

SCOTS MUSIC GROUP
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
for the year ended 30 June 2025

Charity No: SC032702
Company No: SC265190

Whitelaw Wells Chartered Accountants
9 Ainslie Place
Edinburgh
EH3 6AT

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1 Director's Report

The Directors are pleased to present their Directors' Report together with the financial statements of the charity for the year ending 30 June 2025 which are also prepared to meet the requirements for a trustees' report and accounts for Charity Law purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, 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) (effective 1 January 2015).

1.1 OBJECTIVES AND AIMS

1.1.1 Objectives

The objectives of the charitable company are to:

- To create a critical relationship of respect and status to Scottish music, song and dance that it may live in the heart of the community and beyond.
- To build a repertoire in the Scottish idiom with reference to the past and present and into the future.
- To encourage and maintain the oral and aural transmission of the Scottish tradition.
- To create opportunities to foster connections with, and explore the traditions of, the music, song and dance of other cultures.
- To bring the best practitioners of Scottish music, song and dance into the life of the organisation as performers and as tutors to inspire and encourage our students.
- To give our students the skills and opportunities to perform together in the community.
- To maintain a democratic and participative style of voluntary organisation.

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1.1.2 Aims

In pursuit of these objectives, Scots Music Group (SMG) teaches, promotes and performs Scottish traditional music, song and dance. It offers a comprehensive programme, including weekly classes, short courses, one-day workshops, monthly events and specific community projects. The organisation also provides music sessions and community performance opportunities. SMG raises funding for the programme through charging fees for classes, events and membership, donations, fundraising activities by members and securing external grant funding where possible.

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1.2 ACHIEVEMENTS AND PERFORMANCE

1.2.1 Core Programme

Over the past year SMG has continued to develop the programme of classes, short courses and workshops which ran for 30 weeks over three terms.

Most of our instrument and song classes for this year were in-person classes. One class continued completely online: the Slow Session Class. The Banjo class has occasional in-person classes to supplement the regular online offering. This was due to the tutors for these classes being located a distance from Edinburgh and several of the students for the Slow Session Class living abroad. Our evening classes, which are mainly single instrument, were held in James Gillespie's High School. Our daytime classes in Mixed Instrument and Song were held in several local church halls in Gorgie and Morningside.

The numbers of students enrolled in the year 2024-25 were: 346 in Term 1, 327 in Term 2 and 278 in Term 3. Although there was an increase from the previous year (2023-24), these numbers are still significantly lower than those prior to the Covid 19 lockdown.

1.2.1.1 Classes

Classes offered in the year 2024-25 covered by this report were:

<i>Instrument</i>	<i>No. Classes</i>	<i>No. Tutor(s)</i>	<i>No. Students (Term 1)</i>
Fiddle	8	8	76
Guitar	3	3	37
Whistle	2	2	22
Smallpipes	2	2	12
Ukelele	2	1	17
5-string Banjo	1	1	10
Piano Accordion	4	4	38
Mixed Instrument	5	5	106
Song	2	2	28

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In the Mixed Instrument classes students learn about playing in sessions, playing with other instruments and arranging tunes into sets. Most SMG tutors encourage learning by ear with a backup of written music.

Stramashes are held at the end of Term-1 and Term-3, where each class plays a short set to all the other classes running at the same time. These are always enjoyed by students and tutors.

1.2.1.2 Workshops

During the year we organised one mixed instrument one-day workshop: a Come & Play mixed instrument workshop, our 7th, in February 2025. This was very successfully hosted by Nigel Gatherer.

There were two song workshops during the year: a Winter Song Gaithering in Dec 24, and a Summer Song Gaithering in May 25, both led by Mary McCann and Ian Davis.

1.2.1.3 Short Courses

In March/April 2025, we ran a 4-week short course on-line in **Banjo**, in response to demand from students.

During the Summer Term a second **Playing for Dancing** short course was held over four weeks. This involved looking at some of the repertoire of the Ceilidh Caleerie Dance Band; learning the tunes and the skills needed to get the dancers' feet off the floor, including appropriate speeds and rhythms. Some of the attendees of these courses from last year and this year have been welcomed into Ceilidh Caleerie.

In the Summer Term, we also ran a short course in **Song** with Ruth Kirkpatrick.

1.2.1.4 Merchandise

We updated & reprinted our existing three very popular A5 tune-books, and sales of these have been good. A composite on-line version was made available for purchase/download later in the year.

We also market a range of T-shirts and Hoodies with the SMG logo through our on-line shop, and profits from these sales go towards operating costs.

1.2.2 Income & Class Viability

The main income for our organisation comes from class fees, memberships, donations and fundraising activities. Our policy is that normally our class

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income should cover tutor's fees, some travel expenses and venue costs. As part of a prudent financial strategy, our policy is to only continue with classes that cover their costs, except in limited circumstances where other factors would justify a short-term loss-making situation, e.g., an investment in the future strategy for a particular class. As in past years we have tried as far as possible to maintain classes with a less than optimum number of participants and which are not breaking even, as a way of building for the future and encouraging the continued participation of our students. Where appropriate, and with the agreement of tutors and students who have signed up for specific class, we have sought to combine classes with very low numbers, or as a last resort cancel classes.

We have continued to receive generous donations from our members and friends, both as additions when booking classes and freestanding during the year. All donations are very welcome and we thank everyone for their continued support.

1.2.3 Diversity & Inclusion:

We have helped a number of people with particular needs access our classes and events where a barrier is apparent. We do this through recruiting volunteers to help with additional tasks, extra student support from the office, supporting tutors and offering free carer tickets at ceilidhs. We hope this will improve diversity and participation, although we recognise that as a small organisation we are not always able to meet every need.

1.2.4 Scots Music in the Community:

SMG has been instrumental in fostering the recent resurgence of interest in traditional music, song and dance, particularly in the Edinburgh and Lothians geographic area. The commitment and enthusiasm of our tutors have encouraged our members to share their love of traditional music with the wider community by means of sessions, ceilidhs and other performance opportunities.

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1.2.4.1 *Open Traditional Sessions*

Sessions are an important part of traditional music-making but are often difficult and daunting for newcomers to join. To help students to learn the typical session repertoire and gain experience in a mixed instrument context, we have run a slow session class followed by a pub-based slow session to enable our students to enjoy playing in a relaxed atmosphere and have an authentic session experience.

Some of our current and past students have organised new sessions in pubs and created other opportunities to play music together through their own initiatives. Each year over the summer break when regular classes have stopped several students in our daytime mixed instrument classes continued to meet in their own homes, taking turns to host and using the tunes introduced in their classes as a basic repertoire.

During the year two of our students have organised several mixed-instrument sessions in Carlops Village Hall when all are welcome to play for a few hours in friendly company. The music was based on tunes from the SMG and Nigel Gatherer's tune books as well as those learned in SMG classes. The money raised has been donated mainly to SMG funds, but also to other charities.

Another of our students has arranged several Slow Sessions at Queen Margaret University. These are opportunities to play tunes from Nigel Gatherer's Slow Session repertoire, and donations raised were shared between SMG and other causes.

There are many sessions held in Edinburgh and the Lothians, and SMG members can regularly be seen playing at and supporting these community events.

1.2.4.2 *Café Ceilidh*

Café Ceilidh sessions are held in the Storytelling Centre and are normally well supported by performers and visitors. There is always a collection for SMG funds but otherwise it is a free event where people are welcome to drop in as they wish.

Six Café Ceilidhs were held during the year in the wonderful Storytelling Court at Scottish Storytelling Centre on the High Street, Edinburgh. They continue to

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be ably hosted by Marianne Hendry and Ian Davies, with the Cafe Ceilidh Xtet (the house band) providing three sets of tunes each time to complement the incredible variety of turns from the individuals and small groups who appear on the day: some giving their first-ever performance in front of an audience, as well as many pieces from more seasoned performers. The Café Ceilidh on St Patrick's Day was very successful as many people wanted to take a turn. At the end of each event everyone goes home happy, having had a delightful afternoon of music and song.

1.2.4.3 *St Bride's Fundraiser Ceilidhs*

For many years SMG has run a regular ceilidh programme at the St Bride's Centre, often selling out prior to the event. SMG organised ceilidhs provide an important and regular contribution to our funds as well as an opportunity to showcase Scottish traditional music for dancing to the many visitors to Edinburgh from beyond Scotland. A different ceilidh band plays each month and are of the highest standard within Scotland. St Bride's has the benefit of a bar run by the Centre and a larger capacity than most alternative venues.

Our ceilidhs depend for success on support of the venue staff but especially on the dedicated SMG team of staff and ceilidh volunteers who manage the door, ticket sales and the raffle, ensuring that these events run smoothly and safely on the night. The capacity of the hall is 180, and this enables us to enjoy an enthusiastic, exciting atmosphere.

Holding regular, well-attended ceilidhs is very important to the future viability and success of the SMG as any surplus generated enables us to have the funds to support classes with lower numbers, keep the price of classes affordable and employ our hard-working staff.

This year, to contain costs, the ceilidhs were organised and run by a board member, after the initial setup phase by the office. Once again, ceilidhs were sold out in November, December & January, and proved popular with locals and tourists alike. We continued our series into 2025/26 with two additional ceilidhs held in July and August for the first time.

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1.2.5 Affiliated Groups:

Although the individual groups within the SMG family have been formed to encourage participation and the enjoyment of sharing music amongst themselves and with the wider community, they are often able to make valuable contributions to our funding from their activities. In return these groups are often able to take advantage of reduced room booking and inclusion in our public liability insurance policy.

Several other groups have formed over the years, and have now spun off to become separately managed and operated organisations eg Sangstream Choir, Auld Spice Ceilidh band. Current affiliated groups are covered below:

1.2.5.1 *Ceilidh Caleerie Dance Band*

Ceilidh Caleerie is a self-administered Scots Music Group dance band that started in 2006 as Sarah Northcott's 'Playing for Ceilidh Dancing' class. It has now played to over two hundred charitable ceilidhs and other events in return for a modest fee, most of which is donated to SMG. The band is open to SMG students who can commit to attend rehearsals (on the last Sunday of each month at Dean Bowling Club in Stockbridge) and willing to engage with the core repertoire of dance sets. There are currently around 25 active members – many being old timers but several having joined the band after attending Sarah's 'Playing for Dancing' class in the 2024-25 summer term. The band has a very experienced caller (also fiddler) and sufficient PA equipment to be able to amplify up to more than fifteen players at large events.

In the inclusive period July 2024 to June 2025, Ceilidh Caleerie played for 15 diverse events, all but one of which were in Edinburgh:

Elie Sailing Club RNLI fundraising ceilidh; Art in the Park, Spylaw Public Park; Big Beach Busk, Portobello; Jacobites Mountaineering Club 50th anniversary ceilidh; 'Race2Paris' fundraising ceilidh; Polski Most (Poles in Scotland cultural organisation) ceilidh; Green Team Winter Celebration; St. Columba's Winchburgh fundraising Burns Night; Cramond Kirk ceilidh; Forth Canoe Club ceilidh; Heriot-Watt Kayaking and Mountaineering Club ceilidh; Napier Musical Theatre Society ceilidh; Western General Hospital garden party; Community Showcase at Royal Highland Show; SMG Ceilidh at St Brides.

The band's website is: <https://ceilidhcaleeriedanceband.wordpress.com>

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1.2.5.2 *Nigel's Allstars*

Nigel's Allstars grew out of a mixed instrument class led by Nigel Gatherer, a long-standing SMG tutor. Several of the students wanted to share their love of traditional Scottish music with the wider community. Since 2010 they have played in community and day-care centres, retirement communities, hospitals and for otherwise isolated groups in the community. The resulting proceeds are donated to Scots Music Group. There are currently ten active Allstars.

In the 2024/25 year the Allstars played at: Saughton Park Bandstand; Lyle Court retirement home, Barnton; SMG Beach Busk, Portobello; Cluny Music and Memories; Eric Liddell Centre Afternoon Tea Club; Broomhill Day Centre, Penicuik; Funeral, Warriston Crematorium; Cluny Evening Men's Club; Granton Castle Walled Garden.

1.3 SMG BOARD, OFFICE AND ORGANISATION

1.3.1 Board

SMG held our most recent Annual General Meeting in Christ Church Centre on 2 February 2025.

We have held regular monthly Board Meetings, and these have been well attended. We also keep in touch with current events and decisions that are needed between meetings through emails. Decisions made via email discussion are updated and ratified at the following Board Meeting.

Two of our volunteer board members resigned during the year 2024-25: Edna Wilson (chair) and Helen Wright. The board expressed its grateful thanks for their service to SMG, whilst serving on the board.

We recruited three new board members during the year: Carole Ross, Charles Everitt and Graham Hutton. The board welcomed these new members and look forward to working with them in the coming year(s).

Jamie Taylor took over the chair role after Edna Wilson resigned, and the chair role was advertised on the Edinburgh Volunteer Hub. Graham Hutton responded to this and took over the role in September 2025.

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The Board has been proactively addressing the worrying financial situation we had been in over recent years due to the impact of Covid on SMG, but are pleased to report an improving situation in this financial year, and a positive forecast for 2025-26. We were fortunate to have had reasonably healthy reserves in our bank which have sustained us in recent years.

1.3.2 Volunteers

As a grassroots organisation, SMG is reliant on volunteers to ensure the smooth running of its board, classes and events. We require volunteer support for our board of trustees, some administrative/finance tasks, class evenings, events and ceilidhs and in marketing SMG and our events to the wider public. Our volunteers are trained and managed by our paid staff and board members, as appropriate.

We also have a team of volunteers who run our monthly ceilidhs, minding the door, checking tickets, selling raffle tickets and generally making sure the events run smoothly and safely.

Volunteers also assist during classes, setting out chairs, running the tuck shop and managing the Hub (a central gathering area in James Gillespie's High School).

Our volunteer book-keeper (Monika Galec) left the organisation in April 2025, and we expressed our thanks for the valuable work she undertook for the charity. We again advertised with the Edinburgh Volunteer Hub for a new book-keeper and have now engaged a new person (Anna Silusarenko), who is keen to use her accounting skills to support charities within Edinburgh; Anna started in Sept 2025.

1.3.3 Staff

We had three members of staff working with us during the year covered by this report – Sarah Northcott, SMG Development Worker; Helen Reid, SMG Coordinator (July 24 – Sept 24); and Iain McQueen, SMG Administrator (from Nov 24).

Helen Reid left the charity in September 2024, after many years valuable service as a volunteer, followed by Administrator and more recently Co-

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ordinator staff roles. We thank her for her work for SMG and wish her well in her future career.

Sarah Northcott's role as Development Worker changed from a contractor role to a staff position in April 25. We are pleased that Sarah has taken up this appointment and are very grateful for her support through testing times in recent years since 2020, just before Covid struck.

1.3.4 Tutors

We are fortunate that the tutors who choose to come and work with us are musicians and singers of the highest quality. They provide real inspiration and encouragement to our students at all levels, setting appropriate and achievable standards, and developing an awareness of the wide range of musical styles and traditions within Scottish music, dance and song.

A Tutor's Gathering was arranged in September 2024 and led by Sarah Northcott, our Development Worker. Not all tutors were able to attend but those that did were able to meet with other tutors and raise and discuss issues relating to their work with SMG. In addition, it was possible to outline any relevant expectations of tutors required by our organisation.

During the year we discussed a further Tutor Project to give our tutors access to continued professional development training. The Project was again funded through a small arts grant of £980 from Tasgadh (funded by the National Lottery through Creative Scotland) and we are grateful for their support. Due to workloads and tutor availability, the actual implementation of this project has been delayed until 2025-26, with Tasgadh's agreement.

We will continue to encourage tutors to communicate information of wider opportunities and events in which they are involved to be shared with our students.

1.3.5 Office

We signed a new lease with the Eric Liddell Community in Morningside Road in April 2025 for a year; the rent increased to £197 pcm. Our staff work from one small room and from home.

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1.4 FINANCIAL REVIEW

1.4.1 Year 2024-25

During the year the charity recorded a surplus of £8,499 (2024: deficit of £9,268), of which £7,671 (2024: £9,268) related to unrestricted funds, before transfers. At the year-end total reserves amounted to £45,749 (2024: £37,250), of which £225 (2024: £450) were tied up in fixed assets, £4,868 (2024: £2,460) were other designated funds, £828 (2024: £nil) were restricted and £39,828 (2024: £34,340) were free reserves.

1.4.2 Principal funding sources

Principal funding sources were income from membership subscriptions, donations and fundraising activities, and fees from classes, workshops, short courses and events.

1.4.3 Financial Strategy

The overall financial strategy for SMG is based on four elements:

- 1) our programme of classes, workshops and short courses should cover their own costs, supported in specific cases by grants for classes (eg Lothian & Borders Piping Society who have supported our small pipes beginners' class). We further aim to provide a surplus of between £10k-£15k which goes to support (2)
- 2) income from memberships, donations and fundraising activities supports office costs, staff costs and development activities. This is supplemented by the planned surplus generated from our programme of tuition
- 3) income from special activities & events should be used to maintain/boost reserves and support new ventures
- 4) grant income (if available), can help support each of these areas (but may be restricted to specific uses or projects – eg LBPS support of small pipes classes and Tasghad tutor training support).

1.4.4 Reserves Policy

SMG requires a reserve of readily accessible funds in the unlikely event that the charity experiences unforeseen financial difficulties. Our perceived risks for the organization are outlined in Section 1.5.

Our reserve policy is currently based upon 50% of operating costs, which from our first budget/forecast (in Oct 2024) for 2024-25 was £52k. Our reserves starting that year were £37.5k, and we indicated that we planned to achieve this figure within two years. We have a surplus of c £8k in 2024-25, making a

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reserve of £45.5k to start the year 2025-26. This includes a free reserve of £40k. With our first budget/forecast (in Oct 2025) for 2025-26, the reserves figure has potentially increased to £63k for 2025-26. This is a considerable uplift from last year, with no change in the risk profile from last year. Our operational income and expenditure varies each year in accordance with our programme of classes, workshops, short courses and events – but these are priced so as to cover their costs, and make a small surplus, and thus do not form part of the underlying financial reserves calculation.

We thus aim to hold £46k in reserves for 2025-26. This is based on covering our fixed costs of circa £3k per month for 12 months, plus a contingency of £10k.

With our results for 2024-25, we hold a starting balance to 2025-26 of £45.5k, which is in line with our revised reserves policy.

1.5 RISK MANAGEMENT

We have updated the layout of our Risk Register to make it easier to review and update. Additional categorisation for 'Likelihood' and 'Impact' of the perceived risk has also been added.

Ref #	Perceived Risk	Likelihood	Impact	Mitigation/Comments
1	Global Event (like a Pandemic)	LOW	HIGH	prepare plans (based on experience of Covid) rebuild finance reserves – under way
2	Reliance on only a few Staff members	MEDIUM	HIGH	Ensure appropriate staff management Obtain timeous staff feedback Improve balance of Development Worker and Administrator tasks Ensure we have sufficient trained staff and volunteers to help organise and operate the Charity

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3	Retaining/ Recruiting tutors	MEDIUM	HIGH	Ensure tutors are well managed Ensure tutor expectations are understood and met if possible Continue pre-term tutor training event
4	Reducing income and/or reserves	MEDIUM	HIGH	Ensure classes cover tutor and venue costs Find new sources of income eg grants, legacies, new ventures
5	Membership Options	LOW	MEDIUM	Review Membership options (member/ non-member) – could reduce the number of class fee options and improve operations
6	Office location closes	LOW	MEDIUM	Find a better office location – we have done this before
7	On-line presence refresh	LOW	LOW	Ensure our on-line presence (website, Facebook etc) advertise SMG classes and promote SMG effectively
8	Membership dropping	MEDIUM	MEDIUM	Advertise more widely, using on-line and traditional channels Review student survey feedback and implement ideas where possible Offer new opportunities – eg Big Folk Band, short courses, workshops
9	Increasing Venue Costs	HIGH	MEDIUM	Negotiate rates with venues Find alternative venues Increase class fees, to cover these increases
10	Short-notice Classroom cancelations	LOW	MEDIUM	Review term dates with venues when booking where possible
11	Compliance in Legal and HR aspects	MEDIUM	LOW	Sign up to appropriate SCVO optional services

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				Recruit new board members with these/other needed skills Attend appropriate training courses
12	Reliance on on-line services	LOW	LOW	Costly to use, but enable efficient operation Review and adapt as required, using charity rates where available Could operate manually if needed

1.6 PLANS FOR THE FUTURE

1.6.1 Year 2025-26

During the year 2025-26 the directors are continuing to develop and review our business strategies to ensure that our financial position continues to improve. Our new Chair has tabled various suggestions for the board to discuss and investigate to expand our offering, broaden our appeal and improve our finances.

Our priority is to return our finances to the previously healthy state by keeping a close eye on the costs of our classes and events, ensuring that we break even or make a surplus on each one.

We will seek advice on developing the business side of our organisation to ensure we have all the resources and expertise we need.

We will continue to review our staff and tutor remuneration annually to ensure the smooth running of our organisation.

We will continue to review the level of class fees on a regular basis to ensure that we are covering our costs and generate some additional surplus to develop our activities.

We plan to rationalise our class fee structure to make online booking simpler to manage. Together with Early Bird and Concession rates we have eight different booking levels, which makes administration tasks more complicated than

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necessary. Dr Jo Miller (who was commissioned during 2023 to prepare a strategy report for SMG), suggested that we gradually reduce the number of options. One way of making immediate changes would be to eliminate the non-member category altogether and this is being considered, with other additional options.

Our Development Worker undertook training in fundraising through legacy giving in 2024 and we hope to introduce this method of fundraising to support SMG during 2025-26.

We aim to issue a new tune book, which we have been working on.

We are working with tutors to develop some common tunes/sets in our class repertoire, so that music can be more easily shared and performed amongst classes.

As both our busking groups have ceased to exist, we would like to encourage the development of a new busking group - this could link in with several of our other aims by having a social and community focus.

Tutors are freelance practitioners and have limited access to continual professional development (CPD). SMG has obtained a Tasghad grant which will allow a CPB project to be run in 2025/26 giving tutors some options to enable them to undertake CPD. This will be managed by the Development Worker. We also offer tutors a Tutor Gathering training session before the start of the Autumn Term, to meet other tutors and SMG staff.

We will continue to survey our students and evaluate our offerings through annual questionnaires, but perhaps also use focus groups to gain a deeper insight into their views. It is clear from Jo Miller's research that students really value the social aspect of playing together, and we will continue to develop this aspect of our offering via our Hub during the break in our evening classes.

1.6.2 Longer Term

SMG should aim to increase the occupancy of classes, to increase profitability. Some classes run on the borderline of break-even, and a few run at an approved deficit.

We could increase the number and range of classes and workshops we offer by expanding the instruments we offer classes in where demand exists.

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We will review our efforts around publicising who we are and what we offer and try to encourage new students from younger age groups.

We will consider the possibility of developing sponsorship of our events from companies or organisations that are sympathetic to our aims. There are organisations in Edinburgh and beyond with whom we could instigate networking relationships, such as other organisations that teach traditional music in other cities or who organise concerts with traditional musicians.

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1.7 STRUCTURE, GOVERNANCE AND MANAGEMENT

1.7.1 Governing Document

SMG (SMG) is a charitable company limited by guarantee, incorporated on 19 March 2004 for the advancement of education for the public benefit by providing an education programme of Scottish traditional music song and dance. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company, and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

1.7.2 Recruitment and Appointment of Directors

Board members are primarily recruited from amongst members, via the AGM and throughout the year. The Board considers what vacancies are likely to arise, the skills and backgrounds required and publicises these in its newsletter, website or via the Edinburgh Volunteer Hub. The Board can co-opt members to fill vacancies and identified skills gaps when required. The Board is confirmed each year at the AGM.

1.7.3 Directors' Induction and Training

New Board members are formally welcomed and introduced to the others at their first Board meeting. It is ensured that they understand the role of the Board and its members, and that they have access to the Memorandum and Articles of Association, accounts, business plans and minutes of previous Board meetings. They are given the opportunity to arrange a visit to the office for short induction sessions with staff. We have used a mix of special Board events and specific Agenda items to brief new Board members and to keep existing Board members up to date. Directors are encouraged to attend any appropriate courses that are available.

1.7.4 Organisational Structure

The Directors are responsible for strategic decision making of the charity. Day-to-day management of the Charity's business is delegated to the Development Worker, who is assisted by an Administrator. The Development Worker and Administrator are supported by a voluntary Bookkeeper. The

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Development Worker attends Board meetings to report on current activity and to be advised on how the Board's decisions on strategy should be borne out through the day-to-day activity. The Board meets monthly, apart from the summer break when there are no classes running.

1.7.5 Reference and Administrative Information

Charity Name: Scots Music Group
Company Number: SC265190
Charity Number: SC032702

Directors holding office on 1 July 2024 or subsequently appointed/resigned

Edna Wilson	Chair to Feb 2025
Graham Hutton	Appointed 20 June 2025 (Chair from 17 Sep 2025)
Paul McIntosh	Treasurer
Fiona Harrison	
Jamie Taylor	Interim Chair – Feb to Sept 25
Bill Savage	
Helen Wright	Resigned 4 August 2025
Carole Ross	Appointed 1 April 2025
Charles Everitt	Appointed 1 April 2025
Caroline Castle	Resigned 17 August 2024

Key Management Personnel

Sarah Northcott Development Worker from 1 April 2025

Registered Office and Principal Operating Address

Office 1F6, Eric Liddell Community
15 Morningside Road, Edinburgh EH10 4 DP

Independent Examiner

Kevin Cattanach
Whitelaw Wells Chartered Accountants
9 Ainslie Place, Edinburgh EH3 6AT

Bank

Bank of Scotland, 1 Ardmillan Terrace, Edinburgh EH11 2JN

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1.8 DIRECTOR'S RESPONSIBILITIES

Company law requires the Board of Directors to prepare financial statements for each financial year which give a true and fair view of the state of the company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure for the financial year. In preparing those financial statements, the Directors should follow best practice and:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the "Charities Statement of Recommended Practice"
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed
- Prepare the financial statements 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 financial statements comply with the Companies Act 2006. 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.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and in accordance with the special provision of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the board on 2 February 2026 and signed on its behalf by:


G Hutton

Director and Chair of the Board

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2 Finance Report

2.1 Independent Examiner's Report

I report on the accounts for the year ended 30 June 2025 as set out on pages 26-37.

Respective responsibilities of the Trustees and the Independent Examiner

The charity's Trustees 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 (as amended). The charity's Trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Charities Accounts (Scotland) Regulations 2006 (as amended) does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). 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 the 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 the view given by the accounts.

Independent examiner's statement

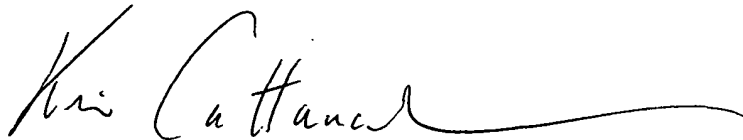
In the course of my examination, no matter has come to my attention:

- 1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44 (1)(a) of the 2005 Act, Regulation 4 of the 2006 Accounts Regulations (as amended) and sections 381, 382 and 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations (as amended)

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have not been met; or

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

A handwritten signature in black ink, reading 'Kevin Cattanach', followed by a long horizontal flourish.

Kevin Cattanach
Chartered Accountant
Whitelaw Wells
Chartered Accountants
9 Ainslie Place
Edinburgh
EH3 6AT

2 February 2026

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2.2 Statement of Financial Activities for Year Ended 30 June 2025
(incorporating Income and Expenditure Account)

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Total 2024 £
Income and endowments from					
<i>Donations and legacies</i>					
Donations		9,193	-	9,193	8,660
Subscriptions		5,799	-	5,799	6,080
<i>Charitable activities</i>					
Grants	3	-	828	828	748
Classes, events and workshops		98,463	-	98,463	89,746
<i>Other trading activities</i>					
Ceilidh income		13,065	-	13,065	13,409
Merchandise sales and other income		1,611	-	1,611	1,150
<i>Investment income</i>					
Bank interest		241	-	241	288
Total income		128,372	828	129,200	120,081
Expenditure on					
<i>Raising funds</i>					
Ceilidh costs		6,240	-	6,240	6,699
<i>Charitable activities</i>		114,461	-	114,461	122,650
Total expenditure	5	120,701	-	120,701	129,349
Net (expenditure)/income	2	7,671	828	8,499	(9,268)
Transfers between funds	14	-	-	-	-
Net movement in funds					
Total funds at 1 July 2024	14	37,250	-	37,250	46,518
Total funds at 30 June 2025	14	44,921	828	45,749	37,250

The company has no recognised gains or losses other than the results for the period as set out above. All of the activities of the charitable company are classed as continuing. The notes on pages 29 to 37 form part of these financial statements.

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2.3 Balance Sheet at 30 June 2025

	Notes	£	2025 £	2024 £
Fixed Assets				
Tangible assets	8		225	450
Current assets				
Debtors	9	2,225		2,391
Cash at bank and in hand		48,542		41,618
		50,767		44,009
Creditors: amounts falling due within one year	10	(5,243)		(7,209)
Net current assets			45,524	36,800
Net Assets	13		45,749	37,250
Funds				
Unrestricted funds	14		44,921	37,250
Restricted funds	14		828	-
Total funds			45,749	37,250

The directors are satisfied that the charitable company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act. The directors acknowledge their responsibility for:

- (i) ensuring that the charitable company keeps proper accounting records which comply with sections 386 and 387 of the Act; and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the charitable company.

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These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the board on 2 February 2026 and signed on its behalf by:

G Hutton

A handwritten signature in black ink, appearing to be 'G Hutton', written over a horizontal line.

Director and Chair of the Board

The notes on pages 29 to 37 form part of these financial statements.

SCOTS MUSIC GROUP
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2.4 Notes Forming Part of the Financial Statements

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention and are in accordance the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) 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 (FRS102) (effective 1 January 2019).

The charity has taken advantage of the exemption from the requirement to prepare a Statement of Cash Flows as permitted under FRS 102 and the Charities FRS 102 SORP.

The charity constitutes a public benefit entity as defined by FRS 102.

The directors consider that there are no material uncertainties about the ability of the charity to continue as a going concern for the foreseeable future. Accordingly, the accounts have been prepared on a going concern basis. This going concern assessment covers a period of at least 12 months from the date of signing of these financial statements.

Income

Income is recognised in the Statement of Financial Activities when the charity has entitlement, there is probability of receipt and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Donations and subscriptions are included in full in the Statement of Financial Activities when receivable.
- Grants, where entitlement is not conditional on delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Where entitlement is conditional on delivery of a specific performance by the charity, grants are accounted for as the charity earns the right to consideration by its performance.
- Income from other charitable activities is included when the charity has earned the right to the income.
- Income from merchandise is recognised at the point of sale and income from fundraising events is recognised when the event takes place.
- Investment income is included when receivable.

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1. ACCOUNTING POLICIES (continued)

Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. The charitable company is not registered for VAT and, accordingly, resources expended are shown gross of irrecoverable VAT.

- Expenditure on raising funds comprises those costs directly associated with merchandise sales and fundraising events.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include independent examination fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, while support costs are allocated 40% to Teaching & Events, 60% to Promotion of Culture & Community.

Fixed Assets

Tangible fixed assets are initially recorded at cost. The charity has the policy not to capitalise items under £250. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

- | | |
|--------------------|-----------------------|
| • Office Equipment | 4 years straight line |
| • Website | 3 years straight line |

Funds

Unrestricted funds are donations and other income generated for the objects of the charity without further specified purpose and are available as general funds. Restricted funds are subject to the restrictions on their expenditure imposed by the donor.

Operating lease rentals

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

Pensions

The charity operates a defined contribution pension scheme. Contributions payable to the scheme are charged to Statement of Financial Activities in the period to which they relate.

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1. ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised when the charity has a present obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

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.

2. NET (EXPENDITURE)/INCOME FOR THE YEAR

	Total 2025 £	Total 2024 £
This is stated after charging:-		
Independent Examiner's fees	2,940	2,640
Depreciation	225	388
Operating lease rentals: land and buildings	2,202	2,058
	<u> </u>	<u> </u>

3. GRANTS RECEIVED

	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Total 2024 £
Creative Scotland	-	828	828	748
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	828	828	748
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Included in income are restricted grants of £828 (2024: £748) and restricted donations of £nil (2024: £nil). All other income was unrestricted in both the current and previous years.

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4. SUMMARY ANALYSIS OF EXPENDITURE AND RELATED INCOME FOR ACTIVITIES

This table shows the cost of the main activities and the sources of income that support those activities.

	Tasgadh £	Promotion of Culture & Community £	Teaching & Events £	Total 2025 £	Total 2024 £
Costs (note 5)	-	(38,335)	(82,366)	(120,701)	(129,349)
Donations and subscriptions	-	14,992	-	14,992	14,740
Income from charitable activities	828	-	98,463	99,291	90,494
Other trading activities	-	-	14,676	14,676	14,559
Investment income	-	241	-	241	288
	828	(23,102)	30,773	8,499	(9,268)

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5. TOTAL EXPENDITURE

	Tasgadh £	Promotion of Culture & Community £	Teaching & Events £	Total 2025 £	Total 2024 £
Costs directly allocated to activities					
Classes, events and workshop costs	-	21,615	64,845	86,460	93,804
Merchandising purchases	-	844	-	844	226
Freelance staff costs	-	-	-	-	-
Travel and subsistence	-	7	20	27	12
Marketing and publicity	-	292	876	1,168	964
Ceilidh costs	-	-	6,240	6,240	6,699
Office costs and rent	-	-	-	-	-
Support costs allocated to activities					
Staff costs (Note 6)	-	8,510	5,673	14,183	15,322
Subscriptions and professional fees	-	722	482	1,204	1,505
Office costs and rent	-	3,106	2,071	5,177	5,520
Bank interest and charges	-	1,186	790	1,976	1,872
Depreciation	-	135	90	225	388
Governance costs					
Independent examiner fee	-	1,764	1,176	2,940	2,640
Board meeting costs	-	154	103	257	397
Total expenditure	-	38,335	82,366	120,701	129,349

Included above is restricted expenditure of £nil (2024: £748) and unrestricted expenditure of £120,701 (2024: £128,601).

6. STAFF COSTS AND NUMBERS

	Total 2025 £	Total 2024 £
Wages and salaries	13,033	13,804
Pensions	1,150	1,518
	14,183	15,322

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7. TAXATION

The charitable company is exempt from corporation tax on its charitable activities.

8. TANGIBLE FIXED ASSETS

	Office Equipment £	Website £	Total £
Cost			
At 1 July 2024	1,298	3,390	4,688
Additions	-	-	-
Disposals	-	-	-
At 30 June 2025	1,298	3,390	4,688
Depreciation			
At 1 July 2024	848	3,390	4,238
Charge for the Year	225	-	225
Disposals	-	-	-
At 30 June 2025	1,073	3,390	4,463
Net Book Value			
At 30 June 2025	225	-	225
At 30 June 2024	450	-	450

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9. DEBTORS

	2025	2024
	£	£
Prepayments and other debtors	2,225	2,391
	<u>2,225</u>	<u>2,391</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Accruals and other creditors	5,243	7,209
	<u>5,243</u>	<u>7,209</u>

11. OPERATING LEASE COMMITMENTS

At the year end the charitable company had total commitments under non-cancellable operating leases as set out below:

	2025	2024
	£	£
Operating leases for land and buildings payable: In less than 1 year	197	179
	<u>197</u>	<u>179</u>

12. RELATED PARTY TRANSACTIONS

There were no related party transactions during the current year or previous year.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	225	-	225
Current assets	49,939	828	50,767
Current liabilities	(5,243)	-	(5,243)
	<u>44,921</u>	<u>828</u>	<u>45,749</u>
Net assets at 30 June 2025	44,921	828	45,749

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13. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	450	-	450
Current assets	44,009	-	44,009
Current liabilities	(7,209)	-	(7,209)
Net assets at 30 June 2024	37,250	-	37,250

14. MOVEMENT IN FUNDS

	1 July 2024 £	Income £	Expenditure £	Transfers £	30 June 2025 £
Restricted Funds					
Tasgadh	-	828	-	-	828
	-	828	-	-	828
Unrestricted Funds					
General Fund	34,340	125,462	(119,974)	-	39,828
Designated Funds					
Fixed assets	450	-	(225)	-	225
Ceilidh Caleerie	2,460	2,910	(502)	-	4,868
Total Unrestricted Funds	37,250	128,372	(120,701)	-	44,921
Total Funds	37,250	129,200	(120,701)	-	45,749

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14. MOVEMENT IN FUNDS (continued)

	1 July 2023 £	Income £	Expenditure £	Transfers £	30 June 2024 £
Restricted Funds					
Tasgadh	-	748	(748)	-	-
	-	748	(748)	-	-
Unrestricted Funds					
General Fund	44,850	117,303	(127,813)	-	34,340
Designated Funds					
Fixed assets	838	-	(388)	-	450
Ceilidh Caleerie	830	2,030	(400)	-	2,460
Total Unrestricted Funds	46,518	119,333	(128,601)	-	37,250
Total Funds	46,518	120,081	(129,349)	-	37,250

Tasgadh restricted fund are funds received for mixed-instrument tutor training.

The Ceilidh Caleerie designated fund are funds received from performances by Ceilidh Caleerie, which the directors have decided to hold for the use of Ceilidh Caleerie.

The **Fixed Asset Fund** represents the net book value of fixed assets.

15. COMPANY LIMITED BY GUARANTEE

The company is limited by the guarantee of each member to contribute not more than £1 each in the event of winding up the charitable company. At the year-end there were 352 members.