to support projects over the long-term. It is anticipated that the income (only) on this donation will enable SE to commission one significant new work or project every three years. It should be noted that this Restricted Fund is therefore not available for general use in support of core programme or activity.

In 2022, SE was also the recipient of a Recovery Grant from the Scottish Government (managed and distributed by Creative Scotland) to aid resilience and audience engagement post-pandemic. SE applied for this extraordinary funding to support ongoing audience development via digital content creation and digital training, and equalities, diversity and inclusion initiatives and training. As with all applicants, SE was awarded more than it had applied for; £61,564 of the grant was spent in this year, with the remaining £109,756 now restricted to support the same objectives in 2023-24.

In addition to this Calder Commissioning Fund and the Recovery Grant Fund, there are further Restricted funds of £70,420 carried forward, related to a range of performance, creative learning and digital projects supported via grants from trusts and foundations.

SCOTTISH BAROQUE ENSEMBLE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Reserves policy: Going Concern

SE's policy on reserves is to maintain all funds on cash deposit to ensure liquidity to meet ongoing obligations and commitments. This policy of low risk is reviewed on a regular basis.

The Trustees assess the risks facing the organisation quarterly and consequently review the level of free reserves held annually. Trustees recognise that reserves held must safeguard against unexpected loss of income, to enable the organisation to meet its financial obligations in relation to its charitable objectives. Trustees agree that minimum free reserves of £130,000, being the estimated costs of winding up the charity, are prudent in this financial climate. On that basis, the balance of free reserves as at 31 March 2023 was £351,460- (2022 - £416,107) – a decrease of £64,647.

The Trustees have carefully considered the likely outcome for the next 12 months, taking account of a statutory funding extension to March 2025, performance since the balance sheet date, the ongoing implications of risks including Brexit, the cost-of-living crisis and pressures on public funding, and the impact of these on the arts sector, as well as SE's ambitions and projections for 2023/24. The Trustees are satisfied that the charity remains a going concern and has adequate funds in place for its ongoing operations for a period of at least 12 months from the date of this report.

Plans for future periods

Future Developments

Audience enthusiasm continued to be a recurring theme of spring/summer 2023 following the events outlined in this report, with a new collaboration with composer/performer Erland Cooper in May 2023 reaching the largest Edinburgh audience the group has welcomed in over six years, and the second edition of Concerts for a Summer's Night enjoying several sold-out performances and, with a new venue in Glasgow, audience growth of around 300% compared with the previous year.

The 2023/24 Season was launched on 19 June 2023. Building on an established structure, it will combine new collaborations (including with Indian sitarist and composer, Jasdeep Singh Degun) and reprise (of in Sync); established favourites in Concerts by Candlelight and for a Summer's Night; and ground-breaking new initiatives – in particular the development of a 'Music in Motion' concept, which sees memorised performance and choreographed movement combine to transform the often-static concert hall stage into a site of gripping physicality.

The release of two new high-production-value music videos in July 2023 and January 2024 will also stand as a major test of the learning and creative development that took place in the pandemic. It is intended that these will stand-out as entirely unique and bold takes on digital content creation in the classical music sector.

SE also aims to be sector-leading in its work behind-the-scenes. Four key areas of focus for the future are:

- the implementation of a new set of Membership Terms & Conditions and Engagement Terms & Conditions for all freelance musicians who perform with the organisation, aiming to improve clarity and fairness in all systems and offers of work.
- the development of a small research project in collaboration with Dunedin Consort, Red Note Ensemble and Hebrides Ensemble looking at best practice inclusive recruitment, and how the classical music freelance sector could better improve its ability to seek, identify and engage performers from diverse backgrounds. This work is supported by a Creative Scotland / Chamber Music Scotland EDI Development Fund award.
- the continued refining and promotion of a carbon quota approach to reducing carbon emissions, and new practices to support more sustainable travel.
- The development of a 'commercially-viable project' is proposed for 2023-24, to investigate the potential of generating a modest new income stream for the future.

In 2023/24, SE will be engaged in applying to Creative Scotland's new Multi-Year Funding Programme. In light of the guidance received from Creative Scotland about this fund, and the expectation of an increasingly challenging financial climate, SE is investigating a range of means through which it can maintain its bold approach, while maximising resilience and impact.

SCOTTISH BAROQUE ENSEMBLE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management

Governing document

Scottish Baroque Ensemble Limited is constituted as a company limited by guarantee, registered in Scotland with registration number 75443. It does not have a share capital and its Memorandum and Articles of Association is dated 1 July 1981. The liability of members is limited.

Governing Body and Management

The company's governing body is its Board of Directors. The executive team is led by Chief Executive, Jenny Jamison and General Manager, Catherine Ferrell (maternity leave from 27 February 2023, covered by Tom Lovatt).

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Andrew Berridge	
Jeffrey Fergus (Chair)	
Neil Kelly	
Stella Morse	(Resigned 1 November 2022)
Jonathan Morton	
Tom Service	
Lesley Watt	
Nicolas Zekulin	
Morag Burnett	
James McAulay	
Amy Woodhouse	
Nicola Gordon	
William McCall	(Resigned 14 June 2023)
Diane Clark	(Appointed 4 May 2022)

Directors

The Company's Articles of Association require that there be not less than three, nor more than 18, Directors and that a majority in number of the Directors are persons who are neither SE core performers nor employees of the Company.

Under the Articles of Association, Directors are required to retire every three years and are eligible for re-election for further periods of three years, subject to the overriding provision in the Company's Governance Guide and Code that cumulative periods of appointment will normally be for a maximum of 10 years.

The Governance Guide and Code makes detailed provision for the recruitment, nomination, appointment and induction of new Directors. In considering candidates for nomination or appointment, the Board has regard inter alia to any business or other specialist skills needed by, or which could be of benefit to, the Company.

In summer 2022, the company sought expressions of interest from Directors to act as Leads on key business areas, to support the executive team as they develop policy and practice in these areas. In July 2022, Morag Burnett was appointed Lead on Equalities, Diversity & Inclusion; Nicola Gordon on Health & Safety; and Amy Woodhouse on Creative Learning & Safeguarding. The Directors noted an intention and desire to appoint a Sustainability Lead; this features as a consideration in a board recruitment process in June 2023, as does a desire to ensure SE's Board reflects the diversity of contemporary Scotland, and of SE's audiences.

SCOTTISH BAROQUE ENSEMBLE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Risk management

The Directors have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Directors have examined the major risks to which the company might be exposed, and systems are in place to mitigate these risks. Quarterly reviews are currently carried out by the Finance & General Purposes Committee and the Board considers the risk mitigations and rating recommendations made by this Committee and the executive team at quarterly intervals – a regularity that has been in place since the outbreak of the Covid-19 pandemic.

Risk levels fluctuated each quarter, but key risks relating to the pandemic show a pattern of reducing impact across 2022-23. Across the year, the key risks consistently highlighted uncertainty around public funding (with a multi-year funding application due in 2023-24) and the wider challenging fundraising environment within which Scottish Ensemble operates, noting increased competition, the cost-of-living crisis, and changing funder priorities as key considerations. The Directors engaged in actions to mitigate the impact of all these risks.

Statement of Trustees' responsibilities

The Trustees, who are also the directors of Scottish Baroque Ensemble Limited for the purpose of company law, are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with the company's articles, a resolution proposing that Alexander Sloan be reappointed as auditor of the charitable company will be put to the Annual General Meeting.

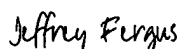
SCOTTISH BAROQUE ENSEMBLE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.



Jeffrey Fergus (Chair)
Trustee

22 August 2023

SCOTTISH BAROQUE ENSEMBLE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS AND TRUSTEES OF SCOTTISH BAROQUE ENSEMBLE LIMITED

Opinion

We have audited the financial statements of Scottish Baroque Ensemble Limited (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and 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 charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its 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 regulation 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other 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 Trustees' 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 charity'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 Trustees with respect to going concern are described in the relevant sections of this report.

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 Trustees 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.

SCOTTISH BAROQUE ENSEMBLE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS AND TRUSTEES OF SCOTTISH BAROQUE ENSEMBLE LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' 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) requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose of company 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 Trustees 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 Trustees are responsible for assessing the charity'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 Trustees either intend to liquidate the 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 Chapter 3 of Part 16 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

SCOTTISH BAROQUE ENSEMBLE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS AND TRUSTEES OF SCOTTISH BAROQUE ENSEMBLE LIMITED

The extent to which the audit was considered capable of detecting irregularities including fraud

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 Trustees and other management, and from our wider knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations charity, including the Companies Act 2006, the Charities SORP FRS 102, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).
- 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.

We assessed the susceptibility of the charity'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.

Audit response to risks identified

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 Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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
- requesting correspondence with HMRC and OSCR.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

SCOTTISH BAROQUE ENSEMBLE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS AND TRUSTEES OF SCOTTISH BAROQUE ENSEMBLE LIMITED

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 charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 charitable company, the charitable company's members as a body, and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

David Jeffcoat

David Jeffcoat (Senior Statutory Auditor)
for and on behalf of Alexander Sloan

29/9/2023

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Accountants and Business Advisers
Statutory Auditor

1 Lochrin Square
92-98 Fountainbridge
Edinburgh
EH3 9QA

SCOTTISH BAROQUE ENSEMBLE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

Current financial year

		Unrestricted funds general 2023 £	Unrestricted funds designated 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
	Notes					
<u>Income from:</u>						
Donations	3	421,922	-	361,978	783,900	651,748
Income from charitable activities	4	450,663	-	-	450,663	240,638
Investment income	5	1,451	-	-	1,451	4
Total income		874,036	-	361,978	1,236,014	892,390
<u>Expenditure on:</u>						
Cost of charitable activities	6	913,969	48,931	221,982	1,184,882	712,960
Net gains/(losses) on investments	10	-	-	3,452	3,452	-
Net (outgoing)/incoming resources before transfers		(39,933)	(48,931)	143,448	54,584	179,430
Gross transfers between funds		(33,931)	33,931	-	-	-
Net movement in funds		(73,864)	(15,000)	143,448	54,584	179,430
Fund balances at 1 April 2022		232,492	187,832	196,430	616,754	437,324
Fund balances at 31 March 2023		158,628	172,832	339,878	671,338	616,754

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 19 to 32 form an integral part of these financial statements.

SCOTTISH BAROQUE ENSEMBLE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

Prior financial year

		Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes				
<u>Income from:</u>					
Donations	3	379,366	-	272,382	651,748
Income from charitable activities	4	240,638	-	-	240,638
Investment income	5	4	-	-	4
Total income		620,008	-	272,382	892,390
<u>Expenditure on:</u>					
Cost of charitable activities	6	608,941	18,067	85,952	712,960
Net gains/(losses) on investments	10	-	-	-	-
Net (outgoing)/incoming resources before transfers		11,067	(18,067)	186,430	179,430
Gross transfers between funds		(12,567)	12,567	-	-
Net movement in funds		(1,500)	(5,500)	186,430	179,430
Fund balances at 1 April 2021		233,992	193,332	10,000	437,324
Fund balances at 31 March 2022		232,492	187,832	196,430	616,754

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SCOTTISH BAROQUE ENSEMBLE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	12		1,406		4,217
Investments	13		128,452		-
			<u>129,858</u>		<u>4,217</u>
Current assets					
Stocks		2,057		2,057	
Debtors	15	322,634		280,583	
Cash at bank and in hand		349,823		529,297	
		<u>674,514</u>		<u>811,937</u>	
Creditors: amounts falling due within one year	16	(133,034)		(199,400)	
Net current assets			<u>541,480</u>		<u>612,537</u>
Total assets less current liabilities			<u><u>671,338</u></u>		<u><u>616,754</u></u>
Income funds					
Restricted funds	19	339,878		196,430	
Unrestricted funds - designated	20	172,832		187,832	
Unrestricted funds - general		158,628		232,492	
		<u>671,338</u>		<u>616,754</u>	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 22 August 2023

Jeffrey Fergus

Jeffrey Fergus (Chair)
Trustee

Company Registration No. SC075443

The notes on pages 19 to 32 form an integral part of these financial statements.

SCOTTISH BAROQUE ENSEMBLE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	23		(55,925)		81,709
Investing activities					
Purchase of tangible fixed assets		-		(1,898)	
Purchase of investments		(125,000)		-	
Interest received		1,451		3	
Net cash used in investing activities			(123,549)		(1,895)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(179,474)		79,814
Cash and cash equivalents at beginning of year			529,297		449,483
Cash and cash equivalents at end of year			<u>349,823</u>		<u>529,297</u>

The notes on pages 19 to 32 form an integral part of these financial statements.

SCOTTISH BAROQUE ENSEMBLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Scottish Baroque Ensemble Limited is a private company limited by guarantee incorporated in Scotland. The registered office and principal place of business is 350 Sauchiehall Street, Glasgow, G2 3JD.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing documentation, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

SCOTTISH BAROQUE ENSEMBLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured or estimated reliably.

Liabilities are measured on recognition at historical cost and then subsequently measured at the best estimate of the amount required to settle the obligation at the reporting date. The exception is that certain financial instruments must be adjusted to their present value; these include financial liabilities where settlement is deferred for more than 12 months after the reporting date.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Raising Funds

Expenditure on raising funds includes all expenditure incurred by a charity to raise funds for its charitable purposes. It includes the costs of all fundraising activities and events together with those costs incurred in seeking donations, grants and legacies and investment management costs.

Charitable activities

Expenditure on charitable activities includes all costs incurred by the charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities. The costs of charitable activities presented in the Statement of Financial Activities includes the costs of both direct service provision and the payments of grant awards if applicable.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	10% reducing balance
Computer Equipment	33.3% straight line
Music	10% reducing balance

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date.

Investments in investment trusts, unit trusts, or open ended investment companies (OEICs) have been included in the balance sheet based on the Net Asset Value (NAV) of the fund.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the value at the year end and their value at the prior year end. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

SCOTTISH BAROQUE ENSEMBLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

SCOTTISH BAROQUE ENSEMBLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.12 Taxation

The charity is recognised as a charity by HM Revenue & Customs and is not liable for corporation tax on any surplus made on its charitable activities. No provision for corporation tax is made in the accounts.

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

Investments

Scottish Ensemble's investments are held as units with CCLA's COIF Charities Ethical Investment Fund. The value of investments in the balance sheet is based on the bid price of the total units at the year-end date. The bid price is calculated daily by the Fund manager and based on the Net Asset Value (NAV) of that Fund. This is deemed to be a reasonable estimate of the fair value of the investments.

SCOTTISH BAROQUE ENSEMBLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Donations

	Unrestricted funds general 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £
Donations	81,189	43,000	124,189	46,033	225,250	271,283
Legacies	1,000	-	1,000	-	-	-
Creative Scotland	333,333	171,320	504,653	333,333	-	333,333
The Bridge - Creative Europe funding	-	127,658	127,658	-	15,019	15,019
Sponsorship	3,000	-	3,000	-	-	-
Local authorities	3,400	20,000	23,400	-	32,113	32,113
	<u>421,922</u>	<u>361,978</u>	<u>783,900</u>	<u>379,366</u>	<u>272,382</u>	<u>651,748</u>

4 Income from charitable activities

	2023 £	2022 £
Own promotions income	82,900	25,745
Engagement income	226,327	77,964
Orchestra/Theatre Tax Relief	136,777	125,000
Education and outreach income	4,111	11,042
CD sales and royalties	548	887
	<u>450,663</u>	<u>240,638</u>

5 Investment income

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Interest receivable	<u>1,451</u>	<u>4</u>

SCOTTISH BAROQUE ENSEMBLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6 Cost of charitable activities

	Total 2023 £	Total 2022 £
Staff costs	223,805	192,554
Depreciation and impairment	2,811	1,543
Project and activities costs	838,141	403,971
Premises costs	17,688	13,980
Running costs	82,195	83,091
Legal and professional	6,534	1,415
Accountancy costs	5,224	7,142
Interest and finance charges	2,096	2,064
Governance costs	7,500	7,200
Foreign exchange loss/(gain)	(1,112)	-
	<u>1,184,882</u>	<u>712,960</u>
	<u>1,184,882</u>	<u>712,960</u>
Analysis by fund		
Unrestricted funds - general	913,969	608,941
Unrestricted funds - designated	48,931	18,067
Restricted funds	<u>221,982</u>	<u>85,952</u>
	<u>1,184,882</u>	<u>712,960</u>

The increase in expenditure on Projects & Activities Costs reflects the return to normal business post-pandemic, with approximately 50% more expenditure across all core activity – own-promoted concerts, engagements, and creative learning activity. In addition, Creative Europe-funded project, The Bridge, culminated in 2022-23, resulting in an increase of approximately £146,000 compared with the prior year's expenditure on the same project.

7 Auditor's remuneration

Fees payable to the charity's auditor and associates:	2023 £	2022 £
Audit of the charity's annual accounts	<u>7,500</u>	<u>7,200</u>
Non-audit services		
All other non-audit services	<u>3,578</u>	<u>1,443</u>

8 Trustees

During 2022/23, 3 Trustees (all core performers) were remunerated (2021/22 3 core performers and 1 short-term consultancy) fee payments totalling £68,333 (2022: £73,659) for their services during the period.

SCOTTISH BAROQUE ENSEMBLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Total	7	7

Employment costs

	2023 £	2022 £
Wages and salaries	203,665	181,800
Social security costs	14,054	5,450
Other pension costs	6,086	5,304
	<u>223,805</u>	<u>192,554</u>

During the year, total remuneration of £95,039 (2022: £100,320), which included wages and employer's national insurance and pension contributions, was paid in respect of key management personnel.

Separately, three Trustees, who are not employees of the charity but are considered key management personnel, received fees of £68,333 (2022: £73,559) for the year. The reasons for this remuneration are outlined in note 8.

The charity's number of Full Time Equivalent staff during 2022/23 was 6.25 (2021/22: 5.85)

There were no employees whose annual remuneration was £60,000 or more.

10 Net gains/(losses) on investments

	Restricted funds	Total
	2023 £	2022 £
Revaluation of investments	3,452	-

11 Net income/(expenditure) for the year

	2023 £	2022 £
Net income/(expenditure) for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	7,500	7,200
Depreciation of owned tangible fixed assets	2,811	1,544

SCOTTISH BAROQUE ENSEMBLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

12 Tangible fixed assets

	Fixtures and fittings £	Computer Equipment £	Music £	Total £
Cost				
At 1 April 2022	8,841	16,377	3,678	28,896
At 31 March 2023	8,841	16,377	3,678	28,896
Depreciation and impairment				
At 1 April 2022	7,038	13,963	3,678	24,679
Depreciation charged in the year	397	2,414	-	2,811
At 31 March 2023	7,435	16,377	3,678	27,490
Carrying amount				
At 31 March 2023	1,406	-	-	1,406
At 31 March 2022	1,803	2,414	-	4,217

13 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2022	-
Additions	125,000
Valuation changes	3,452
At 31 March 2023	128,452
Carrying amount	
At 31 March 2023	128,452
At 31 March 2022	-

	2023 £	2022 £
Investments at fair value comprise:		
CCLA Charities Ethical Fund Investment	128,452	-

Fixed asset investments revalued

The historic cost of investments held is £125,000, invested in July 2022.

SCOTTISH BAROQUE ENSEMBLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

14	Financial instruments	2023	2022
		£	£
	Carrying amount of financial assets		
	Instruments measured at fair value through profit or loss	128,452	-
15	Debtors	2023	2022
		£	£
	Amounts falling due within one year:		
	Trade debtors	111,988	2,136
	Other debtors	8,554	6,318
	Prepayments and accrued income	202,092	272,129
		322,634	280,583
16	Creditors: amounts falling due within one year	2023	2022
		£	£
	Trade creditors	94,100	77,352
	Other creditors	4,710	4,197
	Accruals and deferred income	34,224	117,851
		133,034	199,400
17	Government grants		

Deferred income represents £nil of the balance within accruals and deferred income at 31 March 2023 (£69,386 at 31 March 2022). This represents grant money from the European Commission Creative Europe fund towards The Bridge Project. Income is recognised as earned and in line with progress of the project. Funding was received up front during 2018/19 which was all accounted for as deferred income until the commencement of the project. In the year to 31 March 2023, £69,386 (2022 £15,019) was released to Grant income, leaving a balance in deferred income at 31 March 2023 of £nil (2022 - £69,386).

SCOTTISH BAROQUE ENSEMBLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

18 Analysis of net assets between funds

	General Fund 2023 £	Designated Funds 2023 £	Restricted Funds 2023 £	Total 2023 £	General Fund 2022 £	Designated Funds 2022 £	Restricted Funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:								
Tangible assets	1,406	-	-	1,406	4,217	-	-	4,217
Investments	-	-	128,452	128,452	-	-	-	-
Current assets/(liabilities)	157,222	172,832	211,426	541,480	228,275	187,832	196,430	612,537
	<u>158,628</u>	<u>172,832</u>	<u>339,878</u>	<u>671,338</u>	<u>232,492</u>	<u>187,832</u>	<u>196,430</u>	<u>616,754</u>

SCOTTISH BAROQUE ENSEMBLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Balance at 1 April 2022	Movement in funds			Balance at 31 March 2023
	Balance at 1 April 2021	Income	Expenditure		Income	Expenditure	Revaluations, gains and losses	
	£	£	£	£	£	£	£	£
Creative Learning/Residencies	-	37,000	(11,000)	26,000	31,000	(13,838)	-	43,162
Dundee	-	13,400	(12,720)	680	5,000	(4,922)	-	758
The Bridge	10,000	15,019	(15,019)	10,000	127,658	(137,658)	-	-
Glasgow	-	21,000	(20,000)	1,000	22,000	-	-	23,000
Aberdeen	-	5,000	(2,500)	2,500	-	-	-	2,500
Fennessy Commission 2023-24	-	-	-	-	-	(4,000)	-	(4,000)
Digital Activity	-	20,713	(20,713)	-	5,000	-	-	5,000
Calder Commissioning Fund	-	156,250	-	156,250	-	-	3,452	159,702
Scottish Creations	-	4,000	(4,000)	-	-	-	-	-
CS Covid Recovery Fund	-	-	-	-	171,320	(61,564)	-	109,756
	10,000	272,382	(85,952)	196,430	361,978	(221,982)	3,452	339,878

SCOTTISH BAROQUE ENSEMBLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

19 Restricted funds

(Continued)

Purposes of Restricted Funds

Creative Learning/Residencies

Funds received for projects incorporating education, outreach and performance activities in a range of Scottish regions.

Dundee

Funds reserved for Scottish Baroque Ensemble activities taking place in Dundee.

The Bridge

Funds reserved for delivery of Creative Europe project "The Bridge" - a new international network and festival, led by Scottish Ensemble.

Glasgow

Funds reserved for activity taking place in Glasgow, and the associated support costs.

Aberdeen

Funds reserved for activity taking place in Aberdeen, and the associated support costs.

Digital Activity

Funds reserved for Scottish Ensemble's Digital Programme.

Scottish Creations

The fund was created following a grant from the PRS Foundation.

Calder Commissioning Fund

A fund has been set up thanks to a generous donation in honour of Scottish Ensemble's founder John Calder. The donation has been invested and the interest on the capital will enable Scottish Ensemble to further the purpose of the fund, which is the generation of new work.

Fennessy Commission 2023/24

Funds reserved for the creation of premieres of a new work by David Fennessy.

Creative Scotland Covid Recovery Fund Activity

Funding received from Creative Scotland to support recovery following the Covid-19 pandemic, and now restricted to enable ongoing reconnection with audiences, including through digital and access initiatives.

SCOTTISH BAROQUE ENSEMBLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

20 Unrestricted funds - designated

These are unrestricted funds which are material to the charity's activities made up as follows:

	Balance at 1 April 2021 £	Resources expended £	Transfers £	Balance at 1 April 2022 £	Resources expended £	Transfers £	Balance at 31 March 2023 £
Development fund - General	100,000	-	-	100,000	-	-	100,000
IT fund	-	-	2,000	2,000	-	-	2,000
The Bridge	-	(10,567)	10,567	-	(33,931)	33,931	-
Fund for the future	93,332	(7,500)	-	85,832	(15,000)	-	70,832
	<u>193,332</u>	<u>(18,067)</u>	<u>12,567</u>	<u>187,832</u>	<u>(48,931)</u>	<u>33,931</u>	<u>172,832</u>

Purposes of Designated Funds

Development fund - General

Funds reserved for the future development of the Scottish Baroque Ensemble. The Development fund will be drawn upon as required to support the charity's strategic initiatives.

IT fund

Funds reserved for replacement of computer hardware.

The Bridge

Funds reserved for delivery of Creative Europe project "The Bridge" - a new international network and festival, led by Scottish Ensemble. This Fund accounts for the expenses not covered by the Creative Europe grant. A transfer is then made from the General Fund to match any deficit.

Fund for the future

Funds reserved for delivering initiatives outlined in Scottish Ensemble's Fund for the Future campaign, run during Scottish Ensemble's 50th anniversary year to support ongoing cross-artform projects, work with young people, and international collaboration over the next five years.

SCOTTISH BAROQUE ENSEMBLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

21 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	2,628	2,628
Between two and five years	346	659
	<u>2,974</u>	<u>3,287</u>

Operating lease expenditure recognised as an expense during the year totalled £9,667 (2022: £7,301).

22 Related party transactions

Other than the transactions noted in the Trustees' emoluments note (Note 9), there were no disclosable related party transactions during the year (2022 - none).

23 Cash generated from operations

	2023 £	2022 £
Surplus for the year	54,584	179,430
Adjustments for:		
Investment income recognised in statement of financial activities	(1,451)	(4)
Fair value gains and losses on investments	(3,452)	-
Depreciation and impairment of tangible fixed assets	2,811	1,545
Movements in working capital:		
(Increase) in debtors	(42,051)	(156,854)
(Decrease)/increase in creditors	(66,366)	57,592
Cash (absorbed by)/generated from operations	<u>(55,925)</u>	<u>81,709</u>

24 Analysis of changes in net funds

The charity had no debt during the year.