



Alexander Sloan
Accountants and Business Advisers

Company Registration No. SC075443 (Scotland)
(a company limited by guarantee)

SCOTTISH BAROQUE ENSEMBLE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Charity Registration No. SC001539 (Scotland)

COMPANIES HOUSE

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SCOTTISH BAROQUE ENSEMBLE LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

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| Trustees | Samantha Barber (Chair) Andrew Berridge Jeffrey Fergus Laura Ghio Rachel Gwyon Neil Kelly Stella Morse Jonathan Morton Tom Service Lesley Watt Nicolas Zekulin Morag Burnett James Mcauley Amy Woodhouse | (Appointed 10 December 2020) (Appointed 10 December 2020) (Appointed 5 March 2021) |
| 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 Interim Chief Executive - William Norris General Manager - Catherine Ferrell | |
| Auditor | Alexander Sloan Accountants and Business Advisers 50 Melville Street Edinburgh EH3 7HF | |
| Bankers | Handelsbanken 206 St Vincent Street Glasgow G2 5SG | |

SCOTTISH BAROQUE ENSEMBLE LIMITED

CONTENTS

| | Page |
|-----------------------------------|-------------|
| Trustees' report | 1 - 12 |
| Independent auditor's report | 13 - 16 |
| Statement of financial activities | 17 - 18 |
| Balance sheet | 19 |
| Statement of cash flows | 20 |
| Notes to the financial statements | 21 - 36 |

SCOTTISH BAROQUE ENSEMBLE LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their report and financial statements for the year ended 31 March 2021.

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, tours throughout the UK and abroad, records and broadcasts, 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 both through the promotion of participation in and appreciation of the arts, and through the wider social and well-being outcomes that this appreciation and participation engender.

Vision and Mission Statements

2019-20 was the second year in Scottish Ensemble's ('SE's') 2018-21 Business Plan - *50 years: Innovation, Excellence and Relevance*, and also marked SE's 50th anniversary season. The objectives for the 2018-21 period are encapsulated in the following vision and mission statements:

Vision

Scottish Ensemble 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

To create exhilarating musical experiences that forge new connections between people, places and ideas.

SCOTTISH BAROQUE ENSEMBLE LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

ACHIEVEMENTS AND PERFORMANCE

Charitable Activities

This year saw the tail end of celebrations to mark the milestone of Scottish Ensemble's 50th anniversary season which was disrupted due to the COVID-19 pandemic, while the 2020-21 Season saw a pivot to digital delivery of almost all strands of SE's work, enabling the organisation to continue to meet its charitable objectives and to stay connected with audiences whilst delivering ambitious and boundary-pushing projects through exciting collaborations, even without the possibility of live, in person performance. This online programme of work allowed SE to work in new ways and to continue to be considered a sector-leader in redefining the possibilities for classical music performance.

In November 2020, SE was awarded the Royal Philharmonic Society 2020 Ensemble Award 'for sheer quality and innovation in their 50th birthday year, and for showing us all how an ensemble can serve its community yet still have a striking international impact.' The award was announced at a virtual awards ceremony, filmed at London's Wigmore Hall and featured excerpts from SE's first digital concert as the soundtrack to the event.

Continued leadership of Creative Europe project 'The Bridge' saw the project, through the extended 'The Bridge Network', become an important forum for international innovation-focused ensembles to share issues and collaborate during this difficult period for the performing arts. At the same time, planning continued of staging the postponed festival, now scheduled for April 2022.

Collaborative Musical Adventures

Across this unprecedented year, SE reached an audience of over 49,000 across the world through online presentations of their work, both paid and free.

The year saw SE delivering all activity digitally, be those public performances, schools' performances, or other Creative Learning projects. 2020-21 was already scheduled to be the first year of funding SE received from the Royal Philharmonic Society Audience Fund. The application to the fund, entitled 'Sound On' was intended to see SE commissioning a series of filmmakers to develop a fresh filmic language for classical music, distinct from streamed concert footage. With this funding and planning already in place, it ensured digital activity was delivered through a distinctive SE lens.

2020-21 Public Projects

SE's digital output for the year encompassed a range of made-for-digital activities, split here into free projects, paid performances and a Creative Learning and Participation Programme.

Free Projects

The first made-for-digital project was *Tumbling Song*. This was an interactive and participative project, a celebration of listening and togetherness, particularly apt during a time in which so many were isolated.

Pauline Oliveros' *Tumbling Song* is part of her 25 Sonic Meditations, a series of works with instructions that anyone can follow, with the aim of finding a state of Deep Listening. The project invited members of the public to be part of the project by submitting their own vocal 'performance' for the project, with their recordings forming part of the finished piece alongside instrumental parts performed by SE musicians.

SCOTTISH BAROQUE ENSEMBLE LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Solo Collaborations formed SE's first major strand of digital programming, a series of ground-breaking audiovisual works that showcase the organisation's commitment to interdisciplinary programming. The project brought together individual collaborators, pairing SE musicians with those from other companies and genres.

The first was *these bones, this flesh, this skin*, which brought together Scottish Ensemble and Scottish Dance Theatre. SE Artistic Director and violinist Jonathan Morton, composer Martin Suckling, dancer and choreographer João Castro, choreographer and SDT Artistic Director Joan Clevillé and cinematographer Genevieve Reeves collaborated (together with a wider production team) on a work that was a response to the world outside shutting down. The resulting piece was interactive, allowing the audience to create their own experience by selecting the visuals and audio layers they wished to combine, was shortlisted for the 2021 Classical:NEXT innovation award and went on to win a Scottish Award for New Music. Martin Suckling is now writing new musical material to be performed and recorded by Jonathan Morton, as means of extending and developing this interactive experience further, funded by York University.

The second project in the *Solo Collaborations* series, *Pardes*, brought together artists Jyll Bradley, composer Anna Clyne and SE violist Jane Atkins, and is a meditation on creative potential, light and growth, exploring our relationship with the natural world. *Pardes* was released as a YouTube film in November 2020 and will be premiered as a live performance in November 2021, with violist Jane Atkins performing Anna Clyne's *Reveal* within the gallery exhibition of Jyll Bradley's work from *Pardes* at Edinburgh's newly redeveloped Fruitmarket Gallery. A new film of this live performance will then be launched in Spring 2022, taking this project through three iterations, from digital to live, back to digital, another example of how the *Solo Collaborations* series has progressed and developed, through an exploration of new types of creative process.

Philip Glass's Symphony No.3, Travelling Dreams was the most ambitious free project. A 15-minute music video that featured the final movements of the symphony, this project was a collaboration with the senior players of the National Youth Orchestras of Scotland. Created in COVID-secure conditions in the autumn of 2020, this formed part of SE's commitment to creating a new filmic language for classical music. Working with production company Hopscotch Films, this was a major undertaking for SE. Under Director Sven Werner, a local production team created the illusion of SE's performance taking place in a moving train carriage. The film was released at the end of January and has become SE's most-watched digital project to date, amassing almost 47,000 views on YouTube alone.

"It's a compelling piece of cross-genre interpretation. The production quality is top-notch, where neither film nor music is compromised. The deep mellow timbre of the opening has a golden glow – beautifully sound engineered, intensely performed – that is only enhanced by the unobtrusive synergy of visuals reflecting the aching dichotomy – stasis versus momentum – that embodies Glass's personalised, often lugubrious minimalist style." Vox Carnyx

The final free online events of the year were titled *Breathe: Music and Your Mind with Maggie's*. This was a 3-day project at Perth Concert Hall, for which the full ensemble was joined by Maggie's Lead Psychologist Lesley Howells, who led the audience through some principles of mindfulness, framing their journey through the concert programme.

SCOTTISH BAROQUE ENSEMBLE LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Breathe involved three live, free performances, streamed on YouTube for the public, a pre-recorded schools' session and a live-streamed session for the staff of corporate supporters MacRoberts LLP.

During the live sessions, viewers were invited to comment and give their reactions, and Lesley and the performers were then able to respond to those comments and use them to provoke further reflection and thought.

Over the public sessions, 304 households attended the event and post-event surveys revealed that almost 40% of the audience were new to Scottish Ensemble.

Audience feedback for *Breathe* included:

"I thought it was wonderful, music, mindfulness and discussion and I didn't want it to come to an end!"

"Hi, a Big Thank You to you All for the Breathe session. Really enjoyed it, very well structured, informative and I found myself listening in a different way, difficult to explain, more focussed I guess. It was a lovely hour. Thanks again and hope you can repeat it at some point."

Paid Performances

In addition to SE's free online work, a series of three ticketed full performances were also staged and each was filmed in partnership with a filmmaker discovered through an open call. The focus for all three films was to take an innovative approach in its filming, achieving striking visual aesthetics in order to stand out from other filmed and streamed classical performances in Scotland.

Songs for Life with soprano Karen Cargill was the first, premiering on 13 November, though available to watch until February 2021. The project had its genesis in pre-COVID times, and explored a range of universal themes; love, death, childhood, and community, with music ranging from Purcell to Chick Corea, and was filmed by Julyan Sinclair and Miranda Stern.

The next project was the much-loved and annual ***Concerts by Candlelight*** programme, this year with a theme of reflection, which premiered on 16 December. The performance was filmed by Flux Video and the core of the programme was Edmund Finnis' *The Centre is Everything*, which was complemented by music from Steve Reich, Anna Clyne and J.S. Bach, the latter of which was accompanied by a digital graphic score.

The final project in the series was ***First Light***, with guest director Max Baillie, a project whose intent was to signal a move into lighter, brighter, times. Music by Vivaldi, Jessie Montgomery, Haydn, Steve Martland and by Max himself rubbed shoulders in the programme, with the concert again recorded by Flux Video.

These hour-long filmed performances connected with both SE's core audience but also reached audiences who might not ordinarily attend in person. Both individual and household tickets were sold for the performances, with over 1500 views across the three programmes.

While it was a smaller-scale event, SE's ***Musical Bookclub*** was another important way of staying connected with core audiences across the country during lockdown, particularly SE's most loyal supporters, who engaged in the detailed and collegiate discussions. These online discussion groups each featured a special guest, including Anna Meredith, Craig Armstrong, Dobrinka Tabakova and Colin Currie, among others and focussed on a particular work or composer. A total of 150 people joined across the 6 sessions, and consideration will be taken over whether to continue this series at a reduced frequency post lockdown, following their positive response.

Residencies, Creative Learning and Participation

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 well-being objectives.

This work was of course hugely affected by the COVID-19 pandemic, but again, a pivot towards digital delivery did bring with it some benefits, most notably the ability to achieve a greater geographic reach and in enabling a reach of a much greater number of participants than would be possible with only physical events.

SCOTTISH BAROQUE ENSEMBLE LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The centrepiece of SE's schools offering for the year became the SoundSpace series, which was a series of three virtual lunchtime concerts for schools and families, aimed at supporting wellbeing and providing an uplifting musical experience and moment of escapism for audiences, during the pandemic.

Schools in 29 of Scotland's 32 Local Authority areas tuned in to the SoundSpace series, with 31 survey respondents from the first performance, reporting over 1,600 individual viewers. Given that this was only a third of the schools who signed up for this performance, the number of pupils reached is expected to be several thousand per stream, likely exceeding 10,000 individual views across all three performances.

Furthermore, c.8% of survey respondents reported that a young person needed BSL, with two schools mentioning that they were teaching pupils sign language and that seeing the interpreter was therefore relevant to their teaching. An average of c.8% also said that their young people made use of the Gaelic subtitles and an average of 76% of pupils watching had never attended a classical music performance before, showing the significant reach of this series.

The Sound Space performances took place in October, December and February, together with a Schools version of *Breathe: Music and Your Mind with Maggie's* in March 2021 and all performances gave the option of Gaelic subtitles and had BSL interpretation.

Feedback for the *Breathe* schools session included:

"We paused it to talk about the BSL interpreter as we have been trying out a wee bit of sign language in class. We also discussed our favourite piece and gave reasons why. We also discussed instruments (family - string, brass, etc.), the impact of COVID-19 on the arts and the importance of the arts."

"The children loved it. They never have the opportunity to see music being performed in this way and we have no music teachers anymore, so this was such a lovely experience. I hope you do more things like this that we can engage with online."

"They all really enjoyed it and felt it was a real benefit to their mental health."

As well as these schools' events, SE's collaboration with Maggie's Centres continued, with online Music & Mindfulness sessions for centres in Lanarkshire, Inverness, and Dundee.

SE's annual ensemble week with the Royal Conservatoire of Scotland was postponed from January 2021 and instead took place in May, culminating in a closed-door audio-visual recorded performance.

SE's major collaboration with the senior musicians of the National Youth Orchestras of Scotland is outlined elsewhere in this report.

COVID-19 impact on performance programme

As noted, the Pandemic had an enormous effect on SE's activities in the 2020-21 Financial Year. All activity during this period was delivered digitally, with no live audiences - scheduled performances with audience in Autumn 2020 were postponed due to Government Guidance.

SE's priorities during this period have been:

- To harness creative vision and energy of Scottish Ensemble during the pivot to digital, to ensure that output remains distinctive and boundary-pushing
- To ensure the wellbeing of all SE staff and artists
- To maintain close relationships with audiences through a range of online events and tailored communications.
- To ensure that Scottish Ensemble remains financially resilient, and able to emerge from the pandemic in a strong financial and artistic position.

SCOTTISH BAROQUE ENSEMBLE LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Other business developments

In addition to the performance and Creative Learning activities outlined above, developments across other areas of SE's business continued in 2020-21 despite the impact of the pandemic.

- The 50th anniversary Fund for the Future campaign closed having raised over £93,000.
- SE continued its commitment to its Equalities, Diversity, and Inclusion Action Plan, which sets out objectives across internal policies, artistic programming, and external-facing communications to ensure all areas of SE's operations are informed by EDI objectives and tangible targets.
- SE continues to be a leader in its sustainability work. SE is a founding member of the Centre for Contemporary Arts' Green Team, a founding member of a new Scottish Classical Music Sustainability Working Group set up in July 2020, and an active participant in conferences and sector meetings. With no touring and the office largely closed, SE's emissions were substantially lower this year, though of course some emissions will have been incurred elsewhere as staff worked from home.
- SE was successful in a bid to Creative Informatics, an ambitious research and development programme, which looks to bring together both tech and creative sectors by provide funding opportunities for individuals and organisations to explore how data can be used to drive ground-breaking products, businesses, and experiences. From this, SE will develop a digital version of past live project Anna Meredith's ANNO in collaboration with tech duo Jonathan Green and David Shepherd, otherwise known as LOSS><GAIN.
- SE ran several small yet successful corporate partnership events across the year, investing more resource into securing sponsorship income however there is more work to be done in this area and it remains a focus of income development, which continues to be discussed and explored with SE's Board.
- Lastly, SE is currently undertaking a major website rebuild project, which will also include a codification of SE's brand and identity. This project is scheduled for completion in early 2022.

Staff changes

Chief Executive Jenny Jamison temporarily left SE to go on Maternity Leave in March 2021. Prior to this an Interim Chief Executive, William Norris, had been recruited, who started a handover with Jenny in February 2021 and who took up the role fully in March. William came to SE having been Managing Director of both Southbank Sinfonia and Tafelmusik Baroque Orchestra and will be with SE through to the end of December 2021.

Producer Stuart Burns also took up a full-time role during Jenny's maternity leave.

Board

During 2020-21 one Director, Lesley Paterson, stood down from the board, having completed her term and having given over 14 years of valued contribution to SE, across various roles within the organisation.

SE ran a public Board Recruitment process in July 2020, which took account of a recent Skills Audit, and which sought candidates with skills in digital technology, public policy (particularly in culture; arts & healthcare; and equalities, diversity, and inclusion), fundraising and philanthropy; and those with networks in non-UK arts markets. As a result of this process, SE made three new appointments to the board, with these being announced in February 2021:

James McAulay, the CEO & Co-Founder of Encore – one of the world's largest online booking platforms helping musicians earn money playing at events, concerts, weddings and recording sessions – joined the board in December 2020, as its youngest member to date. Before starting Encore, James studied the cello at the Music School of Douglas Academy in Glasgow and led the NYOS cello section at their BBC Proms performance with Nicola Benedetti in 2012. James brings extensive digital expertise and a passion for strings and composition to the SE Board.

SCOTTISH BAROQUE ENSEMBLE LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Morag Burnett joined the Board in December 2020 also. Morag began her career in arts management and has since worked with international NGOs and foundations for over 20 years in Honduras, the Dominican Republic, New York, London, Mexico City and most recently Tbilisi, Georgia. Morag is deputy chair of the innovative, London-based Lankelly Chase Foundation, working to change systems that perpetuate disadvantage, and she hopes to bring this experience into her new role.

Lastly, Amy Woodhouse joined the board in March 2021. She is currently Head of Policy, Projects and Participation for Children in Scotland, the national network organisation improving children's lives, has a particular interest in how music, and the arts more widely, can be used to promote mental health and wellbeing. She brings an understanding of mental health improvement and participatory approaches to the board.

Extraordinary Circumstances and Business Continuity Plan

SE's day-to-day operations continued to be affected by the COVID-19 global pandemic, with offices at the CCA closed from November 2020 – April 2021 and staff members working primarily from home, except when working on in-person projects or attending exceptional meetings when permitted under government restrictions, and always within COVID-secure conditions. SE did not furlough staff but continued with the paused recruitment of its Administrator & Marketing Assistant and Bookkeeper positions.

Internal controls established during the first period of the pandemic have been maintained and SE's Directors continued to meet virtually each quarter.

FINANCIAL REVIEW

During the financial year, Scottish Ensemble's income totaled £586,906 of which c.60% represented statutory funding from Creative Scotland, Creative Europe and local authorities; c.25% was generated via fundraising from trusts and individuals; c.10% from Orchestral Tax Relief; and 5% from earned income. The charity spent £494,963 during the financial year. The Statement of Financial Activities on page 17 shows an overall net incoming resources for the year of £91,943 (2020 – net incoming resources of £26,919).

Reserves Policy

Scottish Ensemble has general unrestricted reserves of £233,922 (2020 - £146,765) as shown on the balance sheet, as well as designated funds of £193,332 (as shown in note 19 to the accounts).

Scottish Ensemble's Reserves position reflects the need for forward resourcing for future projects, and a prudent approach in a climate where political and economic uncertainty may affect future public subsidy. These reserves also allowed the organisation to continue to innovate and invest in new digital models during the year that followed the COVID-19 outbreak and to plan an ambitious return to live performances in the 2021-22 Season.

The Development Fund was established in 2011 to support the Board's strategic plan for SE. 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 most recently an ambitious anniversary season.

Looking ahead, the Development Fund will help to underpin new initiatives including the further progression of recent digital innovations but also the return to live innovative performances and collaborations, which may otherwise be deemed too ambitious in the context of a changed performing arts sector following COVID-19, in which a long recovery process lies ahead.

The Fund for the Future, which closed to donations in 2020 following a successful and well received anniversary season, will also help underpin SE's work outside of the concert hall, particularly with young people, and will help to reconnect with audiences following a year where many communities have been isolated by the pandemic.

In addition, there are Restricted funds of £10,000 carried forward, relating to the Creative Europe funded project The Bridge which has been rescheduled to April 2022, following its initial postponement from May 2020 during the immediate aftermath of the COVID-19 outbreak.

SCOTTISH BAROQUE ENSEMBLE LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Reserves policy and 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 2021 was £103,992 (2020 - £16,765) – an increase of £87,227.

The Trustees have carefully considered the likely outcome for the next 12 months, taking account of recent statutory funding extensions, performance since the balance sheet date and recent changes in COVID-19 restrictions and forecasts, and the implications and impact of such on the Arts sector, as well as SE's ambitions and projections for 2021. 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.

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. In addition to regular reviews by the Finance & General Purposes Committee, a formal annual review of the Risk Register is carried out by the Board.

Following the outbreak of COVID-19, and the resulting impact on the arts sector, the Directors engaged in actions to mitigate the impact to SE of reduced audience confidence and potential reductions in box office income; reduction in international touring and income from the same; and the pressure to swiftly adapt business models. As a result of these actions and the steadily improving situation regarding COVID-19, SE's risk matrix has shown a decreased level of risk each quarter.

SCOTTISH BAROQUE ENSEMBLE LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Future Developments

At the time of writing, Scottish Ensemble has now completed its first and second series of live performances with audiences since March 2020. Four performances of **Sound Bites** over two days were held at Scottish Opera's newly constructed semi-outdoor performance venue, *Live at No.40* in Glasgow in July 2021 and **Common Sound**, a four-city tour with 6 Music DJ and Psychologist Nemone examining why music is important, what is meaningful about gathering to listen to it, and what is powerful about that collective experience, took place in October 2021 with seven performances across Glasgow, Inverness, Edinburgh and Dundee. Audiences were offered two ticket options, socially distanced and non-distanced, an approach that SE will continue to consider where appropriate as the Autumn season is launched one tour at a time.

In addition to Common Sound, there is a full season of Scottish tours planned from autumn onwards, with projects including:

Concerts by Candlelight

The popular seasonal programme returns with guest director Matthew Truscott (OAE, Dunedin Consort), with performances in 6 cities.

Scottish Creations

A major interdisciplinary project, working in partnership with Creative Lives and inspired by Scotland's Year of Stories. The project will combine a concert with a touring exhibition of art and craft, with works from amateur creators across Scotland. The project will tour to smaller communities including Mull, Skye and Shetland as well as major cities.

Summer Solstice

A celebration of summer intended as a counterpart to Concerts by Candlelight, visiting venues that help capture the light-filled days of summer.

The Bridge

This major festival has been rescheduled for April 2022 with funding from Creative Europe having been carried forward.

International work

Planning on international tours has continued during the Pandemic. SE's proposed September tour to South America was postponed due to the pandemic however tours to Asia (Korea & Taiwan) in March 2022 and the USA in April 2022 remain scheduled.

New Music Scotland Awards

In July 2021 it was announced that Scottish Ensemble had been awarded three NMS Awards. These were:

- The Musicians' Union Award for Installatoin/Sound Art/Electroacoustic New Work for ***these bones, this flesh, this skin***
- The Locavore Award for Environmental Sustainability (co-won by SE as part of the Scottish Classical Sustainability Group)
- The SMLA Award for Creative Programming for SE's 2020-2021 Season programme.

SCOTTISH BAROQUE ENSEMBLE LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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 (on maternity leave February-December 2021), Interim Chief Executive William Norris (February-December 2021), and General Manager, Catherine Ferrell.

SCOTTISH BAROQUE ENSEMBLE LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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:

Samantha Barber (Chair)

Andrew Berridge

Jeffrey Fergus

Laura Ghio

Rachel Gwyon

Neil Kelly

Stella Morse

Jonathan Morton

Lesley Paterson

(Resigned 10 December 2020)

Tom Service

Lesley Watt

Nicolas Zekulin

(Appointed 10 December 2020)

Morag Burnett

(Appointed 10 December 2020)

James Mcauley

Amy Woodhouse

(Appointed 5 March 2021)

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 Scottish Ensemble (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.

As mentioned elsewhere in this report, in 2019, the Board engaged an external consultant to conduct an Independent Board Review. The resulting report indicated that SE's Board "in many cases could be held up as an example of best practice". The Directors are currently implementing the recommendations outlined in the report to further embed good practice across all governance areas.

SCOTTISH BAROQUE ENSEMBLE LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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 FRS102;
- 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.

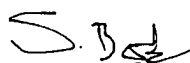
Auditor

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.

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.



Samantha Barber (Chair)

Trustee

Dated: 10 December 2021

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 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2021 and of its incoming resources and application of resources, 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, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. 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 auditors' 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**

22/12/2021

**Accountants and Business Advisers
Statutory Auditor**

Accountants and Business Advisers
50 Melville Street
Edinburgh
EH3 7HF

SCOTTISH BAROQUE ENSEMBLE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

Current financial year

| | | Unrestricted funds general 2021 £ | Unrestricted funds designated 2021 £ | Restricted funds 2021 £ | Total 2021 £ | Total 2020 £ |
|---|-------|--|---|-------------------------------|--------------------|--------------------|
| | Notes | | | | | |
| <u>Income from:</u> | | | | | | |
| Donations | 3 | 397,332 | 8,066 | 94,825 | 500,223 | 661,440 |
| Income from charitable activities | 4 | 86,441 | - | - | 86,441 | 403,900 |
| Investment income | 5 | 242 | - | - | 242 | 778 |
| Total income | | 484,015 | 8,066 | 94,825 | 586,906 | 1,066,118 |
| <u>Expenditure on:</u> | | | | | | |
| Cost of charitable activities | 6 | 396,011 | 2,777 | 96,175 | 494,963 | 1,039,199 |
| Net incoming/(outgoing) resources before transfers | | 88,004 | 5,289 | (1,350) | 91,943 | 26,919 |
| Gross transfers between funds | | (777) | 777 | - | - | - |
| Net income/(expenditure) for the year/ Net movement in funds | | 87,227 | 6,066 | (1,350) | 91,943 | 26,919 |
| Fund balances at 1 April 2020 | | 146,765 | 187,266 | 11,350 | 345,381 | 318,462 |
| Fund balances at 31 March 2021 | | 233,992 | 193,332 | 10,000 | 437,324 | 345,381 |

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 21 to 36 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 2021

Prior financial year

| | | Unrestricted funds general 2020 £ | Unrestricted funds designated 2020 £ | Restricted funds 2020 £ | Total 2020 £ |
|---|-------|---|--|----------------------------------|--------------------|
| | Notes | | | | |
| <u>Income from:</u> | | | | | |
| Donations | 3 | 426,286 | 81,441 | 153,713 | 661,440 |
| Income from charitable activities | 4 | 382,300 | - | 21,600 | 403,900 |
| Investment income | 5 | 778 | - | - | 778 |
| Total income | | 809,364 | 81,441 | 175,313 | 1,066,118 |
| <u>Expenditure on:</u> | | | | | |
| Cost of charitable activities | 6 | 848,423 | 22,313 | 168,463 | 1,039,199 |
| Net incoming/(outgoing) resources before transfers | | (39,059) | 59,128 | 6,850 | 26,919 |
| Gross transfers between funds | | 27,687 | (23,862) | (3,825) | - |
| Net income/(expenditure) for the year/ Net movement in funds | | (11,372) | 35,266 | 3,025 | 26,919 |
| Fund balances at 1 April 2019 | | 158,137 | 152,000 | 8,325 | 318,462 |
| Fund balances at 31 March 2020 | | 146,765 | 187,266 | 11,350 | 345,381 |

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 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|------------------|----------------|------------------|----------------|
| Fixed assets | | | | | |
| Tangible assets | 11 | | 3,863 | | 604 |
| Current assets | | | | | |
| Stocks | 13 | 2,057 | | 2,057 | |
| Debtors | 12 | 123,729 | | 175,331 | |
| Cash at bank and in hand | | 449,483 | | 303,972 | |
| | | <u>575,269</u> | | <u>481,360</u> | |
| Creditors: amounts falling due within one year | 14 | <u>(141,808)</u> | | <u>(136,583)</u> | |
| Net current assets | | | 433,461 | | 344,777 |
| Total assets less current liabilities | | | <u>437,324</u> | | <u>345,381</u> |
| Income funds | | | | | |
| Restricted funds | 16 | 10,000 | | 11,350 | |
| Unrestricted funds - designated | 18 | 193,332 | | 187,266 | |
| Unrestricted funds - general | | 233,992 | | 146,765 | |
| | | <u>437,324</u> | | <u>345,381</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 10 December 2021


Samantha Barber (Chair)
 Trustee

Company Registration No. SC075443

The notes on pages 21 to 36 form an integral part of these financial statements.

SCOTTISH BAROQUE ENSEMBLE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|-----------|---------|-----------|----------|
| Cash flows from operating activities | | | | | |
| Cash generated from/(absorbed by) operations | 21 | | 148,891 | | (31,455) |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (3,621) | | - | |
| Interest received | | 241 | | 778 | |
| Net cash (used in)/generated from investing activities | | | (3,380) | | 778 |
| Net cash used in financing activities | | | - | | - |
| Net increase/(decrease) in cash and cash equivalents | | | 145,511 | | (30,677) |
| Cash and cash equivalents at beginning of year | | | 303,972 | | 334,649 |
| Cash and cash equivalents at end of year | | | 449,483 | | 303,972 |

The notes on pages 21 to 36 form an integral part of these financial statements.

SCOTTISH BAROQUE ENSEMBLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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 Covid-19 pandemic has created a degree of uncertainty and the Trustees have assessed its potential impact on the finances and future of the charity. Further disclosure is made in the Trustees' Report.

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 2021

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 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).

1.8 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.

SCOTTISH BAROQUE ENSEMBLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.9 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.

1.10 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.

1.11 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.

1.12 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.

SCOTTISH BAROQUE ENSEMBLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.13 Retirement benefits

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

1.14 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 are included in net income/(expenditure for the period).

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.

SCOTTISH BAROQUE ENSEMBLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Donations

| | Unrestricted funds general 2021 £ | Unrestricted funds designated 2021 £ | Restricted funds 2021 £ | Total 2021 £ | Unrestricted funds general 2020 £ | Unrestricted funds designated 2020 £ | Restricted funds 2020 £ | Total 2020 £ |
|--------------------------------------|---|--|----------------------------------|--------------------|---|--|----------------------------------|--------------------|
| Donations | 58,748 | 8,066 | 73,377 | 140,191 | 92,953 | 81,441 | 98,100 | 272,494 |
| Creative Scotland - core funding | 338,584 | - | - | 338,584 | 333,333 | - | - | 333,333 |
| The Bridge - Creative Europe funding | - | - | 3,948 | 3,948 | - | - | 31,713 | 31,713 |
| Local authorities | - | - | 17,500 | 17,500 | - | - | 23,900 | 23,900 |
| | <u>397,332</u> | <u>8,066</u> | <u>94,825</u> | <u>500,223</u> | <u>426,286</u> | <u>81,441</u> | <u>153,713</u> | <u>661,440</u> |

SCOTTISH BAROQUE ENSEMBLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

4 Income from charitable activities

| | 2021 £ | 2020 £ |
|--|---------------|----------------|
| Own promotions income | 16,179 | 94,297 |
| Engagement income | 10,478 | 211,796 |
| Orchestra/Theatre Tax Relief - current year claim | 15,000 | 47,000 |
| Orchestra/Theatre Tax Relief - resubmitted historic claims | 40,217 | 30,285 |
| Education and outreach income | 4,309 | 9,050 |
| CD sales and royalties | 258 | 11,472 |
| | <u>86,441</u> | <u>403,900</u> |
| Analysis by fund | | |
| Unrestricted funds - general | 86,441 | 382,300 |
| Restricted funds | - | 21,600 |
| | <u>-</u> | <u>21,600</u> |

5 Investment income

| | Unrestricted funds general 2021 £ | Unrestricted funds general 2020 £ |
|---------------------|--|--|
| Interest receivable | <u>242</u> | <u>778</u> |

SCOTTISH BAROQUE ENSEMBLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

6 Cost of charitable activities

| | Total 2021 £ | Total 2020 £ |
|---------------------------------|--------------------|--------------------|
| Staff costs | 187,675 | 184,015 |
| Depreciation and impairment | 363 | 4,282 |
| Project and activities costs | 234,059 | 724,056 |
| Premises costs | 9,956 | 15,638 |
| Running costs | 39,064 | 71,383 |
| Legal and professional | 1,875 | 19,564 |
| Accountancy costs | 12,668 | 12,573 |
| Interest and finance charges | 1,921 | 2,068 |
| Governance costs | 5,300 | 5,620 |
| Foreign exchange loss/(gain) | 2,082 | - |
| | <u>494,963</u> | <u>1,039,199</u> |
| | <u>494,963</u> | <u>1,039,199</u> |
| Analysis by fund | | |
| Unrestricted funds - general | 396,011 | 848,423 |
| Unrestricted funds - designated | 2,777 | 22,313 |
| Restricted funds | 96,175 | 168,463 |
| | <u>494,963</u> | <u>1,039,199</u> |

7 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

| Fees payable to the charity's auditor and associates: | 2021 £ | 2020 £ |
|--|-----------|-----------|
| Audit of the charity's annual accounts | 5,300 | 5,620 |
| Non-audit services | | |
| All other non-audit services | 7,635 | - |

8 Trustees

During the year, 3 of Scottish Baroque Ensemble's core performers (2020: 3) were Trustees and 2 (2020: 1) freelance performers are a close relative of Trustees. Fee payments totalling £37,160 (2020: £81,434) were made to these performers for their services as musicians during the period.

Payments of £124 (2020: £151) were made to 1 (2020: 1) Trustee during the year for the reimbursement of travel expenses.

SCOTTISH BAROQUE ENSEMBLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

9 Employees

Number of employees

The average monthly number of employees during the year was:

| | 2021 Number | 2020 Number |
|----------------|----------------|----------------|
| Administrative | 6 | 7 |

Employment costs

| | 2021 £ | 2020 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | 173,075 | 166,772 |
| Social security costs | 9,431 | 12,228 |
| Other pension costs | 5,169 | 5,015 |
| | 187,675 | 184,015 |

During the year, total remuneration of £85,111 (2020: £78,210), which included wages and employer's national insurance and pension contributions, was paid in respect of key management personnel. Separately, four Trustees, who are not employees of the charity but are considered key management personnel, received performance fees of £35,465 (2020: £79,056) for the year.

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

10 Net income/(expenditure) for the year

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| 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 | 5,300 | 5,620 |
| Depreciation of owned tangible fixed assets | 362 | 4,282 |

SCOTTISH BAROQUE ENSEMBLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Tangible fixed assets

| | Fixtures and fittings £ | Computer Equipment £ | Music £ | Total £ |
|------------------------------------|----------------------------|-------------------------|------------|------------|
| Cost | | | | |
| At 1 April 2020 | 6,943 | 12,756 | 3,678 | 23,377 |
| Additions | - | 3,621 | - | 3,621 |
| At 31 March 2021 | 6,943 | 16,377 | 3,678 | 26,998 |
| Depreciation and impairment | | | | |
| At 1 April 2020 | 6,674 | 12,421 | 3,678 | 22,773 |
| Depreciation charged in the year | 27 | 335 | - | 362 |
| At 31 March 2021 | 6,701 | 12,756 | 3,678 | 23,135 |
| Carrying amount | | | | |
| At 31 March 2021 | 242 | 3,621 | - | 3,863 |
| At 31 March 2020 | 269 | 335 | - | 604 |

12 Debtors

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Trade debtors | 60 | 3,527 |
| Other debtors | 6,696 | 2,228 |
| Prepayments and accrued income | 116,973 | 169,576 |
| | 123,729 | 175,331 |

13 Stocks

| | 2021 £ | 2020 £ |
|--------|-----------|-----------|
| Stocks | 2,057 | 2,057 |

14 Creditors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|------------------------------------|-----------|-----------|
| Other taxation and social security | 1,870 | 3,004 |
| Trade creditors | 33,753 | 17,597 |
| Accruals and deferred income | 106,185 | 115,982 |
| | 141,808 | 136,583 |

SCOTTISH BAROQUE ENSEMBLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

15 Government grants

Deferred income represents £84,405 of the balance within accruals and deferred income at 31 March 2021 (£88,353 at 31 March 2020). 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 2021, £3,948 was released to Grant income, leaving a balance in deferred income at 31 March 2021 of £84,405.

SCOTTISH BAROQUE ENSEMBLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

16 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 | | | | Movement in funds | | | |
|-------------------------------|----------------------------|----------------|------------------|----------------|----------------------------|---------------|-----------------|--------------------------------|
| | Balance at 1 April 2019 | Income | Expenditure | Transfers | Balance at 1 April 2020 | Income | Expenditure | Balance at 31 March 2021 |
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Creative Learning/Residencies | 2,000 | 37,000 | (39,000) | - | - | 39,500 | (39,500) | - |
| Fund for the future | 3,825 | - | - | (3,825) | - | - | - | - |
| Goldberg USA | 2,500 | - | (2,500) | - | - | - | - | - |
| Dundee | - | 22,150 | (22,150) | - | - | 7,500 | (7,500) | - |
| RCS week | - | - | - | - | - | 300 | (300) | - |
| The Bridge | - | 61,713 | (51,713) | - | 10,000 | 3,948 | (3,948) | 10,000 |
| Anno in Japan | - | 21,600 | (21,600) | - | - | - | - | - |
| Chamber notes | - | 500 | (500) | - | - | - | - | - |
| Glasgow | - | 16,000 | (16,000) | - | - | 19,500 | (19,500) | - |
| Aberdeen | - | 6,000 | (6,000) | - | - | 1,500 | (1,500) | - |
| Inverness | - | 1,350 | - | - | 1,350 | - | (1,350) | - |
| Elemental | - | 9,000 | (9,000) | - | - | 1,000 | (1,000) | - |
| Rheingau Festival | - | - | - | - | - | 4,577 | (4,577) | - |
| Digital Activity | - | - | - | - | - | 17,000 | (17,000) | - |
| | <u>8,325</u> | <u>175,313</u> | <u>(168,463)</u> | <u>(3,825)</u> | <u>11,350</u> | <u>94,825</u> | <u>(96,175)</u> | <u>10,000</u> |

SCOTTISH BAROQUE ENSEMBLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

16 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.

Fund for the Future

Funds received 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.

Goldberg USA

Funds reserved for performances of Scottish Ensemble's collaboration with Andersson Dance (Goldberg Variations - ternary patterns for insomnia) in the USA.

Dundee

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

RCS week

Funds reserved for five days spent coaching musicians at the Royal Conservatoire of Scotland.

The Bridge

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

Anno in Japan

Funds reserved for the creation and premiere performances of a new audio visual commission by Anna and Eleanor Meredith.

Chamber Notes

Funds reserved for chamber music tours around Scotland.

SCOTTISH BAROQUE ENSEMBLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

16 Restricted funds

(Continued)

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.

Inverness

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

Elemental

Funds reserved for a four-date performance tour with Aidan O'Rourke and Kit Downes, focused around the premieres of a new commission by these guest collaborators.

Rheingau Festival

Funds reserved for the compensation of musicians following the cancellation of a performance.

Digital Activity

Funds reserved for Scottish Ensembles Digital Programme.

17 Analysis of net assets between funds

| | General Fund 2021 £ | Designated Funds 2021 £ | Restricted Funds 2021 £ | Total 2021 £ | General Fund 2020 £ | Designated Funds 2020 £ | Restricted Funds 2020 £ | Total 2020 £ |
|--|------------------------------|----------------------------------|----------------------------------|--------------------|------------------------------|----------------------------------|----------------------------------|--------------------|
| Fund balances at 31 March 2021 are represented by: | | | | | | | | |
| Tangible assets | 3,863 | - | - | 3,863 | 604 | - | - | 604 |
| Current assets/(liabilities) | 230,129 | 193,332 | 10,000 | 433,461 | 146,161 | 187,266 | 11,350 | 344,777 |
| | <u>233,992</u> | <u>193,332</u> | <u>10,000</u> | <u>437,324</u> | <u>146,765</u> | <u>187,266</u> | <u>11,350</u> | <u>345,381</u> |

SCOTTISH BAROQUE ENSEMBLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

18 Unrestricted funds - designated

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

| | Balance at 1 April 2019 | Resources expended | Transfers | Balance at 1 April 2020 | Movement in funds | | | Balance at 31 March 2021 |
|-------------------------------------|----------------------------|-----------------------|-----------------|----------------------------|-----------------------|-----------------------|------------|-----------------------------|
| | £ | £ | £ | £ | Incoming resources | Resources expended | Transfers | £ |
| Development fund - General | 100,000 | - | - | 100,000 | - | - | - | 100,000 |
| IT fund | 2,000 | - | - | 2,000 | - | - | (2,000) | - |
| Development fund - 50th Anniversary | 50,000 | - | (50,000) | - | - | - | - | - |
| The Bridge | - | (22,313) | 22,313 | - | - | (2,777) | 2,777 | - |
| Fund for the future | - | - | 3,825 | 85,266 | 8,066 | - | - | 93,332 |
| | <u>152,000</u> | <u>(22,313)</u> | <u>(23,862)</u> | <u>187,266</u> | <u>8,066</u> | <u>(2,777)</u> | <u>777</u> | <u>193,332</u> |

SCOTTISH BAROQUE ENSEMBLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Unrestricted funds - designated

(Continued)

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.

Development fund - 50th Anniversary

Funds reserved for performances during Scottish Ensemble's 50th anniversary season spanning 2019-20.

The Bridge

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

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 2021

19 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:

| | 2021 £ | 2020 £ |
|----------------------------|--------------|---------------|
| Within one year | 377 | 10,134 |
| Between two and five years | 824 | 4,426 |
| | <u>1,201</u> | <u>14,560</u> |

Operating lease expenditure recognised as an expense during the year totalled £4,686 (2020: £9,440).

20 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 (2020 - none).

21 Cash generated from operations

| | 2021 £ | 2020 £ |
|---|----------------|-----------------|
| Surplus for the year | 91,943 | 26,919 |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | (242) | (778) |
| Depreciation and impairment of tangible fixed assets | 363 | 4,282 |
| Movements in working capital: | | |
| Decrease in debtors | 51,602 | 18,636 |
| Increase/(decrease) in creditors | 5,225 | (80,514) |
| Cash generated from/(absorbed by) operations | <u>148,891</u> | <u>(31,455)</u> |

22 Analysis of changes in net funds

The charity had no debt during the year.