

Registered Charity:
England & Wales 1186893
Scotland SC050216

THE SCOPS ARTS TRUST
TRUSTEES REPORT AND FINANCIAL STATEMENTS
For the period 11 December 2019 to 31 December 2020

THE SCOPS ARTS TRUST

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For the period 11 December 2019 to 31 December 2020

Introduction

I am delighted to bring to you Scops Arts Trust's first statutory report and accounts. The charity was formed to fulfil the legacy wishes of my uncle Tony Wingate who during his lifetime was a lover and supporter of the arts in various sectors.

Our aim to date has been to provide assistance to organisations which most need help in fulfilling their objectives, whether they aim to train music teachers, teach music to young people or bring the arts to areas of the UK which would otherwise be lacking in cultural input. We keep our areas of focus constantly under review.

Since we began in 2019 a lot has happened both on the world stage and within the Trust. Any charity takes time to set up and get established but I am confident that we now have a firm foundation on which to move forward and continue the work which has been started.

It is all made worthwhile when we receive reports and photos from grant recipients showing what they have done with the money we have donated and how it is benefitting people in the relevant field. So please keep the feedback coming!

I would like especially to pay tribute to the great team of co-trustees whom I have the honour of chairing. They have all applied themselves enthusiastically to the tasks of establishing the charity, investigating potential grantees and assessing applications. Hopefully they also feel a sense of 'job satisfaction'.

Thank you also very much to our administrator Maureen, without whose organisation and methodology we would all be 'at sea' and struggling to keep the ship afloat.

Finally thank you to my late uncle for generously leaving these monies to be used in such a positive and life-affirming way.



Chris Arnold
Chair
Scops Arts Trust

THE SCOPS ARTS TRUST

TRUSTEES REPORT and FINANCIAL STATEMENTS

For the period 11 December 2019 to 31 December 2020

Legal and administrative information

Trustees

Christopher Arnold (Chair)
Barbara Arnold
Damian Bloom
Sarah Cowper
Sophie Fuller
Jane Reid
Nicholas Salisbury

Trust Administrator

Maureen McKellar

Principal Address

Chiene + Tait LLP
61 Dublin Street
Edinburgh
EH3 6NL

Auditors

Chiene + Tait LLP
Chartered Accountants
61 Dublin Street
Edinburgh
EH3 6NL

Bankers

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Investment Managers

Quilter Cheviot
4th Floor
The Pinnacle
73 King Street
Manchester
M2 4NG

Smith & Williamson Investment Managers LLP
25 Moorgate
London
EC2R 6AY

THE SCOPS ARTS TRUST

TRUSTEES REPORT

For the period 11 December 2019 to 31 December 2020

The Trustees hereby submit their report and financial statements for the period 11 December 2019 to 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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 issued in October 2019.

Objectives and Activities

The objects of the Scops Arts Trust (the **Trust**) are:

- (i) to enhance public access to, education about, and appreciation of the arts, in particular the performing arts; and
- (ii) such other charitable purposes as the Trustees in their absolute discretion from time-to-time think fit.

The Trust furthers its charitable purposes for the public benefit through its grant-making policy which aims to give people of all ages a better quality of life by enabling them to understand, participate in and enjoy the arts, particularly music, drama, opera and dance. For example, the Trust makes grants to charities and other appropriate organisations which are dedicated to improving the provision and quality of music education in schools, increasing access to the arts, and supporting arts events in areas of the country where they are not usually to be found.

- Grants will be made to a wide range of organisations across the UK, and potentially in Switzerland.
- The Trustees are particularly keen to help small-to-medium-sized organisations, although large UK-wide charities are not excluded from applying.
- The Trust can only make grants to support charitable activity.
- Applications for funding must ordinarily come from charities operating in the UK and registered with a UK charity commissioner; in exceptional cases non-registered organisations, such as social enterprises and other established community groups will be considered, but they must have a charitable purpose.
- Applications must present a strong case for support, clearly explaining what they will do with the grant, who will benefit and how they know that the work they are proposing will make a difference to the beneficiaries.
- To ensure the Trust's resources are used solely to further its charitable objectives, and it can report on the impact of grants, the Trustees normally expect that all grants will have one to three measurable objectives agreed at the beginning of the funding period as part of the grant offer.
- Awards may be made as one-off grants or as annual grants for up to 3 years.
- There is no upper limit, but applicants are asked to be mindful of the Trust's average grant size.

Grant requests which the Trustees will not normally support are:

- Projects with the primary purpose of health, therapy or social welfare
- Contributions to general appeals
- Religious activity which is not for wider public benefit
- Public bodies to carry out their statutory obligations
- Activities which have already taken place
- Grant-making by other organisations
- Privately owned and profit-distributing companies
- Individuals

THE SCOPS ARTS TRUST

TRUSTEES REPORT (continued)

For the period 11 December 2019 to 31 December 2020

Objectives and Activities (continued)

The Trust's interests over the period to December 2020 have lain in supporting organisations run by committed and passionate individuals to deliver projects that:

- Widen access to the performing arts and have a lasting cultural impact on the community
- Enhance the provision and quality of music education in schools and / or engage children and young people in music outside of school.

Grant-making processes

Full grant guidelines are contained on the Trust's website [Grant Guidelines - Scops Arts Trust](#) but they can be summarised as follows.

All eligible grant requests will go through a five-stage process as follows:

- 1 Any preliminary enquiries for funding should initially be made by a brief email of no more than 350 words describing the nature of the organisation and the proposed use of the funding requested. Alternatively, a Trustee can propose an organisation and invite them to apply.
- 2 Completion of an application form by the applicant.
- 3 Assessment of application form and where necessary, further enquiries made.
- 4 Discussion and approval/rejection by the Trustees at one of their 4-monthly Board meetings.
- 5 Due diligence checks on the organisation's governance and finance.

Achievements and Performance

Background

The Trust was founded with an endowment from the late Tony Wingate (d.2017) who was a teacher and JP with a great love of the arts. During his lifetime he supported many organisations in various sectors and he left the majority of his estate to charity or charities which enhance public access to, education about, and appreciation of the arts, in particular the performing arts.

Establishment of charity

Chris Arnold is Tony's nephew and also one of his executors. Once the scale of the legacy became apparent the executors agreed to set up a new charity to implement the testator's wishes. Mr Arnold set up a board of Trustees in March 2019 (as detailed on page 1) and the unincorporated organisation achieved charitable status in England & Wales on 11 December 2019. Following this in 2020:

- an administrator was recruited
- a website was set up and an identity was established
- two sets of investment advisors were appointed
- processes for grant applications and awards were developed
- a bank account was opened with CAF Bank
- Registration as a Scottish charity was achieved with OSCR
- Accountants were appointed
- Preparation of a grants database was instigated

Grants made

During the period the Trust received 286 stage 1 applications and 44 stage 2 applications. The Trust made grants to 26 organisations totalling £325,503 throughout the UK. This distribution is in line with the expected absolute annual return on the Trust's invested assets (now £11m approx).

Monetary amounts

12 grants were under £10,000
8 grants were between £10,001- £19,999
6 grants were £20,000 and over

Of these 26 grantees: 13 received a one-off grant award, 1 received a two-year grant pledge and 12 received a three-year grant pledge.

Some examples of these grants are highlighted on the website [Current Grants - Scops Arts Trust](#).

THE SCOPS ARTS TRUST

TRUSTEES REPORT (continued)

For the period 11 December 2019 to 31 December 2020

Financial Review

The Trust funds at 31 December 2020 amounted to £12,062,663 as detailed in the attached accounts.

During the financial period legacies from Tony Wingate's estate totaling £12,147,560 were received, grants totaling £325,503 were paid, and a further £368,500 awarded and to be paid in future years, as detailed in the statement of financial activities.

Total expenditure amounted to £760,182 for the period, leaving a surplus and reserves of £12,062,663 as at 31 December 2020.

Asset and Reserves policy

The intention of the Trustees is to maintain the capital assets at approximately the same level for the foreseeable future and therefore to distribute the income and capital gain which has arisen during the quarter preceding the current funding round. Now that funds are fully invested (apart from cash reserves) the Trust's assets are expected to grow (barring a stock market crash) and therefore payments can be made out of actual rather than anticipated income.

This reduces the overall risk to the sustainability of the Trust and the Trustees have not identified any material risks to the viability of the Trust at this time.

Investment Policy

The Trustees agreed an Investment Policy in June 2020 extracts of which are set out below. The Trust appointed two sets of Financial Advisors/Experts, namely Quilter Cheviot in June 2020 and Smith & Williamson in September 2020. Each of these firms has been entrusted, since the period end, with £5.5million to invest on behalf of the Trust.

Investment Performance

Quilter Cheviot

The portfolio returned 8.03% net of fees from inception (23/6/20) to 31/12/20 versus a gross return of 6.83% from the MSCI PIMFA PI Balanced Benchmark. The initial investment was £4,711,913. By year end the valuation had risen to £5,093,268. The running income yield as at 31/12/20 was 1.96%.

Smith & Williamson

The funds were received at the end of September 2020 and the investment started in October, when 65% of the funds were invested. The portfolio returned -1.25% vs a benchmark of -2.11%. A further 25% was invested in November and the funds returned +3.29% but benchmark was up +7.11%. The final 10% was invested in December, returning funds up 3.21% vs benchmark 2.28%. Overall the portfolio at the end of December was valued at £4,210,133. This represents a time weighted return of 5.27% vs benchmark of 7.32%.

Closing Reserves Levels

The Trustees have reviewed the reserves in place at the year-end and the forward-funding commitments and are satisfied that there are no material uncertainties with respect to going concern.

Extracts from Investment Policy

Purpose

The main objectives for the charity's investment portfolio are to:

- *preserve the charity's reserves in real terms*
- *deliver a reasonable overall total return*
- *provide sufficient liquidity to fund cash flow shortfalls and any unfunded commitments*

Cash Reserves policy

Free cash reserves will be held in Scops' Bank Account to cover 12 months running costs of Scops and grant commitments from time to time. Grants are generally committed to on a three-year basis and held as restricted funds.

THE SCOPS ARTS TRUST**TRUSTEES REPORT (continued)****For the period 11 December 2019 to 31 December 2020****Extracts from Investment Policy (continued)****Investment objective**

Longer-term assets (reserves) will be invested with the aim of at least maintaining the value or purchasing power in real terms (i.e. against inflation).

Total return target

The total return target for the investment portfolio has been set at inflation (from time to time) plus 2.5% p.a. net of fees. This implies a nominal target of 4.7% p.a. assuming the Bank of England's official 2 % target for CPI inflation (as at May 2020).

Income requirement

There is no specific income requirement. However, the Trustees expect the investments to generate a reasonable level of income, as income forms an important component part of the overall total return.

Time horizon

The time horizon for the investment portfolio is considered to be long term (i.e. more than five years). The longer-term investment portfolio should be invested in assets that are easily realisable in normal market conditions.

Ethical and other constraints

In principle the Board wish to be responsible investors. Environmental, social and governance (ESG) criteria are a set of standards for a company's operations which socially conscious investors, such as Scops, consider when reviewing their investments.

- *Environmental criteria consider how a company performs as a steward of nature.*
- *Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates.*
- *Governance deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights.*

Therefore, the Financial Expert is expected to take account of ESG issues in its investment analysis and decision-making processes and engage with the Board when appropriate.

As a guide the Board wish to avoid investments which generate more than 10% of their revenue from tobacco, arms, gambling and/or pornography. The Trustees accept that some collective investment schemes may have exposure to these stocks and the Financial Expert will monitor the position of these collective investment schemes to ensure this is kept to a minimum. In any event the Financial Expert should identify in their its reporting any investments which fall into the above sectors.

Where possible, without substantially harming investment performance, investment should be made in companies seeking to provide solutions for a cleaner and more sustainable future.

Risk tolerance

A reasonable level of capital volatility within the investment portfolio is considered by the Trustees to be acceptable given the charity's risk and return objectives but the portfolio should be well diversified across asset classes and individual investments should be in line with a standard medium risk profile.

Ability to bear loss

The charity has a 'moderate' ability to bear investment losses. In extreme circumstances, falls in the value of the portfolio of up to 35% would not have a material impact on the charity's overall financial position and commitments.

Currency

Scops' liabilities are primarily in sterling therefore the Financial Expert is expected to be mindful of this fact when investing the charity's assets.

THE SCOPS ARTS TRUST

TRUSTEES REPORT (continued)

For the period 11 December 2019 to 31 December 2020

Extracts from Investment Policy (continued)

Approach to investment

The Trustees have a preference for direct investment where possible. However, it is understood that collective investment schemes will be used to provide the most efficient means to access a particular markets or asset classes and for reasons of diversification.

Monitoring

The Trustees will arrange regular meetings at least annually with its Financial Expert to monitor performance of the fund and to consider any other regulatory changes.

Risk Management

The principal risks faced by the Trust lie in (i) the performance of investments and (ii) operational risks from ineffective grant-making.

- (i) The financial risk is mitigated by retaining two firms of expert investment managers and having a diversified investment portfolio appropriate to a charitable organization of this type and size.
- (ii) The operational risk from grant awards that are ineffective in enhancing public access to, education about, and appreciation of the arts, is managed by retaining trustees of sufficient skill and expertise and also through the charitable/public benefit nature of the organisations which the Trust supports. The process of reporting and ongoing review assists the Trustees and those they support, in keeping track of how the grants are spent and the benefit which they produce.

Covid-19

The accounting period coincides in part with the Covid-19 pandemic (March 2020 onwards). This has affected the Trust and in particular its grantees in a number of ways.

- Several of the projects for which grants were awarded in early 2020 could not take place later that year as planned. In all cases the grantees kept the Trustees fully updated; some asked if they could use the grant awarded to deliver their project in an alternative format, such as online; in a of couple of cases, they requested deferment for 12 months. The Trustees were sympathetic to the challenges faced by our grantees and agreed to be flexible in response to these requests.
- The Trust received a few applications for 'emergency funding' to get the recipient charity through the pandemic period.
- After February 2020 the Trustees could not meet in person but a number of Board and other meetings took place via Microsoft 'Teams' video link and these proved very productive.
- The stock market (and therefore the Trust's investments) has recovered well after an initial dip.

THE SCOPS ARTS TRUST

TRUSTEES REPORT (continued)

For the period 11 December 2019 to 31 December 2020

Plans for Future Periods

The Trustees have resolved to hold 3 funding rounds per calendar year, and as mentioned above to distribute a sum equivalent to the income/capital gain received in the quarter preceding the round in question.

The focus for grant-giving from time to time is stated on the Trust's website. At present it remains as:

- Widen access to the performing arts and have a lasting cultural impact on the community, such as regional arts festivals;
- Enhance the provision and quality of music education in schools and / or engage children and young people in music outside of school.

This focus is kept continually under review and it does not prevent the Trustees from deciding to award grants to a worthy cause in an alternative sector, particularly whilst the effects of Covid-19 are still being widely felt throughout the arts industry.

Structure, governance and management

Constitution and Governing Document

The Trust was created by a Trust Deed dated 20 March 2019 as amended by Deed of Amendment dated 26 May 2020. The Trust Deed is the governing document. The Trust was registered as a charity with the Charity Commission in England and Wales from 11 December 2019, and with the Office of the Scottish Charity Regulator from 11 June 2020.

Recruitment and Appointment of New Trustees

The Trustees of the charity are selected from those people with an interest in the activities of the charity who have the appropriate skills and abilities. New Trustees are appointed by the existing Trustees. The Trustees during the period and up until the approval of the financial statements are listed on page 2.

Induction and Training of New Trustees

New Trustees will be given information relating to the work of the charity and its governance and will be asked to read the guidance and good practice documents provided by the Charity Commission and Office of the Scottish Charity Regulator.

Organisational Structure

The charity has a Board of Trustees who meet approximately once a quarter to consider relevant matters and financial reports. The day-to-day operational management of the charity has been delegated to an administrator Maureen McKellar who works an average equivalent of 7 days a month. Maureen has many years' experience in the charity sector and as well as processing applications and reporting to the Board, she has innovated with setting up the Trust's website and with a grantee database.

The key management personnel are the Trustees who receive no remuneration but are entitled to reasonable travel and other expenses.

The Administrator is appointed under a contract for services which contains daily rates appropriate to the work required for an organisation of this type.

THE SCOPS ARTS TRUST

TRUSTEES REPORT (continued)

For the period 11 December 2019 to 31 December 2020

Trustees' Responsibilities Statement

The Trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The laws applicable to charities in England and Wales and Scotland require the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources of the Trust for that period. In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities Statement of Recommended Practice SORP 2019 (FRS 102).
- make judgments 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.
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the accounts comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, and the provisions of the Trust's Founding Deed. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ON BEHALF OF THE TRUSTEES



.....
Chris Arnold
Trustee

28 May 2021 2021

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SCOPS ARTS TRUST

Opinion

We have audited the financial statements of The Scops Arts Trust for the period 11 December 2019 to 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020, and of its incoming resources and application of resources, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustee's report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF**THE SCOPS ARTS TRUST (continued)****Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' annual report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records or returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 9, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.


CHIENE + TAIT LLP**Chartered Accountants and Statutory Auditor****61 Dublin Street****Edinburgh****EH3 6NL**

31 May 2021

2021

Chiene + Tait LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE SCOPS ARTS TRUST**STATEMENT OF FINANCIAL ACTIVITIES****For the period 11 December 2019 to 31 December 2020**

	Note	Total £
Income and endowments from:		
Donations and legacies	2	12,147,560
Investments	3	96,898
Total income		12,244,458
Expenditure on:		
Raising funds	4	22,678
Charitable activities	5	737,504
Total expenditure		760,182
Net gains on investments	9	578,387
Net income, net movement in funds and total funds carried forward	13	12,062,663

All incoming resources and resources expended derive from continuing activities.

The notes on pages 15 to 22 form part of these financial statements.

THE SCOPS ARTS TRUST**BALANCE SHEET****As at 31 December 2020**

	Notes	2020 £
Fixed assets		
Investments	9	9,294,562
Current assets		
Debtors	10	5,208
Cash at bank and in hand		3,146,562

Total Current assets		3,151,770
Liabilities		
Creditors falling due within one year	11	186,419

Net Current assets		2,965,351

Total assets less current liabilities		12,259,913
Creditors: amounts falling due after more than one year	12	197,250

Net assets		12,062,663
		=====
The funds of the charity:		
Unrestricted funds	13	12,062,663

Total Charity funds		12,062,663
		=====

The financial statements were approved by the Trustees on 28 May 20212021 and are signed on their behalf by:



.....
Chris Arnold
Trustee

The notes on pages 15 to 22 form part of these financial statements.

THE SCOPS ARTS TRUST**STATEMENT OF CASH FLOWS****For the period 11 December 2019 to 31 December 2020**

	Notes	2020 £
Cash provided by/(used in) operating activities	15	7,318,845 -----
Cash flows from investing activities		
Interest and dividends		96,899
Proceeds from sales of investments		2,724,803
Cash held in investments		(302,932)
Cost of investment acquisitions		(6,691,053) -----
Net cash used in investing activities		(4,172,283) -----
 Increase in cash and cash equivalents in the period		 3,146,562
Cash and cash equivalents at the beginning of the period		 ----- -
Cash and cash equivalents at the end of the period		 3,146,562 =====

Analysis of Changes in Net Debt:

	Cash flows £	At 31 December 2020 £
Cash	3,146,562 =====	3,146,562 =====

The notes on pages 15 to 22 form part of these financial statements.

THE SCOPS ARTS TRUST**NOTES TO THE FINANCIAL STATEMENTS****For the Period 11 December 2019 to 31 December 2020****1. Accounting Policies****Basis of preparation and assessment of going concern**

The Trust is recognised as a Charity (No. 1186893) under the Charities Act 2011 in England and Wales and (No. SC050216) under the Charities and Trustee Investment (Scotland) Act 2005 in Scotland. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The Trust constitutes a public benefit entity as defined by FRS 102.

Going Concern

The financial statements have been prepared on a going concern basis. The Trust has faced challenges in relation to the Covid-19 pandemic, namely increased volatility in investment prices. The Trustees have considered the related risk therefrom and have assessed the Trust's ability to continue as a going concern and have reasonable expectation that there are adequate resources and reserves to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

Income is recognised once the Trust has entitlement to the income, there is sufficient certainty or receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the bank. Dividends are recognised once received.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Trust to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is included on an accruals basis and is inclusive of irrecoverable VAT. Costs of raising funds consist of investment management fees. Support costs include governance costs which are costs of a constitutional, strategic or statutory nature with respect to the general running of the charity.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the grant.

Investments

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments other than investments are initially recognised at transaction value and subsequently measured at their settlement value.

THE SCOPS ARTS TRUST**NOTES TO THE FINANCIAL STATEMENTS (cont'd)****For the Period 11 December 2019 to 31 December 2020****1. Accounting Policies (contd.)****Financial assets classified as basic financial instruments**

Cash and cash equivalents include cash in hand, deposits held with banks, and other short term highly liquid investments with maturities of three months or less.

Trade and other debtors are initially recognised at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Amounts that are receivable within one year are measured at the undiscounted amount expected to be receivable net of any impairment. Where a financial asset constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments discounted at a market rate of interest.

At each reporting date the trust assesses whether there is objective evidence that any financial asset has been impaired. A provision for impairment is established when there is objective evidence that the trust will not be able to collect all amounts due. The amount of the provision is recognised immediately in profit or loss.

Financial liabilities classified as basic financial instruments

Trade and other creditors and loans and borrowings are initially measured at transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method. Amounts that are payable within one year are measured at the undiscounted amount expected to be payable. Where a financial liability constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments discounted at a market rate of interest.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the end and their carrying value.

Funds structure

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds have been split between income and capital with the capital funds representing the initial and subsequent capital sums donated together with realised and unrealised gains or losses on investments.

2. Voluntary income	2020
	£
Legacies	12,147,560
	=====
3. Investment income	2020
	£
Dividends on UK listed investments	93,822
Bank interest	3,076

	96,898
	=====

THE SCOPS ARTS TRUST**NOTES TO THE FINANCIAL STATEMENTS** *(cont'd)***For the Period 11 December 2019 to 31 December 2020**

4. Raising funds	2020
	£

Investment management fees	15,940
Foreign exchange losses on investments	6,738

	22,678
	=====

5. Charitable activities	2020
	£

Grants (note 6)	694,003
Support costs (note 7)	36,620
Governance (note 8)	6,881

	737,504
	=====

6. Direct charitable expenditure	2020
	£

Grants paid during the period (6a)	325,503
Grants pledged carried forward (6b)	368,500

Total grants expended	694,003
	=====

6a. Grants paid during the period

2020
£

Regional Arts Festivals

East Neuk Festival	10,000
Cumnock Tryst	20,000
Two Moors Festival	5,000
North East Jazz	4,000
Perth Festival	2,500
Friends of Thistleton	3,570

Music Education & Engagement (children)

Sound Waves	5,000
Britten Pears Arts	30,000
Orchestras for All	30,000
LSSO	15,000
Tinderbox	20,000
Chiltern Music Academy	10,000
Scottish Schools Orchestra Trust	2,750
Mahogany Opera Group	5,000
Mountview Academy	5,000

Carried forward	167,820

THE SCOPS ARTS TRUST**NOTES TO THE FINANCIAL STATEMENTS** *(cont'd)***For the Period 11 December 2019 to 31 December 2020****6a. Grants paid during the period** *(cont'd)*

	2020 £
Brought forward	167,820
<u>Music Education & teacher training (young adults)</u>	
Trinity Laban	28,000
Southbank Sinfonia	15,183
Sound Connections	23,000
Spitalfields Music	25,000
<u>Regional Arts Centres</u>	
Peak - Art in the Black Mountains	10,000
Crediton Arts Centre	2,500
<u>Community Music</u>	
Dalkeith & Monktonhall Brass Band	5,000
Orchestras Live	30,000
Creative Kernow	4,000
<u>Covid-19 emergency funding</u>	
Bury St Edmunds Theatre Royal	5,000
Help Musicians UK	10,000

	325,503
	=====

THE SCOPS ARTS TRUST**NOTES TO THE FINANCIAL STATEMENTS (cont'd)****For the Period 11 December 2019 to 31 December****6b. Grants pledged for payment in later years**

	2020 £
East Neuk Festival	20,000
Orchestras for All	60,000
Sound Connections	46,000
Tinderbox	40,000
Spitalfields Music	50,000
Britten Pears Arts	60,000
Cumnock Tryst	20,000
Two Moors Festival	10,000
Sound Waves	10,000
Chiltern Music Academy	20,000
Scottish Schools Orchestra	5,500
Mountview Academy	10,000
Spark Arts	17,000

<i>Total grants pledged for payment in later years</i>	368,500
	=====

7. Support costs

	2020 £
Website and database costs	2,589
Bank charges and other administration fees	16,001
Administration costs	18,030

	36,620
	=====

8. Governance costs

	2020 £
Auditors' remuneration	
- Audit fees	3,300
- Preparation of financial statements	2,880
Trustee Expenses	701

	6,881
	=====

THE SCOPS ARTS TRUST**NOTES TO THE FINANCIAL STATEMENTS** *(cont'd)***For the Period 11 December 2019 to 31 December 2020**

9. Fixed Asset Investments	2020
	£
Add: Gifts at valuation	4,446,992
Less: Disposal proceeds	(2,724,803)
Add: Additions at cost	6,683,456
Add: Reorganisation	7,597
Net (losses)/gains on revaluation at 31 December 2020	578,387

Market value of Investments at 31 December 2020	8,991,629

Cash held in investment portfolios at 31 December 2020	302,933

Closing market value of investment portfolios at 31 December 2020	9,294,562
	=====
Historical cost at 31 December 2020	8,430,892
	=====

The investments held have been acquired in accordance with the powers set out in the Trust Deed.

No investments exceed 5% of the total portfolio valuation.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the Trust is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

THE SCOPS ARTS TRUST**NOTES TO THE FINANCIAL STATEMENTS** *(cont'd)***For the Period 11 December 2019 to 31 December 2020****10. Debtors and prepayments** **2020**
£

Investment income receivable	5,208

	5,208
	=====

11. Creditors: Amounts falling due within one year **2020**
£

Accountancy and audit fees	6,180
Administration charge	1,244
Investment management fees	7,745
Grants payable	171,250

	186,419
	=====

12. Creditors: Amounts falling due after more than one year **2020**
£

Grants payable	197,250
	=====

13. Analysis of net assets between funds

	Investments £	Net Current Assets £	Non-current Liabilities £	2020 Total £
Unrestricted reserves	9,294,562	2,966,595	197,250	12,063,907
	-----	-----	-----	-----
	9,294,562	2,966,595	197,250	12,063,907
	=====	=====	=====	=====
Unrealised gains/(losses) included above on investment asset				560,221
				=====

THE SCOPS ARTS TRUST**NOTES TO THE FINANCIAL STATEMENTS** *(cont'd)***For the Period 11 December 2019 to 31 December 2020****14. Related party transactions and key management personnel**

There were no related party transactions during the period. Trustees receive no remuneration for their service. Three trustees were reimbursed for travel expenses during the period to 31 December 2020 amounting to £701 in aggregate.

Key management personnel are considered to be the Trustees, and the Trust has no employees.

15. Reconciliation of net income to net cash flow from operating activities

	2020
	£
Net movement in funds	12,086,907
Deduct gift of debentures and shares	(4,446,992)
Deduct income shown in investing activities	(96,899)
Deduct gains on investments	(578,388)
Increase in debtors	(5,208)
Increase in creditors	359,425

Net cash provided by operating activities	7,318,845
	=====

15. Post balance sheet event

Subsequent to the year end, the Trustees have been notified by the lawyers of Tony Wingate's Estate that a further £600,000 is due to the Trust.