

CHARITY REGISTRATION NUMBER: SC050362

Lochaber Music School SCIO
Unaudited Financial Statements
31 August 2024

R A CLEMENT ASSOCIATES CHARTERED ACCOUNTANTS

Chartered accountants
5 Argyll Square
Oban
Argyll
PA34 4AZ

Lochaber Music School SCIO

Financial Statements

Year ended 31 August 2024

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Lochaber Music School SCIO

Trustees' Annual Report

Year ended 31 August 2024

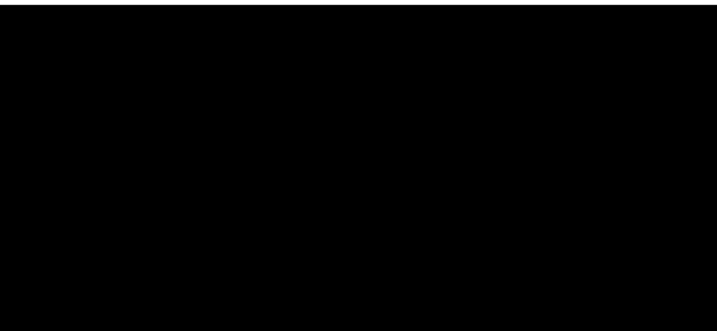
The trustees present their report and the unaudited financial statements of the charity for the year ended 31 August 2024.

Reference and administrative details

Registered charity name	Lochaber Music School SCIO
Charity registration number	SC050362
Principal office	C/O Education Department Offices Camaghael Hostel Camaghael Fort William PH33 7NE

The trustees

Independent examiner



Of R A Clement Associates
5 Argyll Square
Oban
Argyll
PA34 4AZ

Structure, governance and management

The charity known as Lochaber Music Charitable Trust SC015312 was wound up and transferred all assets to Lochaber Music School SCIO SC050362 on the 23-08-2020. Lochaber Music School SCIO was established on the 31-07-2020 and the transfer of assets was approved by the charity regulator OSCR on the 03-09-2020. The closing reserves of Lochaber Music Charitable Trust of £34,883 as at 30-06-2020 were transferred to the SCIO and form part of other income listed on page 5.

Lochaber Music School SCIO

Trustees' Annual Report *(continued)*

Year ended 31 August 2024

Objectives and activities

The organisation's charitable purposes are to advance musical education in Lochaber, primarily for school and pre-school age children, supplementing that provided by the Highland Council, and in particular:

- to provide musical instruction principally for stringed instruments including the clarsach,
- to provide aural and rhythmic training in groups,
- to promote group playing, chamber music and orchestra; fostering interest in both Scottish traditional and European mainstream music,
- to give such other musical support and music therapy as may be required to all age groups but with special emphasis on school and pre-school ages.

Achievements and performance

2023/2024 has been a year filled with great success for Lochaber Music School while also experiencing financial challenges. The school saw enrollment rates rise to over 130 students, new classes were introduced, funding was secured for the year and our twice-yearly concerts were a success for the students. Music Explorer classes for baby and toddler were reintroduced and were very successful and have continued to be successful into 2024. We had high enrollment for Music Makers, Music Makers Choir and Junior Choir. We did see some loss in enrollment to Junior and Senior Orchestra, and Senior Choir. However, these issues seem to be resolving themselves in the 2024/2025 school term. We held 72 individual instrumental lessons each week on piano, clarsach, cello, viola and violin as well as running Music Explorers, Music Makers, Music Makers Choir, Junior Theory and Musicianship, Junior and Senior Orchestra, Junior and Senior Choir, Chamber Ensemble and Trad Ensemble group classes.

We were very fortunate to secure funds from [REDACTED] (£4,000) and the Community Regeneration Fund (£10,000) in 2023/2024. This allowed us to reduced our deficit significantly and run a full programme of classes. However, at the end of the summer we were informed that we would not be receiving funding from Amati Global Investors this year as previously expected. This has created significant challenges for the upcoming school year which the board is exploring.

Our school presented two concerts, one at Christmas, held at the Coal Community Centre and our annual June end of year Concert and Ceilidh held at Kilmallie Community Centre. Both of these concerts generated revenue, however, were lower than our usual figures due to not being able to hold a bake sale at the Christmas Concert and low attendance at the Concert and Ceilidh. That aside, the students performed very well and were a testament to the work our teachers do at the school.

While it is clear that we have had some financial setbacks going into 2024/2025, the 2023/2024 LMS school year was a clear musical success due to the hard work of our teachers, parents and carers and supporters.

Financial review

Income of £56,659 (2023: £50,579) was received in the year, including £39,324 (2023: £30,081) from lessons and fees for the year. Expenditure of £65,379 (2023: £58,287) was incurred in the year.

Lochaber Music School SCIO

Trustees' Annual Report *(continued)*

Year ended 31 August 2024

Trustees' responsibilities in relation to the financial statements

The trustees are responsible for preparing the Trustees' Annual Report

Law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity and of the income and expenditure of the charity for that year. In preparing these financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

[REDACTED] of R A Clement Associates was deemed to be appointed as independent examiner and the trustees recommend that Angus MacGillivray remains in office until further notice.

The trustees' annual report was approved on 03/12/24 and signed on behalf of the board of trustees by:

[REDACTED]

Lochaber Music School SCIO

Independent Examiner's Report to the Trustees of Lochaber Music School SCIO

Year ended 31 August 2024

I report to the trustees on my examination of the financial statements of Lochaber Music School SCIO ('the charity') for the year ended 31 August 2024.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 (the '2005 Act') and the Charities Accounts (Scotland) Regulations 2006 (as amended). You are satisfied that your charity is not required by charity law to be audited and have chosen instead to have an independent examination.

I report in respect of my examination of the charity's financial statements as carried out under section 44(1)(c) of the 2005 Act. In carrying out my examination I have followed the requirements of Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

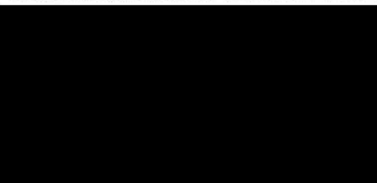
Independent examiner's statement

Since the charity has prepared its accounts on an accruals basis your examiner must be a member of a body listed in Regulation 11(2) of the Charities Accounts (Scotland) Regulations 2006 (as amended). I can confirm that I am qualified to undertake the examination because I am a registered member of the Association of Chartered Certified Accountants which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention giving me cause to believe that in any material respect:

1. accounting records were not kept as required by section 44(1)(a) of the 2005 Act and Regulation 4 of the Charities Accounts (Scotland) Regulations 2006 (as amended); or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be



Of R A Clement Associates
Independent Examiner

5 Argyll Square
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Lochaber Music School SCIO

Receipts & Payments Account

Year ended 31 August 2024

		2024		2023
		Unrestricted	Total funds	Total funds
	Note	funds		
		£	£	£
Income and endowments				
Donations and legacies	4	17,276	17,276	20,177
Charitable activities	5	39,324	39,324	30,081
Other trading activities	6	59	59	321
Total income		<u>56,659</u>	<u>56,659</u>	<u>50,579</u>
Expenditure				
Expenditure on charitable activities	7,8	65,379	65,379	58,287
Total expenditure		<u>65,379</u>	<u>65,379</u>	<u>58,287</u>
Net expenditure and net movement in funds		<u>(8,720)</u>	<u>(8,720)</u>	<u>(7,708)</u>
Reconciliation of funds				
Total funds brought forward		39,424	39,424	47,132
Total funds carried forward		<u>30,704</u>	<u>30,704</u>	<u>39,424</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 7 to 12 form part of these financial statements.

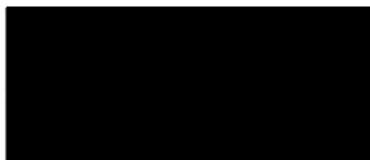
Lochaber Music School SCIO

Statement of balances

31 August 2024

	2024
Bank Accounts	
Opening bank balance	39,424
Receipts	56,659
Payments	(65,379)
Closing bank balance	<u>30,704</u>
Other Assets	
Trade debtors	3,329
Other debtors	1,000
Other Liabilities	
Accruals	2,852
PAYE	215
Pension	90

These financial statements were approved by the board of trustees and authorised for issue on 03.12.24, and are signed on behalf of the board by:



The notes on pages 7 to 12 form part of these financial statements.

Lochaber Music School SCIO

Notes to the Financial Statements

Year ended 31 August 2024

1. General information

The charity is a public benefit entity and a registered charity in Scotland and is unincorporated. The address of the principal office is C/O Education Department Offices, Camaghael Hostel Offices, Camaghael, Fort William, PH33 7NE.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended).

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Lochaber Music School SCIO

Notes to the Financial Statements *(continued)*

Year ended 31 August 2024

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Income

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Lochaber Music School SCIO

Notes to the Financial Statements *(continued)*

Year ended 31 August 2024

3. Accounting policies *(continued)*

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, noncharitable trading activities, and the sale of donated goods.

- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Lochaber Music School SCIO

Notes to the Financial Statements *(continued)*

Year ended 31 August 2024

3. Accounting policies *(continued)*

Financial instruments *(continued)*

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Donations				
Donations	4,460	4,460	10,000	10,000
Grants				
Highland Council Funding	10,000	10,000	9,122	9,122
Subscriptions	2,816	2,816	1,055	1,055
	<u>17,276</u>	<u>17,276</u>	<u>20,177</u>	<u>20,177</u>

5. Charitable activities

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Instrument Hire	660	660	1,070	1,070
Lessons	27,151	27,151	18,521	18,521
Music Centre Fees	8,360	8,360	4,793	4,793
Music Makers	910	910	2,346	2,346
Concerts	2,113	2,113	2,578	2,578
Other Income	130	130	773	773
	<u>39,324</u>	<u>39,324</u>	<u>30,081</u>	<u>30,081</u>

6. Other trading activities

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Shop income	59	59	321	321

Lochaber Music School SCIO

Notes to the Financial Statements *(continued)*

Year ended 31 August 2024

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Charitable Activities	64,479	64,479	57,387	57,387
Support costs	900	900	900	900
	<u>65,379</u>	<u>65,379</u>	<u>58,287</u>	<u>58,287</u>

8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2024 £	Total fund 2023 £
Charitable Activities	64,479	—	64,479	57,387
Governance costs	—	900	900	900
	<u>64,479</u>	<u>900</u>	<u>65,379</u>	<u>58,287</u>

9. Independent examination fees

	2024 £	2023 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>900</u>	<u>900</u>

10. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2024 £	2023 £
Staff - Wages & Salaries	14,240	16,696
Staff - Music Director	22,291	11,234
Staff - Self Employed Tutors	22,826	17,966
	<u>59,357</u>	<u>45,896</u>

The average head count of employees during the year was Nil (2023: Nil).

No employee received employee benefits of more than £60,000 during the year (2023: Nil).

11. Trustee remuneration and expenses

3 trustees received remuneration during the year totalling £25,907(2023: £32,727).

Lochaber Music School SCIO

Notes to the Financial Statements *(continued)*

Year ended 31 August 2024

12. Analysis of charitable funds

Unrestricted funds

	At 1 Sep 2023 £	Income £	Expenditure £	At 31 Aug 2024 £
General funds	<u>39,424</u>	<u>56,659</u>	<u>(65,379)</u>	<u>30,704</u>

	At 1 Sep 2022 £	Income £	Expenditure £	At 31 Aug 2023 £
General funds	<u>47,132</u>	<u>50,579</u>	<u>(58,287)</u>	<u>39,424</u>

Lochaber Music School SCIO

Management Information

Year ended 31 August 2024

The following pages do not form part of the financial statements.

Lochaber Music School SCIO

Detailed Statement of Financial Activities

Year ended 31 August 2024

	2024 £	2023 £
Income and endowments		
Donations and legacies		
Donations	4,460	10,000
Highland Council Funding	10,000	9,122
Subscriptions	2,816	1,055
	<u>17,276</u>	<u>20,177</u>
Charitable activities		
Instrument Hire	660	1,070
Lessons	27,151	18,521
Music Centre Fees	8,360	4,793
Music Makers	910	2,346
Concerts	2,113	2,578
Other Income	130	773
	<u>39,324</u>	<u>30,081</u>
Other trading activities		
Shop income	59	321
	<u>59</u>	<u>321</u>
Total income	<u>56,659</u>	<u>50,579</u>
Expenditure		
Expenditure on charitable activities		
Staff - Wages & Salaries	14,240	16,696
Staff - Music Director	22,291	11,234
Staff - Self Employed Tutors	22,826	17,966
Repairs and maintenance	—	210
Insurance	675	634
Other motor/travel costs	1,021	912
Legal and professional fees	900	900
Other office costs	1,534	685
Other costs	1,209	756
Musical instrument purchases	683	8,294
	<u>65,379</u>	<u>58,287</u>
Total expenditure	<u>65,379</u>	<u>58,287</u>
Net expenditure	<u>(8,720)</u>	<u>(7,708)</u>

Lochaber Music School SCIO

Notes to the Detailed Statement of Financial Activities

Year ended 31 August 2024

	2024 £	2023 £
Expenditure on charitable activities		
Charitable Activities		
<i>Activities undertaken directly</i>		
Staff - Wages & Salaries	14,240	16,696
Staff - Music Director	22,291	11,234
Staff - Self Employed Tutors	22,826	17,966
Establishment - Repairs & Maintenance	—	210
Insurance	675	634
Professional - Payroll Costs	1,021	912
Office Expenses - PSA	1,534	685
Other Costs	1,209	756
Musical instrument purchases	683	8,294
	<u>64,479</u>	<u>57,387</u>
Governance costs		
Professional - Accountancy Fees	900	900
	<u>900</u>	<u>900</u>
Expenditure on charitable activities	<u>65,379</u>	<u>58,287</u>