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Enterprise Music Scotland Limited

Annual Report

31 March 1999

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 **ERNST & YOUNG**

Enterprise Music Scotland Limited

Registered No. 141360

LEGAL AND ADMINISTRATIVE DETAILS

Enterprise Music Scotland Limited is a Scottish Company registered in Scotland (No. 141360), limited by guarantee, and is registered with charitable status (No. SC 020803).

The purpose of the Charity is to promote the encouragement of the playing of classical music at venues and locations throughout Scotland.

ADDRESS OF CHARITY

37 Dee Street
Aberdeen AB11 6DY

CHAIRMAN AND NON EXECUTIVE DIRECTOR

Norman Cooper

NON EXECUTIVE DIRECTORS

Alastair Brown (appointed 21 November 1998)
Raymond Dodd
James Dunster
Peter Evans
Ian H Halliburton
John Holt
Margery McGregor (resigned 22 December 1998)
John MacDonald
Carol Main
Sheila Osborne
Karl Overton
Hazel Sheppard
Ewen Stewart
A G Vogt

COMPANY SECRETARY

Ronald W Rae

SOLICITORS

W & J Burness
16 Hope Street
Charlotte Square
Edinburgh EH2 4DD

BANKERS

Bank of Scotland
1 Mid Stocket Road
Aberdeen AB15 5JL

AUDITORS

Ernst & Young
50 Huntly Street
Aberdeen AB10 1ZN

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 March 1999.

RESULTS AND DIVIDENDS

The Income and Expenditure account shows total income and expenditure of £235,532 and £214,132 respectively.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

Enterprise Music Scotland was first established in November 1992, and has been accorded charitable status. The Charity is aimed at the development of live music performance in Scotland. The Charity is funded by grants from the Scottish Arts Council, Aberdeen City Council and the National Lottery Fund.

Grants are given by Enterprise Music Scotland to classical music societies and groups at various locations throughout Scotland. The aim is to encourage concerts and recitals of classical music in areas where financial or geographical constraints impose difficulties on concert promoters. Enterprise Music Scotland will provide financing to groups in such areas so that they may organise and promote concerts and performances.

The Charity is dependent on funding from the Scottish Arts Council from which it donates grants to musical societies and covers all of its operating and administrative expenditure. Surplus funds at the end of the year are held for future use by the Charity to be utilised in accordance with its objectives.

FUTURE DEVELOPMENTS

Enterprise Music Scotland aims to continue its activities in supporting the development and promotion of live music performances throughout Scotland, in 1999/00. Funding has been secured for this period from the Scottish Arts Council, Aberdeen City Council and the National Lottery Fund for the support of the Charity, and the assistance of music clubs and societies in Scotland.

YEAR 2000

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. Our own system will accommodate the Year 2000 and beyond, however, the operation of our business depends not only on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own Year 2000 issues.

FIXED ASSETS

Movements in fixed assets during the year are summarised in note 9 to the financial statements.

DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS

There are no directors' interests requiring disclosure under the Companies Act 1985.

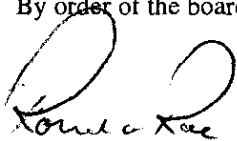
The directors at 31 March 1999 were as follows:

Norman Cooper (Chairman)
Alistair Brown
Raymond Dodd
James Dunster
Peter Evans
Ian H Halliburton
John Holt
John MacDonald
Carol Main
Sheila Osborne
Karl Overton
Hazel Sheppard
Ewen Stewart
A G Vogt

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board



Ronald W Rae
Secretary

27 August 1999

Enterprise Music Scotland Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS
to the members of Enterprise Music Scotland Limited

We have audited the accounts on pages 7 to 13, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 5 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

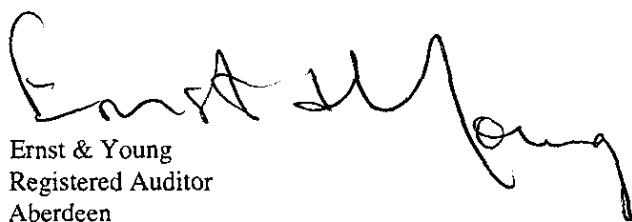
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 March 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor
Aberdeen

27 August 1999

Enterprise Music Scotland Limited

INCOME AND EXPENDITURE ACCOUNT for the year ended 31 March 1999

	Notes	1999 £	1998 £
INCOME			
Grants received	3	224,300	183,150
Other income	4	8,745	14,103
Interest received		2,487	2,275
TOTAL INCOME		<u>235,532</u>	<u>199,528</u>
EXPENDITURE			
Direct:			
Charitable expenditure	6	139,509	120,207
Indirect:			
Other expenses	7	12,237	14,460
Project and development expenses		-	8,311
Administration expenses	8	62,386	56,536
TOTAL EXPENDITURE		<u>214,132</u>	<u>199,514</u>
PROFIT RETAINED FOR THE FINANCIAL YEAR	2	<u>21,400</u>	<u>14</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There have been no recognised gains or losses other than the profit of £21,400 in the year ended 31 March 1999 (1998 - £14).

Enterprise Music Scotland Limited

BALANCE SHEET

as at 31 March 1999

	Notes	1999 £	1998 £
FIXED ASSETS	9	1,615	3,715
CURRENT ASSETS			
Debtors	10	33,342	6,138
Cash at bank and in hand		19,187	29,891
		52,529	36,029
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	11	11,555	18,555
NET CURRENT ASSETS		40,974	17,474
TOTAL NET ASSETS		42,589	21,189
FUNDS			
Unrestricted funds	13	31,485	21,189
Restricted funds	13	11,104	-
		42,589	21,189

Norman Cooper

Chairman

Karl Overton

Director

27 August 1999

Enterprise Music Scotland Limited

NOTES TO THE ACCOUNTS

at 31 March 1999

1. ACCOUNTING POLICIES

Basis of preparation of the accounts

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Accruals and prepayments

The accounts are prepared on the accruals basis. All expenditure relating to the year has been included in the accounts inclusive of VAT.

Fixed assets

All fixed assets are recorded at cost.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Fixture and fittings - over 4 years.

Grants provided

Grants distributed to musical societies are recorded as they are paid or as they fall due to be paid. Grants falling due but unpaid at the end of the year are held within creditors in the accounts and represent funds committed to musical societies as guarantees against losses on performances being held. Full provision has been made in the accounts to reflect the maximum amount committed to.

Leasing commitments

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

2. STATEMENT OF FINANCIAL ACTIVITIES

		<i>Unrestricted funds 1999</i>	<i>Restricted funds 1999</i>	<i>Total 1999</i>	<i>Total 1998</i>
	<i>Note</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
INCOME AND EXPENDITURE					
INCOMING RESOURCES					
Grants	3	191,050	33,250	224,300	183,150
Other income	4	8,745	-	8,745	14,103
Interest received		2,487	-	2,487	2,275
TOTAL INCOMING RESOURCES		202,282	33,250	235,532	199,528
RESOURCES EXPENDED					
Direct charitable expenditure:					
Grants	6	117,363	22,146	139,509	120,207
Other expenditure:					
Other expenses	7	12,237	-	12,237	22,771
Management and administration expenses	8	62,386	-	62,386	56,536
TOTAL RESOURCES EXPENDED		191,986	22,146	214,132	199,514

Enterprise Music Scotland Limited

NOTES TO THE ACCOUNTS at 31 March 1999

2. STATEMENT OF FINANCIAL ACTIVITIES (continued)

		<i>Unrestricted funds 1999 £</i>	<i>Restricted funds 1999 £</i>	<i>Total 1999 £</i>	<i>Total 1998 £</i>
	<i>Note</i>				
NET INCOMING RESOURCES FOR THE YEAR		10,296	11,104	21,400	14
FUND BALANCES BROUGHT FORWARD AT 1 APRIL		21,189	-	21,189	21,175
FUND BALANCES CARRIED FORWARD AT 31 MARCH	13	31,485	11,104	42,589	21,189

3. GRANTS RECEIVED

	<i>1999 £</i>	<i>1998 £</i>
Scottish Arts Council	184,050	175,250
Aberdeen City Council	7,000	7,900
Lottery fund	33,250	-
	<u>224,300</u>	<u>183,150</u>

4. OTHER INCOME

	<i>1999 £</i>	<i>1998 £</i>
Scottish Tours Conference income	594	630
Scottish Tours Book income	8,151	7,750
Stuani Tour	-	5,723
	<u>8,745</u>	<u>14,103</u>

5. DIRECTORS' REMUNERATION

During the year directors of the charity received £2,957 (1998 - £1,699) collectively, being the reimbursement of expenses incurred for attendance at board and committee meetings. No remuneration was paid in respect of services provided during the year.

Enterprise Music Scotland Limited

NOTES TO THE ACCOUNTS

at 31 March 1999

6. CHARITABLE EXPENDITURE

	1999 £	1998 £
Grants distributed	142,909	121,166
Amounts overprovided in prior year	(3,400)	(959)
	<u>139,509</u>	<u>120,207</u>

7. OTHER EXPENSES

	1999 £	1998 £
Scottish Tours Conference expenses	2,920	3,224
Scottish Tours Book expenses	9,317	9,079
New Promoters Fund	-	2,157
	<u>12,237</u>	<u>14,460</u>

8. ADMINISTRATION EXPENSES

Administration expenses includes staff salaries and related costs, travelling expenses, office costs and board expenses and are stated after charging:

	1999 £	1998 £
Auditors' remuneration	1,500	1,525
Depreciation	2,888	3,068
Operating lease rentals	4,140	4,911
	<u></u>	<u></u>

9. TANGIBLE FIXED ASSETS

	<i>Fixtures and fittings</i> £
Cost:	
At 1 April 1998	12,717
Additions	788
At 31 March 1999	<u>13,505</u>
Depreciation:	
At 1 April 1998	9,002
Charge for year	2,888
At 31 March 1999	<u>11,890</u>
Net book value:	
At 31 March 1999	<u>1,615</u>
At 31 March 1998	<u>3,715</u>

Enterprise Music Scotland Limited

NOTES TO THE ACCOUNTS at 31 March 1999

10. DEBTORS

	1999 £	1998 £
Sundry debtors	32,365	5,323
Prepayments	977	815
	<u>33,342</u>	<u>6,138</u>

11. CREDITORS

	1999 £	1998 £
Sundry creditors	320	7,109
Other taxation and social security	766	802
Accruals	3,677	1,528
Grants committed	6,792	9,116
	<u>11,555</u>	<u>18,555</u>

12. EMPLOYEE COSTS

The total emoluments paid to charity staff during the accounting period was £28,383 (1998 - £27,112). Employer's National Insurance contributions on these amounts totalled £2,797 (1998 - £2,408). The total of pension contributions paid was £1,413 (1998 - £1,412). Staff consisted of one full time employee and one part time employee.

13. ANALYSIS OF MOVEMENTS ON FUNDS FOR THE YEAR

	<i>Unrestricted funds £</i>
At 1 April 1998	21,189
Surplus for the year	10,296
At 31 March 1999	<u>31,485</u>
	<i>Restricted funds New Music Initiative £</i>
Income	33,250
Expenditure	(22,146)
	<u>11,104</u>

14. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for its full time employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Enterprise Music Scotland Limited

NOTES TO THE ACCOUNTS

at 31 March 1999

15. OTHER FINANCIAL COMMITMENTS

At 31 March 1999 the company had annual commitments under non-cancellable operating leases as follows:

	<i>Motor Vehicles</i>	
	<i>1999</i>	<i>1998</i>
	<i>£</i>	<i>£</i>
Operating leases which expire:		
within one year	-	1,631
within two to five years	4,884	-
	<u> </u>	<u> </u>

16. STATEMENT OF CASH FLOWS

The company has taken advantage of exemptions allowed by Financial Reporting Standard Number 1 for small companies from preparing a Statement of Cash Flows.