

Registered Charity Number: SC037392

**REPORT OF THE TRUSTEES AND  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021  
FOR  
MUSIC AT PAXTON**

**REPORT OF THE TRUSTEES AND UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 30 SEPTEMBER 2021**

<b>Contents</b>	<b>Page</b>
Reference and administrative information	3
Report of the Trustees	4 - 12
Independent Examiner's report	13
Statement of financial activities	14
Balance sheet	15
Notes to the financial statements	16 - 21

**REFERENCE AND ADMINISTRATIVE INFORMATION**

Principal Office:	Paxton House Paxton Nr. Berwick-upon-Tweed Scottish Borders TD15 1SZ
Registered Charity Number:	SC037392
Trustees:	<ul style="list-style-type: none"><li>• M M Butler</li><li>• J Cook</li><li>• P A Everest</li><li>• J Harrison</li><li>• P A McAlister</li><li>• J A Shepherd</li><li>• H A E Simpson</li><li>• A Thunder</li><li>• J Tweddle</li><li>• W Saywood (appointed 15/09/21)</li><li>• A D Walker</li></ul>
Independent Examiner:	Ian F Y Marrian CA Walled Garden Bowerhouse Dunbar East Lothian EH42 1RE
Bankers:	Barclays Bank plc 22-24 Hide Hill Berwick-upon-Tweed Northumberland TD15 1AF  CAF Bank Ltd 25 Kings Hill Avenue Kings Hill, West Malling Kent ME19 4JQ

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2021**

The trustees present their report and unaudited financial statements of the charity for the year ended 30 September 2021. These have been prepared in accordance with applicable charities law and the requirements of '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 01 January 2019)'.

### **1. Structure, governance and management**

Music at Paxton's legal form converted to a Scottish Charitable Incorporated Organisation (a SCIO) on 25 March 2021. The charity was previously a Scottish charitable company limited by guarantee, registered company number SC305241 (Scotland), established in 2006. As a SCIO, its governing document is a constitution, and it has a single tier governance structure whereby the trustees are the members of the charity.

Music at Paxton presents a summer festival and series of chamber music performances featuring world-renowned artists and young Scottish professional musicians at Paxton House and, in collaboration with partners, in local communities in the Scottish Borders. The charity promotes a policy of exciting and innovative programming, as well as providing quite exceptional opportunities for local people to participate in musical activity.

The company has a Board of Charity Trustees which oversees all activities. Trustees are recruited for their wide range of professional and creative skills, and are drawn from both sides of the Border, including the village of Paxton itself. The Board meets several times a year, and a finance committee drawn from members of the Board meets twice a year to assist with fundraising activities and provide interim guidance and support to the management team.

Requirements for new trustees are discussed at Board meetings. When Board positions become vacant, attempts are made to identify individuals with an appropriate skills base, whilst also aiming to ensure that the Board of Trustees is representative of the local community and users which it serves. All new trustees are instructed in their responsibilities in line with OSCR and charity law requirements.

### **2. Reference and administrative details**

Reference and administrative details are presented on page 3.

### **3. Objectives and activities**

Music at Paxton is dedicated to bringing exceptional chamber music to the widest possible audience in the Scottish Borders and Northumberland area, allowing affordable access to world class music (including classical chamber music in particular) in local settings throughout a region with little arts provision. Special emphasis is placed on providing opportunities for families and young children to engage with outstanding music and musicians, and supporting young professional musicians in the early stages of their careers.

The charity's main activity is centred around a ten-day festival, held each July at Paxton House on the banks of the Tweed in the Scottish Borders, five miles from England's most northerly town of Berwick-upon-Tweed. Through its partnership with Live Music Now Scotland the charity also promotes free informal concerts in the spring, and delivers outreach work, taking live music into care homes, residential centres and primary schools across the rural communities of the Borders.

The Festival is an important component in the cultural calendar, now achieving national acclaim and attracting visitors from across the UK and beyond; and its unique character reflects its close relationship with Paxton House itself: the Picture Gallery where the main concerts are held

### REPORT OF THE TRUSTEES (continued)

provides the ideal space and acoustic for chamber music, while other parts of the House and the extensive grounds are used for a variety of other festival events. In 2021, a small number of events were relocated to nearby Berwick-upon-Tweed (Paxton's nearest conurbation) when ongoing social distancing requirements in Scotland made it impossible for those particular events to be held at Paxton House. The trustees are very grateful to Berwick Parish Church for accommodating these events at such short notice.

#### 4. Achievements and performance

##### 2021 events

Music at Paxton presented a summer festival and series of chamber music performances at Paxton House from Friday 16 to Sunday 25 July 2021 featuring world-renowned artists and young Scottish professional musicians and, in collaboration with partners, in local border communities. The programme was designed with new and family audiences in mind and promoted close engagement with the musicians.

The line-up of performers – most of whom had been due to appear at Paxton in July 2020 before the Covid-19 pandemic forced us to postpone the 2020 festival – included pianist Steven Osborne; the Brook Street Band; tenor James Gilchrist with pianist Anna Tilbrook; the Gould Piano Trio; pianist Imogen Cooper; the Maxwell Quartet; soprano Elizabeth Watts with pianist Sholto Kynoch; Concerto Caledonia; and folk musicians Sally Simpson and Catriona Haworth, and the Dockyard Trio. We also introduced informal music sessions for toddlers and young children presented by local community practitioner Tracy Renton. Altogether we presented 31 events: 23 classical concerts, 2 Scottish folk concerts, a masterclass, a family concert and 4 baby and toddler sessions.

*"Thank you so much for having us to play for Music at Paxton. What a wonderful achievement, to have produced such an amazing festival with all that uncertainty hanging over you. The setting was beautiful, and your attention to detail and the way you looked after us was fantastic. I do hope our paths cross again soon."*

The Brook Street Band - Music at Paxton artists, 2021

Our Associate Ensemble, The Maxwell Quartet, collaborated in a unique event conceived and initiated by Music at Paxton with internationally celebrated pianist Imogen Cooper. We hosted a Masterclass with James Gilchrist and Anna Tilbrook for advanced student singers, including a representation from the Royal Conservatoire of Scotland. In partnership with Live Music Now Scotland we were proud to present five exceptional young groups, and Live Music Now Scotland musicians are also due to lead our community outreach work across the Scottish Borders. In a typical year this would normally take place in the weeks immediately leading up to the July festival, but due to restrictions around the pandemic this work has been postponed until October 2021. Our Family Concert Series partnership with Kelso Music Society continued, with the 2021 event relocated to the Picture Gallery at Paxton House due to the inaccessibility of Kelso Old Parish Church during the pandemic. Ongoing restrictions as a result of the Covid-19 pandemic also necessitated a change in venue for the majority of the first weekend of events in the festival, and we were extremely fortunate that Berwick Parish Church was able and willing to accommodate us safely at short notice.

Four of our evening concerts were filmed and broadcast – a festival first. These events were available for online viewing for three weeks after each event, and we made all four events available free of charge to Care Homes across the Scottish Borders. As an addition to this digital component, we also hosted online pre-concert talks, interviews with musicians and other activity on our website and social media platforms.

### REPORT OF THE TRUSTEES (continued)

We take pride in presenting events that celebrate the Border region and the River Tweed, initiating collaborations with local and national partners, including Paxton House itself and the Friends of the Union Chain Bridge. The 2021 festival featured concerts designed to celebrate both the history of Paxton House – notably the adventures of Patrick Home, who commissioned the House in the mid-18th century, and his forebears who fought at the Battle of Flodden – and the 200th anniversary of the opening of the local landmark and internationally famous Union Chain Bridge across the River Tweed. Scottish music and musicians were at the fore and we also programmed pieces specifically for their association with the Scottish Year of Coasts and Waters, Scotland's Themed Year of 2020 which was rolled over into 2021 to support the Scottish tourism and events industry to recover from the impacts of the current pandemic.

Engagement of audiences at live events was lower this year: July was very early in the easing of restrictions in Scotland (social distancing was revised from 2 metres to 1 metre just three days into the festival) and many individuals were, understandably, still cautious about attending concerts in person. Uncertainty that pertained right up until three days before the festival began denied us all the 'normal' build-up of sales that we usually experience in the last few weeks before opening. Social distancing requirements meant that only much-reduced audiences could be accommodated at our spring taster events, which also had to be staged significantly later than in previous years.

In 2021 we were a Visit Northumberland Event Partner for the first time, gaining valuable additional exposure in the months leading up to the festival, and this translated into an increase in visitors from south of the border. A third of our visitors from the rest of the UK (8% total attendees) travelled from Northumberland – our neighbouring county just 4 miles away – and our relocated concerts in Berwick-upon-Tweed drew some new local visitors from Berwick itself. Unsurprisingly given the ongoing health crisis, for the first time in several years we had no visitors from abroad.

As in previous years, we surveyed our audience after the event to gather valuable data and feedback. Over 40% of those surveyed cited Music at Paxton as either the only or the principal reason for their visit to the Scottish Borders. A fifth of visitors spent at least one night away from home as part of their visit – this is slightly lower than in recent years, but to be expected given the current pandemic.

Only 18% of audiences viewed one of our online concerts: this was unsurprising given the number of other online concerts (many of which were made available to view free of charge) being produced at the time and the opportunity people had to start attending live music events elsewhere in the UK. Audiences for these events responded positively regarding both the online viewing platform and the ease of accessing the events, with 35% inspired to attend a live concert in the future as a result of viewing an online concert.

In general terms, audiences were delighted to be able to experience live music in person after such a long hiatus. Visitors appreciated the special care we took to ensure the staging of a safe event, and the format of shorter concerts with no interval presented twice in a given evening proved popular in the circumstances. 97% viewed the overall experience of attending the festival in person as either above average or excellent, and responses around both programming content and Covid-19 safety measures were uniformly positive.

*“Really friendly staff, we went to a family concert, the kids loved the colouring book, it kept them focussed throughout and they loved the music and the room it was held in, made them feel very important and the groupings of chairs in small groups was great, really friendly and intimate, very personal. Thank you so much!”*

**REPORT OF THE TRUSTEES (continued)**

*“The whole Paxton experience was a delight, even with the Covid restrictions... What a nightmare you have lived through in 2021! THANK YOU for everything at Paxton 2021!”*

*“It was truly uplifting to see great live performances after such a worrying and constrained year! Thanks and we look forward to 2022!!”*

*“Communication, warmth of welcome, efficiency of the whole operation could not be faulted.”*

Audience survey 2021

Press and media coverage was difficult in 2021, with the Scottish press in particular unwilling to commit to live events coverage due to Covid-19 restrictions. Nevertheless, we secured a number of preview articles and concert reviews in addition to event listings and guides:

*“A wonderful week. At first, I revelled in the enjoyment of live music – at last! – but these performances were exceptional by any standards. A great welcome back for Music at Paxton.”*  
Kate Calder, Edinburgh Music Review

*“This collaboration between the Maxwell Quartet and Imogen Cooper was a glowing success”*  
\*\*\*\*\* David Kettle, The Scotsman

*“Baroque beauty bridges gap between cultures with style”*  
\*\*\*\* Simon Thomson, The Times

Whilst we had small audiences viewing our online events, in general our online reach increased significantly in 2021, particularly across social media.

Organic engagement increased on Facebook (58,017, a 156% increase on 2019 – our most recently staged festival), our primary social media platform.



Audience gender remained at 2019 levels, with 63.3% identifying as female and 36.7 identifying as male. Older audiences appear to have embraced technology since the onset of the pandemic, with a significant increase in Facebook users aged 55+.

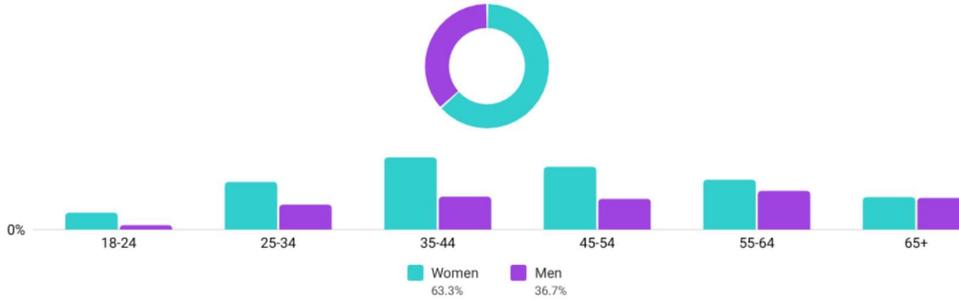
REPORT OF THE TRUSTEES (continued)

Current audience Potential audience

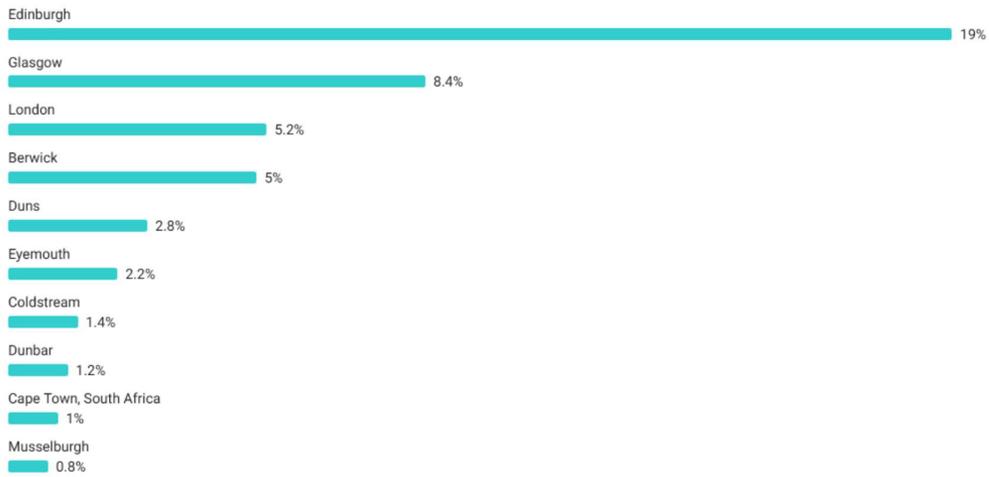
Facebook Page likes

501

Age & gender



Top towns/cities



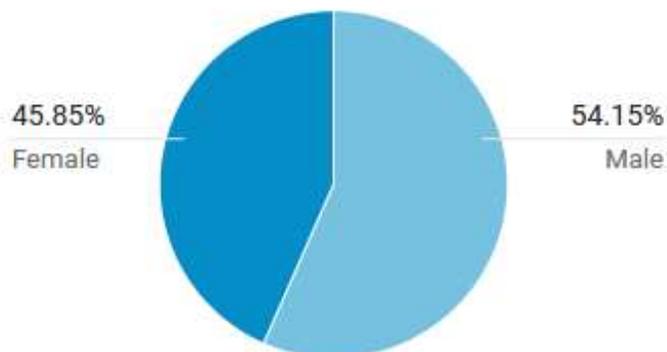
Top countries



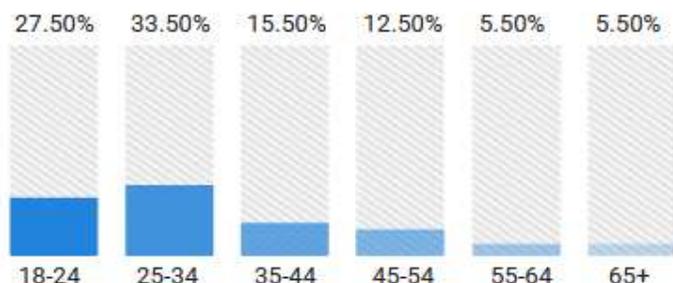
**REPORT OF THE TRUSTEES (continued)**

By comparison, our website user demographics were as follows:

**Gender** 100% of total sessions



**Age** 100% of total sessions



Music at Paxton's trustees are grateful to all who made the 2021 festival such a success, especially the artists who willingly agreed to their concerts being presented twice, despite the additional effort that entailed on their part.

Future plans

The 2022 programme will present a characteristic Paxton blend of musicians with an international reputation, those who are consolidating burgeoning reputations on the British music scene, and young and highly talented emerging performers with exciting futures ahead of them. The 10-day event will include:

- The Maxwell Quartet will appear in their third and final year of their Residency with us, performing across two days of the opening weekend at Paxton. We also hope that they may appear at a local folk venue, the Pilot Inn in Berwick, as had been intended in 2020.
- Baritone Roderick Williams and pianist Susie Allan will open the festival on Friday 22<sup>nd</sup> July in a programme of British song that we hope will include a new festival Commission. \* They will also present a masterclass (or other engagement activity) the following morning.

### REPORT OF THE TRUSTEES (continued)

- We will host a midweek 'mini-residency' curated by pianist Pavel Kolesnikov, who presented a sensational recital in 2019 that included music by Chopin and Beethoven. Pavel will this time appear both as a solo performer and with a small group of friends in chamber music performances.
- Dame Sarah Connolly (mezzo-soprano) and Joseph Middleton (piano) will present a recital to include songs by Brahms, Mahler and Schumann.
- Our festival finale will be given by pianist Angela Hewitt, making a welcome return to the festival (repertoire to be confirmed).
- We look forward to continuing our presentation of folk music (in the Marquee!) in partnership with Live Music Now Scotland.
- We also aim to build on our activities for young audiences and families through a renewal of our family concert and sessions for very young children.
- We would also like to extend our initial collaboration with Berwick Parish Church, presenting carefully chosen events at the Church possibly including a short choral concert and a short organ recital.

\* The Music at Paxton Festival has initiated a project to commission young composer Sarah Cattley to write 3 songs as a tribute to Ralph Vaughan Williams in the 150<sup>th</sup> anniversary of the year of his birth. The songs will be premiered by Roderick Williams and Susie Allan in concerts at the Paxton Festival and the Thaxted Festival (co-commissioner), with a further performance at the Petworth Festival.

We went largely paper-free in 2021: this prompted further discussions about our sustainability, which will be a particular focus over the next 12 months.

## 5. Financial Review

### 5.1 Overview

Despite ever-changing restrictions and uncertainties, circumstances and hard work combined to ensure Music at Paxton's summer festival of live music (postponed from 2020) went ahead in 2021, the outcome being that the charity ended the financial year with its pre-pandemic reserves intact.

This result was in no small measure due to the continued generosity of donors and sponsors, whose contributions in 2021 exceeded those of each of the previous two years. Income from trusts and foundations was also significantly ahead of previous years, and Music at Paxton was fortunate to receive additional grant funding in 2021 from Creative Scotland and Event Scotland. Total income from donations and grants amounted to £60,710 (2020 - £44,089; 2019 - £48,521). This income proved vital in offsetting the reduced level of income from the festival itself, which at £21,896 (2020 – nil; 2019: £35,023) reflected the uncertainties associated with the weeks leading up to the festival, when it was doubtful whether Scottish government restrictions would be lifted in time to allow live indoor concerts to go ahead. Understandable caution amongst more vulnerable audience members also affected ticket sales. Total income for the year amounted to £82,606 (2020 - £44,089; 2019 - £83,544).

On the expenditure side, artist-related costs at £26,135 were similar to the 2019 costs of £25,931, despite increased accommodation and travel costs related to the pandemic. Venue costs at £20,405, compared to 2019's £16,176, reflected the additional costs of filming four concerts for online broadcast, as well as costs related to moving some of the first week-end's concerts to Berwick. Ticket and marketing costs were similar to 2019; however, the considerable additional workload involved in mounting the festival during a pandemic saw administration

## **REPORT OF THE TRUSTEES (continued)**

expenses increase to £30,819 (2020 - £21,671; 2019 - £24,141). Total expenditure for the year amounted to £93,541 (2020 - £31,148; 2019 - £81,425).

The postponement of 2020's festival meant that the majority of the project's costs would be incurred in 2021, while income would be spread over 2020 and 2021. This year's net deficit of £10,935 was therefore fully anticipated, and when offset against 2020's surplus of £12,941 results in closing reserves of £12,325 (2020 - £23,260; 2019 - £10,319). This small increase on the pre-pandemic reserve total should help safeguard the future of Music at Paxton in what may still be challenging times ahead.

### **5.2 Reserves Policy**

It is the charity's policy to maintain sufficient unrestricted reserves to secure the future of the charity. The trustees consider this figure to be £20,000, equating to approximately six months of normal operating expenditure. Currently, £12,824 is held in a Designated Fund for the purposes of addressing extraordinary events and one-off expenses, enabling the forward planning of future festivals, and providing a cushion to facilitate flexibility of programming in future years. The second unrestricted fund, the General Fund, currently has a small negative balance of £499. The trustees considered transferring funds from the Designated to the General Fund to make good this deficiency; however, it was decided that, in the light of uncertainties relating to funding of the arts in the immediate future, the Designated Fund should be kept intact, and that attention should be directed towards increasing the General Fund to £7000, to achieve the desired level of £20,000 in unrestricted reserves. Proposals to put this into effect are being actively considered and will be reflected in future budgets.

### **5.3 Plans for future developments**

Music at Paxton will continue to work in order to deliver on its charitable objectives, producing exciting and diverse programmes of music and musicians to encourage the widest range of participants throughout the largely rural Borders region to share its passion for chamber music.

The trustees and management team are considering further ways to encourage increased engagement from local audiences and young people, and are developing partnerships with local organisations.

## **6. Statement of trustees' responsibilities**

The trustees are responsible for preparing the annual Report of the Trustees and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The 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 state of affairs of the charity and of its income and expenditure for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and 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 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.

**REPORT OF THE TRUSTEES (continued)**

The trustees are responsible for keeping proper accounting records that:

- disclose, with reasonable accuracy and at any time, the financial position of the charity;
- enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The trustees are also responsible for safeguarding the assets of the charity and, therefore, 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 BOARD**

**A D Walker – Trustee**

26 October 2021

## **Independent Examiner's Report to the Trustees of Music at Paxton**

I report on the accounts of the charity for the year ended 30 September 2021 which are set out on the pages 14 - 21.

### **Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the financial statements 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 trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations 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. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the directors 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 financial statements.

### **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) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
  - to prepare financial statements which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulationshave not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Ian F Y Marrian CA  
Walled Garden  
Bowerhouse  
Dunbar  
East Lothian  
EH42 1RE

26 October 2021

---

**Statement of Financial Activities for the year ended 30 September 2021**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
<b>Income from:</b>					
Donations and grants	2	49,814	10,896	60,710	44,089
Charitable activities: Music Festival	3	21,896	-	21,896	-
<b>Total Income</b>		<b>71,710</b>	<b>10,896</b>	<b>82,606</b>	<b>44,089</b>
<b>Expenditure on:</b>					
Charitable activities					
Artist costs	4	23,303	2,832	26,135	450
Venue cost	5	14,718	5,687	20,405	23
Ticket and marketing costs	6	14,411	1,771	16,182	9,004
Administration costs	7	30,213	606	30,819	21,671
<b>Total Expenditure</b>		<b>82,645</b>	<b>10,896</b>	<b>93,541</b>	<b>31,148</b>
<b>NET INCOME/(EXPENDITURE) and net movement in funds for the year</b>		<b>(10,935)</b>	<b>-</b>	<b>(10,935)</b>	<b>12,941</b>
Total funds brought forward		23,260	-	23,260	10,319
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>12,325</b>	<b>-</b>	<b>12,325</b>	<b>23,260</b>

The notes on pages 16 – 21 form an integral part of these financial statements

**Balance Sheet as at 30 September 2021**

	Notes	2021 £	2020 £
<b>Current Assets</b>			
Debtors	10	6,327	200
Cash at Bank		7,386	23,060
		<u>13,713</u>	<u>23,260</u>
<b>Creditors</b>			
Amounts falling due within one year	11	1,388	-
		<u>1,388</u>	<u>-</u>
<b>Net current assets</b>		<b><u>12,325</u></b>	<b><u>23,260</u></b>
<b>Total Assets Less Current Liabilities</b>		<b><u>12,325</u></b>	<b><u>23,260</u></b>
<b>NET ASSETS</b>		<b><u>12,325</u></b>	<b><u>23,260</u></b>
<b>Represented by:</b>			
<b>FUNDS</b>			
<b>Unrestricted funds</b>			
General Fund	12	(499)	10,436
Designated Fund	13	12,824	12,824
		<u>12,325</u>	<u>23,260</u>
<b>TOTAL FUNDS</b>		<b><u>12,325</u></b>	<b><u>23,260</u></b>

The financial statements were approved by the Board of Trustees on 26 October 2021 and were signed on its behalf by:

A D Walker – Trustee

## Notes to the financial statements for the year ended 30 September 2021

### 1. Accounting policies

#### Basis of Accounting

The financial statements have been prepared in accordance with:

- 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 (FRS102); and
- Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) 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).

Music at Paxton meets the definition of a public benefit entity under FRS102. The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to the accounts. The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

#### Income

All income is recognised in the Statement of Financial Activities when the charity is legally entitled to the income, any performance conditions attached have been met, it is probable that the income will be received, and the amount can be measured reliably.

#### Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. The charity is not registered for VAT and accordingly expenditure is stated gross of irrecoverable VAT suffered.

#### Taxation

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

#### Fund accounting

There are two main classes of charitable funds: unrestricted funds, which can be spent or applied at the discretion of the trustees to further any of the charity's purposes; and restricted funds, which can only be used for specific charitable purposes. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Trustees may choose to set aside a part of the unrestricted funds to be used for a particular project or commitment. By earmarking funds in this way, the trustees set up a designated fund that remains part of the unrestricted funds of the charity.

Music at Paxton has one Designated Fund. Further explanation of this fund can be found at note 13 to these financial statements. During the year, one grant was received with restrictions on its use. This grant was expended in full within the financial year, leaving no restricted funds remaining at the year-end.

## Notes to the financial statements for the year ended 30 September 2021 (continued)

## 1. Accounting policies (continued)

**Financial instruments**

The charity only enters into basic financial transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable.

## 2. Income from donations and grants

	General Funds £	Restricted Funds £	2021 £	2020 £
Donations	19,039	-	19,039	17,472
Gift Aid	2,650	-	2,650	3,501
Trusts and Foundations	13,800	-	13,800	9,500
Grants	14,325	10,896	25,221	13,616
<b>Total</b>	<b>49,814</b>	<b>10,896</b>	<b>60,710</b>	<b>44,089</b>

Music at Paxton's income from donations and grants generally comes with no restrictions on how it may be used in furthering the charity's purposes. This year, however, a grant was received from EventScotland specifically to support certain costs, and therefore has been treated as Restricted Income.

## 3. Income from charitable activities (Music Festival)

	General Funds £	Restricted Funds £	2021 £	2020 £
Ticket sales	21,792	-	21,792	-
Programme sales	102	-	102	-
Other	2	-	2	-
<b>Total</b>	<b>21,896</b>	<b>-</b>	<b>21,896</b>	<b>-</b>

Due to the Covid pandemic, the 2020 Music at Paxton Festival and associated events were postponed until 2021.

## 4. Artist costs

	General Funds £	Restricted Funds £	2021 £	2020 £
Artist fees	20,550	-	20,550	450
Artist accommodation, travel and expenses	2,753	2,832	5,585	-
<b>Total</b>	<b>23,303</b>	<b>2,832</b>	<b>26,135</b>	<b>450</b>

## Notes to the financial statements for the year ended 30 September 2021 (continued)

**5. Venue costs**

	General Funds £	Restricted Funds £	2021 £	2020 £
Venue hire	6,069	1,017	7,086	-
Staging and streaming	2,500	4,670	7,170	23
Box office	1,610	-	1,610	-
Piano tuning and hire	4,188	-	4,188	-
Other	351	-	351	-
<b>Total</b>	<b>14,718</b>	<b>5,687</b>	<b>20,405</b>	<b>23</b>

**6. Ticket and Marketing costs**

	General Funds £	Restricted Funds £	2021 £	2020 £
Publicity and Marketing	7,884	1,669	9,553	7,847
Box office commission	5,142	-	5,142	180
Other	1,385	102	1,487	977
<b>Total</b>	<b>14,411</b>	<b>1,771</b>	<b>16,182</b>	<b>9,004</b>

**7. Administration costs**

	General Funds £	Restricted Funds £	2021 £	2020 £
Artistic Director and General Manager fees and expenses	29,507	606	30,113	20,918
Governance	-	-	-	13
Other	706	-	706	740
<b>Total</b>	<b>30,213</b>	<b>606</b>	<b>30,819</b>	<b>21,671</b>

**Governance costs comprise:**

	2021 £	2020 £
Companies House filing fees	-	13
<b>Total</b>	<b>-</b>	<b>13</b>

Since Music at Paxton's conversion from a charitable company to a Scottish Charitable Incorporated Organisation in March 2021, accounts are no longer filed with Companies House.

**8. Trustees' remuneration and benefits**

There were no trustees' remuneration, other benefits or mileage payments for the year ended 30 September 2021 nor for the year ended 30 September 2020.

**9. Festival staffing**

The charity contracted two part-time freelance arts administrators at a cost of £26,500 (2020: £20,500).

## Notes to the financial statements for the year ended 30 September 2021 (continued)

**10. Debtors: Amounts falling due within one year**

	2021 £	2020 £
Trade Debtors	-	-
Other Debtors	6,327	200
<b>Total</b>	<b>6,327</b>	<b>200</b>

**11. Creditors: amounts falling due within one year**

	2021 £	2020 £
Trade Creditors	1,050	-
Other Creditors	338	-
<b>Total</b>	<b>1,388</b>	<b>-</b>

**12. Funds and Movement in Funds**

	As at 01.10.20 £	Net Movement in Funds £	As at 30.09.21 £
<b>Unrestricted Funds</b>			
General Fund	10,436	(10,935)	(499)
Designated Fund	12,824	-	12,824
	<b>23,260</b>	<b>(10,935)</b>	<b>12,325</b>
<b>Restricted Funds</b>			
Restricted	-	-	-
<b>Total</b>	<b>23,260</b>	<b>(10,935)</b>	<b>12,325</b>

Net movement in funds included in the above is as follows:

	Incoming Resources £	Resources Expended £	Movement in Funds £
<b>Unrestricted Funds</b>			
General Fund	71,710	82,645	(10,935)
Designated Fund	-	-	-
	<b>71,710</b>	<b>82,645</b>	<b>(10,935)</b>
<b>Restricted Funds</b>			
Restricted	10,896	10,896	-
<b>Total</b>	<b>82,606</b>	<b>93,541</b>	<b>(10,935)</b>

## Notes to the financial statements for the year ended 30 September 2021 (continued)

## 12. Funds and Movement in Funds (continued)

Prior year comparatives for movement in funds:

	As at 01.10.19	Net Movement in Funds	As at 30.09.20
	£	£	£
<b>Unrestricted Funds</b>			
General Fund	(2,505)	12,941	10,436
Designated Fund	12,824	-	12,824
	<b>10,319</b>	<b>12,941</b>	<b>23,260</b>
<b>Restricted Funds</b>			
Restricted	-	-	-
<b>Total</b>	<b>10,319</b>	<b>12,941</b>	<b>23,260</b>

Comparative net movement in funds included in the above is as follows:

	Incoming Resources £	Resources Expended £	Movement in Funds £
<b>Unrestricted Funds</b>			
General Fund	44,089	31,148	12,941
Designated Fund	-	-	-
	<b>44,089</b>	<b>31,148</b>	<b>12,941</b>
<b>Restricted Funds</b>			
Restricted	-	-	-
<b>Total</b>	<b>44,089</b>	<b>31,148</b>	<b>12,941</b>

## 13. Designated Fund

In line with Charities Commission guidance and to secure the future of the Charity, in 2017 the trustees created a Designated Fund which is planned, when appropriate, to be equal to at least six months of operating costs.

The Designated Fund provides an internal source of funding to address extraordinary events such as loss of predicted income or the addition of unexpected expenses that would otherwise cause fluctuations in the operating budget. The Designated Fund can also be used for one-off expenses, such as certain audience development initiatives, that would not normally be budgeted for in the operational budget and that would build long-term resilience.

It is the intention of the trustees that whenever possible funds are to be used and replenished within as short a period of time as possible. The trustees therefore may, from time to time, direct that a specific source of income be set aside for the Designated Fund, for instance, one-off bequests.

As the General Fund ended with a negative balance of £499 at the year-end, due to pandemic-related issues that reduced ticket income and increased costs, the trustees considered making good this deficiency from the Designated Fund. However, in the light of uncertainties relating to funding of the arts in the immediate future, it was decided that the Designated Fund should be kept intact, and that attention should be directed towards increasing the General Fund by other means, with the aim of boosting the combined unrestricted reserves total to £20,000. No costs were therefore charged to the Designated Fund in the year to 30 September 2021, or in the year to 30 September 2020.

**Notes to the financial statements for the year ended 30 September 2021 (continued)**

**13. Related party disclosures**

There were no related party transactions for the year ended 30 September 2021.

## DETAILED STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Unrestricted £	Restricted £	2021 £	2020 £
<b>INCOME</b>				
<b>Donations and grants</b>				
Donations (including sponsorship)	19,039	-	19,039	17,472
Gift Aid	2,650	-	2,650	3,501
Trusts and Foundations	13,800	-	13,800	9,500
Grants	14,325	10,896	25,221	13,616
	<b>49,814</b>	<b>10,896</b>	<b>60,710</b>	<b>44,089</b>
<b>Income from charitable activities (Music Festival)</b>				
Ticket sales (all events)	21,792	-	21,792	-
Programme sales	102	-	102	-
Advertising	-	-	-	-
Other (bank interest)	2	-	2	-
	<b>21,896</b>	<b>-</b>	<b>21,896</b>	<b>-</b>
<b>TOTAL INCOME</b>	<b>71,710</b>	<b>10,896</b>	<b>82,606</b>	<b>44,089</b>
<b>EXPENDITURE</b>				
<b>Charitable Activities</b>				
<b>Artist costs</b>				
Artist fees	20,550	-	20,550	450
Artist accommodation, travel and expenses	2,753	2,832	5,585	-
	<b>23,303</b>	<b>2,832</b>	<b>26,135</b>	<b>450</b>
<b>Venue costs</b>				
Venue hire	6,069	1,017	7,086	-
Staging & streaming	2,500	4,670	7,170	23
Box office	1,610	-	1,610	-
Piano tuning and hire	4,188	-	4,188	-
Other	351	-	351	-
	<b>14,718</b>	<b>5,687</b>	<b>20,405</b>	<b>23</b>
<b>Ticket and marketing costs</b>				
Publicity and marketing	7,884	1,669	9,553	7,847
Box office commission	5,142	-	5,142	180
Other	1,385	102	1,487	977
	<b>14,411</b>	<b>1,771</b>	<b>16,182</b>	<b>9,004</b>
<b>Administration</b>				
Artistic Director fees and expenses	10,514	-	10,514	7,700
General Manager fees and expenses	18,993	606	19,599	13,218
Governance (Accounting and Co. House filing fees)	-	-	-	13
Other	706	-	706	740
	<b>30,213</b>	<b>606</b>	<b>30,819</b>	<b>21,671</b>
<b>TOTAL EXPENDITURE</b>	<b>82,645</b>	<b>10,896</b>	<b>93,541</b>	<b>31,148</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>(10,935)</b>	<b>-</b>	<b>(10,935)</b>	<b>12,941</b>

This page does not form part of the statutory financial statements