

**Scottish Culture and Traditions Association
(Company Limited by Guarantee)**

**Directors' report and unaudited
financial statements**

Registered number SC231578

Charity number SCO27559

31 March 2011

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Directors and officers

Directors who are also Trustees:	Richard John Ward Chairman Hector Forsyth Vice chairman Valerie Leel (to 14 December 2010) Winnie Middleton (to 14 December 2010) Alexander Tweddle Alan Finch Malcolm Reavell (to 14 December 2010) David Hunter George Lane (to 14 December 2010) Ian Russell Hazel Thomson John Carnie (from 13 April 2010) John Wallace (from 14 December 2010) Helen Lynch (from 14 December 2010)
Secretary	Richard John Ward
Registered Office	42 Carden Place Aberdeen AB10 1UP
Treasurer	Valerie Leel / John Wallace
Independent examiner	Graeme Reid MA (Hons) CA Williamson & Dunn 3 West Craibstone Street Bon Accord Square Aberdeen AB11 6YW
Bankers	Unity Trust Bank / Bank of Scotland

Directors' report

The Directors, who are also trustees of the Association, have pleasure in submitting their annual report and financial statements for the year to 31 March 2011.

Structure governance and management

The organisation is a company limited by guarantee. Its principal administrative address is 4 Bon Accord Crescent, Aberdeen and is managed by the board of directors who provide overall management of the activities, staff, contractors and volunteers. Specific board policies including declarations of conflicts of interest are implemented. There are no connected bodies and reference should be made to the notes to the accounts for details of related parties.

Directors' appointment and training

The trustees are the directors of the company. In accordance with the articles of association they are invited to become member of the company and directors by the existing board members. The board regularly review the skills required to complement the skills of staff and other directors and seeks to appoint new directors who can strengthen the board.

Risk management

The directors have reviewed the major risks to which the company is exposed and confirmed that all possible safeguards are in place to mitigate against those risks. The procedures and safeguards are reviewed regularly to ensure systems are still operational and to amend for any new activities.

Objectives and activities

The main objects of the company are to advance the education of the public in Scottish culture and traditions by the promotion of Scottish music, dance, arts, crafts, literature, heritage and other related activities. The main activity is running evening classes in the various aspects. In addition there are workshops and a variety of other activities to further the objects.

Achievement performance and financial review

The year to 31 March 2011 was the eighth year of operating as an independent company and the 13th year since the association and its activities commenced. This year the accounts show an overall surplus of £3,006. This was largely due to the success of our non-core activities – providing community activities in Aberdeen and Aberdeenshire on behalf of other organisations.

The core activity of adult evening classes ran in Summer 2010, Autumn 2010 and Spring 2011. There was a 6 week term in the summer months and two terms of classes were run over 20 weeks on 3 evenings each week from September. The numbers enrolled each term were 207, 292 and 253 respectively. The number of classes run was 24, 26 and 23. There were concerts given by class participants in December and March. Standstill grants from the Scottish Arts Council (SAC) and Aberdeen City Council were received.

During the year, one-day workshops and a three day workshop for young people were held which focused on various skills. Most of the workshops were self financing. Several concerts and community performances were given, including ones at Aberdeen's Highland Games, Tartan Day, 50+ Festival, St Andrews Day and the Winter Festival. Weekly performances on Saturday lunchtimes continued at the Lemon Tree. We also participated in the annual Word Festival and Stonehaven Folk Festival, and were a major partner with the Elphinstone Institute in the North Atlantic Fiddle Convention in July 2010.

The website continues to be well used and an increasing number of participants pay for classes online. Regular newsletters are produced and distributed to friends and class participants. We now produce a separate newsletter for our tutors.

As well as running a full programme of classes, we further built on our work in the community, including Young SC&T – a three day programme for children aged 10-14 in October 2010.

Directors' report (continued)

Future plans and commitments

The classes and workshop programmes continue. As a member of the Aberdeen Cultural Forum, the organisation was involved in drawing up the Cultural Strategy for 2010 onwards and will use that strategy to inform the organisation's work in Aberdeen. We are invited to and attend meetings arranged by Aberdeen City Council as one of its cultural partners. We will also continue to build links with Aberdeenshire Arts Development team and the Aberdeenshire Youth Music Forum.

The organisation is committed to continuing its work with young people, and has started regular Saturday morning workshops led by one of our tutors.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors who are also the trustees of the company to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charitable company 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 directors 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.;

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

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Independent examiner

Graeme Reid MA (Hons) CA has been re-appointed as independent examiner for the ensuing year.

By order of the board



Richard J Ward
Director

22 December 2011

**Independent examiner's report to the members of
Scottish Culture and Traditions Association (Company Limited by Guarantee)**

I report on the accounts of the charity for the year to 31 March 2011, set out on pages 5 to 10.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND INDEPENDENT EXAMINER

The charity's trustees (who are also the directors of Scottish Culture and Traditions Association for the purposes of company law) are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to state, on the basis of my examination as required under section 44(1) (c) of the Act, whether particular matters have come to my attention.

BASIS OF INDEPENDENT EXAMINER'S STATEMENT

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

INDEPENDENT EXAMINER'S STATEMENT

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the trustees have not met the requirements to ensure that:

- proper accounting records are kept (in accordance with section 386 of the Companies Act 2006); and
- accounts are prepared which agree with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Graeme Reid MA (Hons) CA
Williamson & Dunn
Independent Examiner
3 West Craibstone Street
Bon Accord Square
Aberdeen
AB11 6YW

22 December 2011

Statement of financial activities (including income and expenditure account)
For the year ended 31 March 2011

	Note	Unrestricted Funds	Restricted Funds	Total 2011	Total 2010
Incoming resources					
Income resources from generated funds					
Voluntary income					
Donations		1,087	-	1,087	1,949
Activities for generating funds					
Sales of books, CDs and refreshments		1,664	-	1,664	2,891
Fundraising events including related grants		-	-	-	1,116
Bank interest	4	17	-	17	25
Incoming resources from charitable activities					
Grants	3	32,192	2,605	34,797	34,752
Classes and workshops		33,660	-	33,660	38,661
Community events		5,460	-	5,460	8,627
Children's' University/Young SC&T		5,786	-	5,786	5,495
		-----	-----	-----	-----
Total incoming resources		79,866	2,605	82,471	93,516
		-----	-----	-----	-----
Resources expended					
Cost of generating funds					
Costs of books, CDs, refreshments and fundraising		641	-	641	4,202
Charitable costs	5	74,823	2,605	77,428	80,261
Governance costs	5	1,396	-	1,396	3,744
		-----	-----	-----	-----
Total resources expended		76,860	2,605	79,465	88,207
		-----	-----	-----	-----
Net incoming resources		3,006	-	3,006	5,309
Total funds brought forward		27,042	-	27,042	21,733
		-----	-----	-----	-----
Total funds carried forward		30,048	-	30,048	27,042
		=====	=====	=====	=====

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 7 to 10 form part of these financial statements

Balance sheet As at 31 March 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible assets	8	-	-
Current assets			
Debtors	9	-	1,500
Cash at bank and in hand		45,029	27,492
		<u>45,029</u>	<u>28,992</u>
Creditors due in less than one year	10	(14,981)	(1,950)
Net current assets		<u>30,048</u>	<u>27,042</u>
		<u>30,048</u>	<u>27,042</u>
Reserves			
Unrestricted funds	12	30,048	27,042
		<u>30,048</u>	<u>27,042</u>

Audit exemption certificate

The company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year to 31 March 2011

No notice has been deposited with the company under section 476 of that act requiring an audit to be carried out.

The directors acknowledge their responsibility for;

- ensuring that the company keeps accounting records in accordance with section 386 of the Companies Act 2006;
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its net movement in funds for the financial year, in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the charity.
- preparing financial statements in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were authorized for issue and approved by the board 22 December 2011 and signed on its behalf by:


Richard J Ward
Director

The notes on pages 7 to 10 form part of these financial statements

Notes

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of presentation

The financial statements have been prepared under the historical cost convention in accordance and in accordance with the Financial Reporting Standards for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are recorded in the expenditure on a straight line basis over the period of the lease.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Designated funds are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Fixed Assets

Provision for depreciation of fixed assets held for the use of the charity is made at annual rates calculated to spread the cost (less residual disposal value) of each asset event over its expected useful life. The depreciation rate for the fixed assets currently held (computer equipment) is to write off over a period of 3 years from the date of acquisition.

Taxation

The company is not liable to taxation in view of its charitable status.

Restricted funds

Funds received from donors which are specifically designated for a specific purpose and funds identified by the directors to be set aside for a particular purpose are individually identified. Related expenditure is allocated against the individual funds. From time to time the directors may designate certain unrestricted funds for a particular purpose and those funds are treated as designated funds. All other funds are unrestricted and can be used for any purpose included in the company's constitution.

2 Members' liability

The members' liability is limited by guarantee and, in the event of winding up, does not exceed £1 per member.

Notes (Continued)

3 Income from grants and donations

	2011	2010
	£	£
Aberdeen City Council	20,192	19,752
Scottish Arts Council	12,000	15,000
Creative Scotland	2,605	-
	<u>34,797</u>	<u>34,752</u>

4 Interest received

	2011	2010
	£	£
Bank interest	17	25
	<u>17</u>	<u>25</u>

5 Cost of Charitable Expenditure

	2011	2010
	£	£
Room hire	10,714	6,768
Tutor costs	28,416	35,610
Activity costs	6,404	5,838
Marketing	1,672	2,720
Computer costs	260	256
Staff costs	20,156	19,008
Property costs	6,817	6,159
Administration costs	2,696	3,360
Miscellaneous expenses	293	542
	<u>77,428</u>	<u>80,261</u>

Governance Costs

	2011	2010
	£	£
Board costs	96	248
Accountancy fee	1,300	1,500
Other	-	1,996
	<u>1,396</u>	<u>3,744</u>

6 Net Incoming Resources

Net incoming resources is stated after charging / (crediting) :

	2011	2010
	£	£
Operating lease rentals	4,651	4,651
Accountancy fee	1,300	1,500
	<u>5,951</u>	<u>6,151</u>

Notes (Continued)

7 Staff remuneration

	2011 £	2010 £
Salaries	<u>20,156</u>	<u>19,008</u>

The Directors did not receive any remuneration during the period as directors (but see note 13 regarding fees paid to related parties in their capacity as tutors and performers). No individual received remuneration in excess of £60,000.

8 Fixed assets

	Office Equipment £	Total £
<i>Cost</i>		
Balance at 31.3.10 and 31.3.11	<u>1,749</u>	<u>1,749</u>
<i>Depreciation</i>		
Balance at 31.3.10 and 31.3.11	<u>1,749</u>	<u>1,749</u>
Net book value at 31 March 2011	<u>-</u>	<u>-</u>
Net book value at 31 March 2010	<u>-</u>	<u>-</u>

9 Debtors

	2011 £	2010 £
Other debtors	<u>-</u>	<u>1,500</u>

10 Creditors due within one year

	2011 £	2010 £
Trade creditors	<u>11,281</u>	-
Accruals	<u>3,700</u>	<u>1,950</u>
	<u>14,981</u>	<u>1,950</u>

11 Commitments under operating leases

At the 31 March 2011 the charity had annual commitments under non-cancellable operating leases as set out below

	2011 £	2010 £
Less than 1 year	<u>2,325</u>	<u>2,325</u>

Notes (continued)

12 Movement in Reserves

	Balance at 1 April 2010 £	Incoming Resources £	Outgoing Resources £	Balance at 31 March 2011 £
Restricted funds				
Young SC&T	-	2,605	2,605	-
Unrestricted funds				
General Reserve	20,527	73,980	71,952	22,555
Designated funds				
Musical Instruments	1,122	-	-	1,122
Children's University	3,067	4,886	2,582	5,371
Festival	2,326	-	2,326	-
Song	-	1,000	-	1,000
	-----	-----	-----	-----
Total Unrestricted Funds	27,042	79,866	76,860	30,048
Total Funds	<u>27,042</u>	<u>82,471</u>	<u>79,465</u>	<u>30,048</u>

All funds are represented by Net Current Assets.

Restricted Funds

Restricted funds are those which have restrictions on how they are to be spent:

Young SC&T represents a grant that was received from Creative Scotland to be spent on a three day traditional music school for people aged 10 to 12 years.

Unrestricted Funds

Unrestricted funds are funds that the charity holds that have no restrictions on how the moneys are to be spent.

Designated funds

Designated funds are unrestricted funds that the trustees have decided to ring fence for a specific purpose.

Musical Instruments – Money to be spent on musical instruments

Childrens University – Money to be spent on the childrens university events

Festival – Money to be spent on Festivals

Song – Money to be spent on producing a song book.

13 Related party transactions

	Tutoring & Performance Fees	
	2011	2010
Hunter, David	290	785
Leel, Val	-	-
Lynch, Helen	990	-
Forsyth, Hector	306	-
Reavell, Malcolm	200	240
Tweddle, Sandy	1,035	1,335
Wallace, John	45	-
Ward, Anne	315	880
Ward, Richard	904	-
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	<u>4,085</u>	<u>3,240</u>