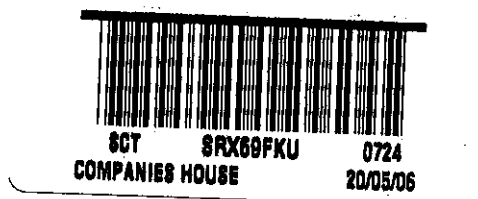


Registrar for
Signature

COMPANY REGISTRATION NUMBER 141360

ENTERPRISE MUSIC SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
30 SEPTEMBER 2005

Charity Number SC020803



BOWER + SMITH
Chartered Accountants & Registered Auditors
6 Rubislaw Place
Aberdeen
AB10 1XN

**ENTERPRISE MUSIC SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2004 TO 30 SEPTEMBER 2005

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**ENTERPRISE MUSIC SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE**

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

The board of trustees

Robert Tait
Susan Allen
Helen Chalmers
James MacDougall
William Stevenson
Denys Wheatley
William Runciman
Thomas Chadwick
Ian Cowing
Helen Jamieson
John Hearne
Julian Clayton
Anne Cumberland
Roy Alexander

Company secretary

Burnett and Reid

Registered office

Abercorn School
Newton
Broxburn
Lothian
EH52 6P2

Auditors

Bower + Smith
Chartered Accountants
& Registered Auditors
6 Rubislaw Place
Aberdeen
AB10 1XN

Bankers

Bank of Scotland Plc
1 Mid Stocket Road
Aberdeen
AB15 5JL

Solicitors

Burnett and Reid
15 Golden Square
Aberdeen
AB10 1PQ

ENTERPRISE MUSIC SCOTLAND LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

PERIOD FROM 1 APRIL 2004 TO 30 SEPTEMBER 2005

The trustees, who are also Directors for the purposes of the Companies Act, have pleasure in presenting their report and the financial statements of the charity for the period from 1 April 2004 to 30 September 2005.

INTRODUCTION

Enterprise Music Scotland Limited aims to represent and support the work of music clubs, arts guilds and other bodies with similar musical interests. The main source of income is the Scottish Arts Council. The company in turn makes grants to music societies and groups throughout Scotland with the aim of encouraging concerts and recitals of music.

LEGAL STATUS

Enterprise Music Scotland Limited is a company registered in Scotland and Limited by Guarantee. It was established in 1992 and is also a registered charity.

OBJECTIVES

The principal activity of the company is to advance the education of the public in, and stimulate the performance and knowledge of live music in Scotland. The company helps to fund performances of various kinds of music but it is principally involved in classical music.

ORGANISATION

The organisation is headed up by a Board of Directors. The membership of the organisation is composed of organisations dedicated to promote music in Scotland and individuals or organisations who are invited by the directors to become members. Representative directors are nominated by the member organisations and co-opted directors are nominated by the Board.

FINANCIAL CONTROLS

Until 16th September 2005 the finances were controlled by a paid executive who also acted as Company Secretary. That person had the responsibility for implementing the wishes of the Board of Directors and ensuring that the organisation ran effectively and efficiently within the available budget. Subsequently the financial controls have been exercised by an Executive Committee consisting of four members of the Board.

REVIEW OF DEVELOPMENTS, ACTIVITIES AND ACHIEVEMENTS

In season 2004/2005, 61 music clubs were supported. Almost 370 concerts were promoted with a total audience attendance in excess of 40,000. The per capita subsidy was £2.85. 13 Education workshops were supported throughout Scotland. The publication of the Scottish Tours Book and the organisation of the Scottish Tours Conference were major projects to support the network of promoters in organising their concerts. A new committee, the Development Committee, was formed and was responsible for publishing the first newsletter and considering other areas of possible development. In addition work has begun on building links with the Royal Scottish Academy of Music and Drama; considering the establishment of EMS residencies for chamber ensembles; and considering the SAC document entitled "Care, Diligence and Skill." The directors have reconsidered the risks facing the company and have set in place actions to mitigate them. The resignation of the paid executive has encouraged the Board to consider how best to administer and run the company. Work on this is current and ongoing.

RESULTS

The results for the period, and the charity's financial position at the end of the period are shown in the attached financial statements.

ENTERPRISE MUSIC SCOTLAND LIMITED COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

PERIOD FROM 1 APRIL 2004 TO 30 SEPTEMBER 2005

THE TRUSTEES

The trustees who served the charity during the period were as follows:

Robert Tait	
Susan Allen	
Mary Bowen	
Neil Butterworth	
Helen Chalmers	
William Conway	
James MacDougall	
William Stevenson	
Denys Wheatley	
William Runciman	
Thomas Chadwick	
Ian Cowing	
Helen Jamieson	(Appointed 27 November 2004)
Alistair Brown	(Retired 27 November 2004)
Stephen Strugnell	(Retired 27 November 2004)

John Hearne was appointed as a trustee on 29 November 2005.

Julian Clayton was appointed as a trustee on 29 November 2005.

Anne Cumberland was appointed as a trustee on 29 November 2005.

Roy Alexander was appointed as a trustee on 29 November 2005.

Mary Bowen retired as a trustee on 19 November 2005.

Neil Butterworth retired as a trustee on 19 November 2005.

William Conway retired as a trustee on 19 November 2005.

TRUSTEES' RESPONSIBILITIES

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 at the end of the period and of the incoming and outgoing resources for the period then ended.

In preparing those financial statements, the trustees are required to select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent. The trustees must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. The trustees 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.

**ENTERPRISE MUSIC SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

PERIOD FROM 1 APRIL 2004 TO 30 SEPTEMBER 2005

AUDITORS

A resolution to re-appoint Bower + Smith as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Abercorn School
Newton
Broxburn
Lothian
EH52 6P2

Signed on behalf of the trustees

A handwritten signature in black ink, appearing to read 'Robert Tait', is written over a horizontal line.

Robert Tait

Approved by the trustees on 11 May 2006

**ENTERPRISE MUSIC SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ENTERPRISE MUSIC SCOTLAND LIMITED**

PERIOD FROM 1 APRIL 2004 TO 30 SEPTEMBER 2005

We have audited the financial statements on pages 7 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 10.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND THE AUDITORS

The trustees' (who also act as Directors for the charitable activities of the company) responsibilities for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read the Trustees Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom 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 financial statements. It also includes an assessment of the significant estimates and judgements made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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 financial statements 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 financial statements.

On 29 November 2005 Roy Alexander, a director of The A9 Partnership (Aberdeen) Limited, trading as Bower + Smith, was appointed a director of the company. He receives no remuneration for his services to the company.

**ENTERPRISE MUSIC SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ENTERPRISE MUSIC SCOTLAND LIMITED *(continued)***

PERIOD FROM 1 APRIL 2004 TO 30 SEPTEMBER 2005

OPINION

We refer the reader to note 16 to the accounts, but on the basis that the company has been fully recompensed our opinion is not qualified in this respect.

In our opinion the financial statements give a true and fair view of the charity's state of affairs as at 30 September 2005 and of its incoming resources and application of resources, including its income and expenditure, in the period then ended and have been properly prepared in accordance with the Companies Act 1985.



6 Rubislaw Place
Aberdeen
AB10 1XN

BOWER + SMITH
Chartered Accountants
& Registered Auditors

11 May 2006

**ENTERPRISE MUSIC SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE**

STATEMENT OF FINANCIAL ACTIVITIES

PERIOD FROM 1 APRIL 2004 TO 30 SEPTEMBER 2005

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds Period to 30 Sep 05 £	Total Funds Year to 31 Mar 04 £
INCOMING RESOURCES					
Donations	2	1,765	—	1,765	1,125
Grants receivable	3	384,000	—	384,000	207,000
Income from charitable trading activities:	4	10,705	—	10,705	10,525
Interest receivable		1,789	—	1,789	588
TOTAL INCOMING RESOURCES		<u>398,259</u>	<u>—</u>	<u>398,259</u>	<u>219,238</u>
RESOURCES EXPENDED					
Fundraising and publicity	5	7,763	—	7,763	7,501
Direct charitable expenditure	6	250,619	—	250,619	132,314
Management and administration	7	112,720	—	112,720	79,260
TOTAL RESOURCES EXPENDED		<u>371,102</u>	<u>—</u>	<u>371,102</u>	<u>219,075</u>
NET INCOMING RESOURCES FOR THE PERIOD	9	27,157	—	27,157	163
Balances brought forward at 1 Apr 04		26,539	—	26,539	26,376
Balances carried forward at 30 Sep 05		<u>53,696</u>	<u>—</u>	<u>53,696</u>	<u>26,539</u>

The charity has no recognised gains or losses other than the results for the period as set out above.

All of the activities of the charity are classed as continuing.

The notes on pages 10 to 14 form part of these financial statements.

**ENTERPRISE MUSIC SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE**

INCOME AND EXPENDITURE ACCOUNT

PERIOD FROM 1 APRIL 2004 TO 30 SEPTEMBER 2005

	Note	30 Sep 05 £	Year to 31 Mar 04 £
INCOME		396,470	218,650
TOTAL EXPENDITURE		371,102	219,075
OPERATING SURPLUS/(DEFICIENCY)	9	25,368	(425)
OTHER INCOME			
Interest receivable and similar income		<u>1,789</u>	<u>588</u>
NET RETAINED SURPLUS FOR THE FINANCIAL PERIOD		<u>27,157</u>	<u>163</u>

All of the activities of the charity are classed as continuing.

The notes on pages 10 to 14 form part of these financial statements.

**ENTERPRISE MUSIC SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE**

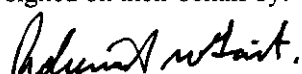
BALANCE SHEET

30 SEPTEMBER 2005

	Note	30 Sep 05 £	£	31 Mar 04 £
FIXED ASSETS				
Tangible assets	10		1,212	1,433
CURRENT ASSETS				
Debtors	11	87,710		39,312
Cash at bank		33,474		5,969
		<u>121,184</u>		<u>45,281</u>
CREDITORS: Amounts falling due within one year	12	<u>(68,700)</u>		<u>(20,175)</u>
NET CURRENT ASSETS			52,484	25,106
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>53,696</u>	<u>26,539</u>
NET ASSETS			<u>53,696</u>	<u>26,539</u>
FUNDS				
Unrestricted	14		<u>53,696</u>	<u>26,539</u>
TOTAL FUNDS			<u>53,696</u>	<u>26,539</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the members of the committee on the 11 May 2006 and are signed on their behalf by:



Robert Tait

The notes on pages 10 to 14 form part of these financial statements.

ENTERPRISE MUSIC SCOTLAND LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2004 TO 30 SEPTEMBER 2005

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2000) and the Companies Act 1985.

The financial statements are prepared on the accruals basis. All expenditure relating to the year has been included in the accounts inclusive of value added tax.

Cash flow statement

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset evenly over its expected useful life. Fixtures and fittings are being depreciated over four years.

Operating lease agreements

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

Pension costs

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activities.

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 year end are held within creditors in the accounts.

Grants received

Grants of a revenue nature are credited to the income and expenditure account on an accruals basis.

**ENTERPRISE MUSIC SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2004 TO 30 SEPTEMBER 2005

2. DONATIONS

	Unrestricted Funds £	Restricted Funds £	Total Funds Period to 30 Sep 05 £	Total Funds Year to 31 Mar 04 £
Donations and sundry income	<u>1,765</u>	<u>-</u>	<u>1,765</u>	<u>1,125</u>

3. GRANTS RECEIVABLE

	Unrestricted Funds £	Restricted Funds £	Total Funds Period to 30 Sep 05 £	Total Funds Year to 31 Mar 04 £
Scottish Arts Council	<u>384,000</u>	<u>-</u>	<u>384,000</u>	<u>207,000</u>

4. OTHER INCOME

	30 Sep 05 £	31 Mar 04 £
Scottish Tours conference income	623	1,135
Scottish Tours book income	<u>10,082</u>	<u>9,390</u>
	<u>10,705</u>	<u>10,525</u>

5. SCOTTISH TOURS COSTS

	2005 £	2004 £
Scottish Tours conference expenses	4,367	2,980
Scottish Tours book expenses	<u>3,396</u>	<u>4,521</u>
	<u>7,763</u>	<u>7,501</u>

6. COSTS IN FURTHERANCE OF CHARITABLE OBJECTS

	Unrestricted Funds £	Restricted Funds £	Total Funds Period to 30 Sep 05 £	Total Funds Year to 31 Mar 04 £
Provision of charitable services:				
Grants distributed	244,567	-	244,567	122,143
Amounts overprovided in prior years	500	-	500	1,350
Projects	<u>5,552</u>	<u>-</u>	<u>5,552</u>	<u>8,821</u>
	<u>250,619</u>	<u>-</u>	<u>250,619</u>	<u>132,314</u>

ENTERPRISE MUSIC SCOTLAND LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2004 TO 30 SEPTEMBER 2005

6. COSTS IN FURTHERANCE OF CHARITABLE OBJECTS *(continued)*

Analysis of provision of charitable services:

	Grants paid £	Other costs £	Total 2005 £	Total 2004 £
Grants distributed	244,567	-	244,567	122,143
Amounts overprovided in prior years	500	-	500	1,350
Projects	5,552	-	5,552	8,821
	<u>250,619</u>	<u>-</u>	<u>250,619</u>	<u>132,314</u>

7. MANAGEMENT AND ADMINISTRATION

	Unrestricted Funds £	Restricted Funds £	Total Funds Period to 30 Sep 05 £	Total Funds Year to 31 Mar 04 £
Salaries	68,970	-	68,970	42,869
Office costs	22,770	-	22,770	21,894
Audit fees	2,435	-	2,435	1,650
Legal and professional	6,815	-	6,815	1,234
Other	11,730	-	11,730	11,613
	<u>112,720</u>	<u>-</u>	<u>112,720</u>	<u>79,260</u>

During the period directors of the charity received £1,560 (2004 £1,964) 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 period.

8. EMPLOYEE COSTS

The total emoluments paid to charity staff during the accounting period was £57,470 (2004 - £40,600). Employer's national insurance contributions on these amounts totalled £8,945 (2004 - £3,370). The total pension contributions paid was £2,555 (2004 - £2,067). Staff consisted of 1 (2004 - 1) full time and 2 (2004 - 3) part time employees.

9. OPERATING SURPLUS

Operating surplus is stated after charging:

	30 Sep 05 £	Year to 31 Mar 04 £
Depreciation	1,514	1,390
Auditors' fees	<u>2,435</u>	<u>1,650</u>

**ENTERPRISE MUSIC SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2004 TO 30 SEPTEMBER 2005

10. TANGIBLE FIXED ASSETS

	Plant and machinery etc. £
COST	
At 1 April 2004	21,124
Additions	1,293
Disposals	<u>(2,777)</u>
At 30 September 2005	<u>19,640</u>
DEPRECIATION	
At 1 April 2004	19,691
Charge for the period	1,514
On disposals	<u>(2,777)</u>
At 30 September 2005	<u>18,428</u>
NET BOOK VALUE	
At 30 September 2005	<u>1,212</u>
At 31 March 2004	<u>1,433</u>

11. DEBTORS

	30 Sep 05 £	31 Mar 04 £
Grants receivable	–	37,088
Other debtors	86,582	778
Prepayments	<u>1,128</u>	<u>1,446</u>
	<u>87,710</u>	<u>39,312</u>

12. CREDITORS: Amounts falling due within one year

	30 Sep 05 £	31 Mar 04 £
PAYE and social security	14,606	1,564
Other creditors	<u>54,094</u>	<u>18,611</u>
	<u>68,700</u>	<u>20,175</u>

Other creditors include £11,280 (2004 - £nil) in respect of deferred income.

**ENTERPRISE MUSIC SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2004 TO 30 SEPTEMBER 2005

13. COMMITMENTS UNDER OPERATING LEASES

At 30 September 2005 the charity had annual commitments under non-cancellable operating leases as set out below.

	30 Sep 05		31 Mar 04	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire:				
Within 1 year	4,745	-	-	-
Within 2 to 5 years	-	-	4,745	6,821
	<u>4,745</u>	<u>-</u>	<u>4,745</u>	<u>6,821</u>

14. ANALYSIS OF NET ASSETS IN UNRESTRICTED FUNDS

	Tangible fixed assets £	Other net assets £	Total £
Unrestricted funds	<u>1,212</u>	<u>52,483</u>	<u>53,696</u>

15. COMPANY LIMITED BY GUARANTEE

Members of the company undertake to contribute to the assets of the company in the event of the same being wound up during the time that they are members, or within one year afterwards for payment of the debts and liabilities of the company contracted before the time at which they cease to be members and of the costs, charges and expenses of winding up the same and for the adjustment of the rights of contributories themselves, such amount as may be required not exceeding £1.

16. FINANCIAL IRREGULARITIES

Financial irregularities were discovered during the audit but as full compensation was made, the company suffered no loss.

**ENTERPRISE MUSIC SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE**

MANAGEMENT INFORMATION

PERIOD FROM 1 APRIL 2004 TO 30 SEPTEMBER 2005

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditors' report on pages 5 to 6.**

**ENTERPRISE MUSIC SCOTLAND LIMITED
COMPANY LIMITED BY GUARANTEE**

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

PERIOD FROM 1 APRIL 2004 TO 30 SEPTEMBER 2005

	30 Sep 05	Year to 31 Mar 04
	£	£
INCOME		
Donations and sundry income	1,765	1,125
Scottish Arts Council	384,000	207,000
Bank interest receivable	1,789	588
Scottish Tours conference income	623	1,135
Scottish Tours book income	10,082	9,390
TOTAL INCOME	<u>398,259</u>	<u>219,238</u>
COSTS OF GENERATING FUNDS:		
Other:		
Scottish Tours conference expenses	4,367	2,980
Scottish Tours book expenses	<u>3,396</u>	<u>4,521</u>
	7,763	7,501
CHARITABLE EXPENDITURE:		
Grants paid	<u>250,619</u>	132,314
	250,619	132,314
MANAGEMENT AND ADMINISTRATION		
Wages and salaries	68,970	42,869
Stationery and postage	7,121	6,571
Rent, cleaning, etc.	13,236	10,291
Legal and professional fees	6,815	1,234
Audit fees	2,435	1,650
Board expenses	2,438	2,787
Travelling expenses	757	2,521
Car leasing costs	8,535	5,785
Motor insurance	—	520
Development	—	895
Sundry expenses	899	2,747
Depreciation of fixed assets	<u>1,514</u>	<u>1,390</u>
	112,720	79,260
TOTAL EXPENDITURE	<u>371,102</u>	<u>219,075</u>
NET INCOMING RESOURCES FOR THE PERIOD	<u>27,157</u>	<u>163</u>