

Registered Charity Number SC044935

Sound Waves SCIO

Trustees' Report and Annual Accounts for the year ended
30th September 2017

Sound Waves SCIO

Trustees' Report and Accounts for the year to 30th September 2017

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Sound Waves SCIO

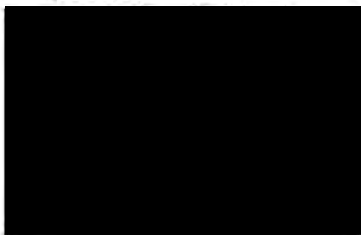
Legal and Administrative Information

History and Constitution

The Scottish Charitable Incorporated Organisation ("SCIO") was established on 18th June 2014, and is recognised as a Scottish charity by HM Revenue & Customs. The SCIO is the successor charity to the Mendelssohn on Mull Trust which was founded in 1988 and has now been dissolved.

The management of the SCIO is the responsibility of the Trustees. The Trustees are appointed from people who can contribute to the work of the SCIO. The minimum number of Trustees is three and the maximum ten.

Trustees:



(Trustee, becoming Chairman from 24th October 2016)
(Chairman until 24th October 2016 and continuing as Trustee)
(Treasurer)
(Resigned 6th July 2017)
(Appointed 11th October 2017)
(Appointed 21st September 2017)
(Secretary, from 3rd January 2018)
(Secretary, resigned 3rd January 2018)

Registered Address:

Stag House,
High Street
Falkland,
Cupar, Fife
KY15 7BU

Contact telephone number

07818 691 300

Bankers

Clydesdale Bank
20 Main Street
TOBERMORY
Isle of Mull
PA75 6NY

Unity Trust Bank
Nine Brindley Place
BIRMINGHAM
B1 2HB

Independent Examiner

Scottish Charity number SC044935
Tax reference number ST 01414

Sound Waves SCIO

Report of the Trustees for the year ended 30th September 2017

The Trustees are pleased to present their report together with the accounts for the SCIO for the year ended 30th September 2017.

The legal and administrative information given on page 1 forms part of this report. The accounts comply with current statutory requirements as set out by the Office of the Scottish Charity Regulator, and are prepared on an accruals basis.

Objective and Activities of the Sound Waves SCIO

The charitable purposes of the SCIO are to:

- 1) Advance education in music, mainly instrumental, for all age groups from pre-school children to post-graduates
- 2) Encourage performance of live music
- 3) Provide post-graduates with ongoing opportunities to develop their musical talent in the wider professional field.

In order to fulfil these objectives Sound Waves SCIO has engaged in two main activities: the Mendelssohn on Mull festival, an annual week on the Isle of Mull, which provides intensive performance master classes for professional musicians at the start of their careers, and Mull Music Makers, a year-round programme providing specialist string tuition to island children.

In furtherance of the third objective, contacts are being developed with other festivals, related charities and commercial promoters. For the last four years, a group of musicians who have benefited from the festival week, have performed on the Hebridean Princess cruise ship and in 2017 undertook a tour of the UK. The Zelvova String Quartet, all former participants in the festival, won the St Martin's Chamber Music Competition in March 2017.

Achievements and Performance

The annual week on Mull has provided free concerts throughout the island with young professionals playing alongside established performers. This has ensured that new audiences have been able to experience music of an extremely high standard, promoting live music as well as providing invaluable training.

In 2017 Sound Waves SCIO appointed the internationally-renowned Doric String Quartet as artistic directors for the Mendelssohn on Mull festival. In September 2017, they performed at three concerts in Mull and Oban as part of their UK tour, and it is already clear that they will provide inspiration and motivation to the talented young professionals who have just graduated from colleges and conservatoires.

The Mull Music Makers, which is part-funded by the Youth Music Initiative, administered by Creative Scotland, has introduced 60 children to musicmaking and 40 regularly attend monthly and weekly workshops. The current plan is to encourage participation in local music events such as the Feis and the Mod. In addition, the children have worked with the Scottish Ensemble and the Doric String Quartet to expand their exposure to different musical traditions.

Financial Information and Reserves Policy

Friends and Guardians of the Festival now provide nearly half the funds required. The remainder is raised from grant-giving Trusts. The Trustees aim to finish each year with reserves representing at least a quarter of the expected expenditure. At 30th September 2017, this requires reserves of £13,000.

Mull Music makers is funded to the extent of 60% by Creative Scotland's Youth Music Initiative, the balance is raised by parents and from Trusts. It is treated as a restricted fund, Sound Waves underwrite any shortfall, so a loss within a year is written off, positive balances are carried forward.

Sound Waves SCIO

Taxation

Sound Waves SCIO is a charity and is recognised as such for taxation purposes by HM Revenue & Customs. As a result there is no liability to taxation on any of its income.

Structure, Governance, and Management

Sound Waves SCIO is managed by Trustees as volunteers. Until 31st August 2016 Marilyn Jeffcoat undertook executive responsibility (unpaid) for the activities of the charity, but approaching 70 indicated her intention to retire. As part of succession planning, it was decided to develop the post of General Manager into a year-round appointment to include the executive duties previously undertaken by Mrs Jeffcoat.

After consultation with OSCR, and careful consideration of the job specification, the necessary skills involved, and the need to engage someone with experience of the charity's work, the Trustees agreed to offer the post of General Manager to [REDACTED] the son of [REDACTED]. They further agreed that advertising the post was unnecessarily expensive, time-consuming and unfair to other potential applicants. [REDACTED] took no part in the decision and excluded herself from meetings at which the position was discussed. She offered to resign as a Trustee in order to avoid the appearance of a conflict of interest but her experience of the charity from its inception in 1988 was considered too valuable to lose. Measures have been put in place to ensure that their relationship does not affect the smooth running and independence of the charity, and the appointment of two new Trustees with experience in music related charities further ensures independent scrutiny of the General Manager.

[REDACTED] has a contract of employment and is paid a salary of £15,000 (£1,250 in 2016), assuming an average of 17.5 hours a week. 2017 involved more time than this but as it was an unusual year, the situation is being monitored for 2017-18. [REDACTED] is employed as the local co-ordinator for Mull Music Makers.

Risk Assessment

The Trustees have considered the major risks to which the charity is exposed and are satisfied that procedures are in place to mitigate those risks. The issue is raised at each meeting of Trustees. In particular, policies have been adopted in regard to equal opportunities, data protection, and child protection.

Induction and Training of Trustees

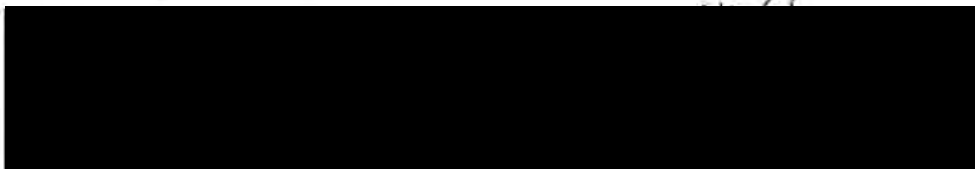
The Trustees meet at least three times a year, including one meeting during the festival. Each Trustee is provided with a copy of the Constitution, policies and procedures, previous 12 months' accepted minutes, previous annual accounts, and detailed management accounts. All Trustees are made aware of their personal obligations to the SCIO and are strongly encouraged to attend the Festival each year. In order to comply with The Charities and Trustees Investment (Scotland) Act 2005 the SCIO is pursuing best practice guidelines as set out by the Office of the Scottish Charity Regulator. Each Trustee has signed the Revenue's Declaration of fit and proper persons.

Related Parties Richard Jeffcoat is the son of Marilyn Jeffcoat.

Statement of Trustees' Responsibilities

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the SCIO and which are sufficient to show and explain the SCIO's transactions and enable them to ensure that the financial statements comply with regulations made under the Charities Act. They are also responsible for safeguarding the assets of the SCIO and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are also responsible for the contents of the Trustees' report, and the responsibility of the Independent Examiner in relation to the Trustees' report is limited to examining the report and ensuring that, on the face of the report, there are no inconsistencies with the figures disclosed in the financial statements.



Sound Waves SCIO

INCOME AND EXPENDITURE ACCOUNT For the year ended 30th September 2017

	Notes	2017 Restricted Funds £	2017 Unrestricted Funds £	2017 Total £	2016 Total £
INCOME					
Incoming resources from generated funds					
Donations and gifts	5	14,950	33,365	48,315	49,581
Other income	6	-	15,266	15,266	7,692
		<u>14,950</u>	<u>48,631</u>	<u>63,551</u>	<u>57,273</u>
Incoming resources from charitable activities					
Grant funded activities	7	33,785	-	33,785	29,475
TOTAL INCOME		<u>48,735</u>	<u>48,631</u>	<u>97,366</u>	<u>86,748</u>
PAYMENTS					
<u>Expended on charitable activities</u>					
Musicians/tutors		18,557	1,451	20,008	34,414
Venues and halls		2,460	380	2,840	4,839
Expenditure on touring programme		-	17,044	17,044	-
Hebridean Princess concert		-	1,750	1,750	1,520
Music, instruments, equipment hire and insurance		823	782	1,605	2,039
Lighting and sound engineers		-	494	494	2,072
Violin Club		3,014	-	3,014	750
Travel		2,999	1,689	4,688	8,100
Catering and subsistence		758	453	1,211	3,777
Accommodation		3,434	2,106	5,540	7,975
General manager		-	15,500	15,500	3,422
Postage, stationery		156	938	1,094	740
Programme and recording costs		-	1,185	1,185	1,649
Local co-ordinator		8,075	-	8,075	8,976
Training		2,346	-	2,346	1,720
Administration costs		846	-	846	1,345
Contribution to MMM costs		-	-	-	3,385
Fundraising consultant and costs		-	500	500	1,000
Press, PR and publicity		-	-	-	540
Advertising and local publicity		-	831	831	1,606
Goods for re-sale		-	-	-	200
Trust meeting expenses		-	122	122	495
Independent examiner		-	100	100	100
TOTAL PAYMENTS		<u>43,468</u>	<u>45,324</u>	<u>88,792</u>	<u>90,664</u>
Surplus/(deficit)		<u>5,267</u>	<u>3,307</u>	<u>8,574</u>	<u>(3,916)</u>

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BALANCE SHEET as at 30th September 2017

	2017		2016
	£		£
Bank and cash in hand	38,692	-	32,242
Debtors	<u>8,883</u>	-	<u>999</u>
Current assets	47,575	-	33,241
Current liabilities	<u>15,039</u>	-	<u>9,279</u>
Net current assets	<u>32,536</u>		<u>23,962</u>
Net Assets	<u>32,536</u>		<u>23,962</u>

	2017		2016
	£		£
Reserves			
Restricted Funds	19,197		13,668
Unrestricted Funds	<u>13,339</u>		<u>10,294</u>
Total Funds	<u>32,536</u>		<u>23,962</u>

Approved by the Trustees on

Glen... February 2018



Sound Waves SCIO

Notes to the Accounts for the year ended 30th September 2017

1. Basis on which the Accounts are prepared

The accounts are prepared on an accruals basis. The SCIO is entirely dependent on continuing support from donors and funders.

2. Taxation

As a registered charity, the SCIO is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax is not recoverable by the Trust and is therefore included in any relevant costs.

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, all assets of the charity shall be transferred to some other charitable body or bodies having similar objects to the SCIO.

3. Remuneration of Trustees

The constitution allows Trustees to be remunerated subject to certain conditions. Trustees who are paid must be excluded from any meetings at which the remuneration is discussed and paid Trustees must always be in a minority. No Trustees were paid for acting as Trustees during the period under review. Gina McCormack was paid a fee of £500 for her professional services as a coach (2016 £nil).

4. Endowment Funds

The SCIO had no endowment funds.

5. Income from Donations and Gifts

	2017 Restricted funds £	2017 Unrestricted funds £	2017 Total £	2016 Total £
Donations from Individuals:				
Friends	-	4,007	4,007	5,340
Guardians	-	7,540	7,540	10,667
Concert sponsorship	-	2,300	2,300	1,375
Other Donations	6,450	12,018	18,468	18,919
Total from Individuals	6,450	25,865	32,315	36,301
Grants from Trusts:				
Scofen Trust	-	6,000	6,000	-
Binks Trust	-	-	-	1,000
Inchyre Trust	-	500	500	500
1685 charity	-	1,000	1,000	-
Cray Trust	-	-	-	250
Penpont Trust	-	-	-	250
Eda Lady Jardine Trust	1,500	-	1,500	-
Hugh Fraser Trust	2,000	-	2,000	-
Young Musicians of Mull	-	-	-	2,895
Robertson Trust	5,000	-	5,000	5,000
Sound Waves contribution to costs	-	-	-	3,385
Total from Trusts	8,500	7,500	16,000	13,280
Total donations and gifts	14,950	33,365	48,315	49,581

Sound Waves SCIO

Notes to the Accounts for the year ended 30th September 2017 (continued)

6. Other Income

	2017 Restricted funds £	2017 Unrestricted funds £	2017 Total £	2016 Total £
'Guided tour' fee	-	-	-	1,300
Recharged to MMM	-	2,545	2,545	2,458
Sale of CD recordings/mugs	-	-	-	184
Touring income	-	8,971	8,971	-
Fees for concerts	-	3,750	3,750	3,750
	<u>-</u>	<u>15,266</u>	<u>15,266</u>	<u>7,692</u>

7. Grant-funded Activities

	2017 Restricted funds £	2017 Unrestricted funds £	2017 Total £	2016 Total £
Grant from local authority	-	-	-	1,600
YMI Grant	33,785	-	33,785	27,875
	<u>33,785</u>	<u>-</u>	<u>33,785</u>	<u>29,475</u>

8. Touring programme

In 2017 Sound Waves SCIO promoted five concerts throughout the UK to provide performance opportunities for young professional musicians as well as a concert on the Isle of Mull in September 2017 to introduce the Doric Quartet to the island.

9. Fund Movements

	Brought Forward £	Incoming resources £	Outgoing resources £	Transfer (see note below) £	Carried Forward £
Restricted Funds					
Mull Music Makers 2017	13,668	10,935	24,865	262	-
Mull Music Makers 2018	-	37,800	18,603	-	19,197
Total Restricted Funds	<u>13,668</u>	<u>48,735</u>	<u>43,468</u>	<u>262</u>	<u>19,197</u>
Unrestricted Funds	10,294	48,631	45,324	-262	13,339
Total Funds	<u>23,962</u>	<u>97,366</u>	<u>88,792</u>	<u>-</u>	<u>32,536</u>

The restricted funds are to pay for workshops for the children of the Isle of Mull. The project is called Mull Music Makers and is partly financed by the Youth Music Initiative, which is administered by Creative Scotland. The current project ends on 30th April 2018. The cost of the workshops is underwritten by the main funds of the charity so that any deficit remaining at the end of each annual project is written off against the unrestricted fund. A positive balance would be carried forward.

Sound Waves SCIO

Independent Examiner's Report To the Trustees of the Sound Waves SCIO

I report on the accounts of the charity for the year ended 30th September 2017. These are set out on pages 4 to 7.

Respective Responsibilities of Trustees and Examiner

The SCIO's Trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 ("the 2005 Act") and the Charities Accounts (Scotland) Regulations 2006 (as amended) ("the 2006 Regulations").

The charity's Trustees consider that the audit requirement of Regulation 10(1)(d) of the 2006 Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1)(c) of the 2005 Act and to state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination is carried out in accordance with Regulation 11 of the 2006 Regulations. 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 seeks 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 in the accounts.

Independent Examiner's Statement

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

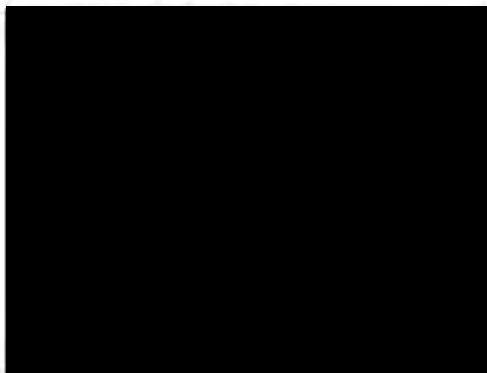
1) which gives me reasonable cause to believe that, in any material respect, the requirements:

to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Regulations, and

to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Regulations,

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.



Date 6th February 2018