

Registered number: SC312903
Charity number: SC039119

SISTEMA SCOTLAND
(A Company Limited by Guarantee)

DIRECTORS' REPORT and FINANCIAL STATEMENTS

For the year ended 30 June 2023

**SISTEMA SCOTLAND
(A Company Limited by Guarantee)**

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**REFERENCE and ADMINISTRATIVE DETAILS of the CHARITABLE COMPANY, ITS DIRECTORS
and ADVISERS**

For the year ended 30 June 2023

Directors	Fiona Davis Fiona Duncan (Appointed 21 March 2023) Kezia Dugdale (Resigned 27 June 2023) Dr Lois Fitch Angiolina Foster CBE Benny Higgins, Chairman Kenny McGhee Catherine Muirden Paul Philbert MBE Irene Tweedie (Resigned 5 December 2022) Andrew Wilson (Resigned 27 June 2023)
Company Registered Number	SC312903
Charity Registered Number	SC039119
Registered Office	Raploch Community Campus Drip Road Stirling FK8 1RD
Independent Auditor	Chiene + Tait LLP (Trading as CT) Chartered Accountants and Statutory Auditors 61 Dublin Street Edinburgh EH3 6NL
Bankers	Bank of Scotland 2 nd Floor Pentland House 8 Lochside Avenue Edinburgh EH12 9DJ
Chief Executive Officer	Nicola Killean OBE (Resigned 11 August 2023) Maggie Cunningham (Interim - Appointed 4 September 2023, resigned 1 November 2023) Vicky Williams (Appointed 1 November 2023)
Director of Music	Peter Nicholson (Resigned 31 March 2023) David Munn (Appointed 1 August 2023)
Director of Children, Young People and Communities	Paul Sullivan (Appointed 20 March 2023)
Patron	Gustavo Dudamel
Big Noise Big Sister	Nicola Benedetti CBE
Ambassador	Dame Evelyn Glennie

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CHAIRMAN'S STATEMENT

The Chairman presents this statement for the period:

This last year we have seen a period marked by extraordinary achievements in the face of significant change and challenges for the organisation. As always, I have been immensely proud of our staff teams, who showed great resilience, adaptation, and above all, an unwavering commitment to the children, young people, and communities involved in Big Noise programmes across the country.

In the early months of 2023, the extremely challenging fiscal environment resulted in our partner local authorities in Dundee, Aberdeen and Stirling withdrawing future investment for their local Big Noise programmes. While these decisions were deeply regrettable, during this time it was heart-warming to see Big Noise communities come together to share their positive experiences in support of the programme and make clear the transformative impact Big Noise has on participants.

We were delighted to have received an uplift in our award from the Scottish Government to mitigate some of these funding challenges, and we will continue to work with our local and national government partners, together with our extensive range of private sector funders, to find long-term solutions to ensure the future of our Big Noise programmes.

The impact of Big Noise was perhaps best demonstrated this year through the release of the latest independent evaluation by the Glasgow Centre for Population Health. The study examined the educational outcomes of Big Noise Raploch attendees and found that almost all Big Noise participants (98%) achieved a positive post-school destination compared with 84% of non-participants. These highly encouraging findings reinforce the evidence gathered over the past decade which continually shows the life-changing impact Big Noise has on our children and young people.

This year we also celebrated several milestone anniversaries for our Big Noise programmes, including the fifteenth birthday of Sistema Scotland itself, which was marked by performances from participants of all six programmes at a lively event in the Scottish Parliament which I was honoured to compere. From humble beginnings with six staff and around thirty-five children at Big Noise Raploch, to fifteen years on now operating six programmes across the country supporting over 3,500 children and young people – the achievements and important work of this organisation cannot be overstated.

Other memorable highlights from this period include wonderful side-by-side performances with the Royal Scottish National Orchestra; the unforgettable journey of older participants from Big Noise Govanhill and Raploch to India, where they spent time learning at the KM Music Conservatory before performing at the 'Concert for Friendship'; and our newest programme Big Noise Wester Hailes forming its first orchestra as children picked up their instruments for the first time. These enriching experiences serve as a reminder of the incredible opportunities afforded to our children and young people, which they otherwise might not have had.

In the very early months of 2023/24, we bid farewell to our inspirational founding Chief Executive, Nicola Killean OBE, who was appointed as Scotland's next Commissioner for Children & Young People. Nicola left Sistema Scotland with the enormous gratitude of the Board and our very best wishes for her exciting and important new role in which we know she will excel.

I am hugely grateful to Sistema Scotland staff and volunteers for their continued commitment to improving the lives of our children and young people through Big Noise, as well as their remarkable ability to adapt and evolve in the face of adversity. I am also grateful to the many public and private funders whose support enables us to continue the programme at a time when it is never more needed.

Benny Higgins
Chairman

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DIRECTORS' REPORT

For the year ended 30 June 2023

The directors (who are also charity trustees for the purposes of charity law) present their Annual Report together with the audited financial statements of Sistema Scotland (the company) for the year ended 30 June 2023. The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law. The directors confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the company qualifies as small under section 383, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 is not required.

OBJECTIVES AND ACTIVITIES

Objectives and aims

Purpose: Improving Lives and Strengthening Communities

Supporting children, young people and families to realise their potential, improving lives and strengthening communities through music and nurturing relationships.

Vision: Our Big Noise programmes will support children, young people, families and communities in Scotland to sustain and improve their wellbeing, resilience and learning, and to strengthen networks throughout the Covid-19 pandemic and beyond by:

- **Targeting** our long-term, immersive support in communities of greatest need
- **Broadening** impact by sharing resources and creating learning partnerships

Achieving this vision will be through:

Sustaining and adapting existing Big Noise programmes and staff and volunteer teams to ensure maximum support for our communities.

Innovating and testing the adapted Big Noise model to maximise impact and respond to changing needs, both within and beyond our communities.

Growing by exploring opportunities for new Big Noise programmes and further ways of delivering our impact based on the Seven Principles of delivery.

Partnership with other organisations to share our resources and contribute to local and national collective leadership thinking in order to benefit more children, young people, families and communities across Scotland.

ACHIEVEMENTS AND PERFORMANCE

Charitable Activities July 2022 to June 2023

In our first year since the pandemic without significant Covid-19 restrictions, 2022/23 has seen a return to Sistema Scotland's full Big Noise programmes across six communities in Scotland. Our inclusive, immersive and fun Big Noise programmes have supported the learning and wellbeing of more children and young people than ever before. Around 3,500 participants have improved their life skills, learning and wellbeing through taking part in Big Noise during school time, after school and during the holidays along with many inspiring and memorable performance opportunities.

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DIRECTORS' REPORT (continued)

For the year ended 30 June 2023

ACHIEVEMENTS AND PERFORMANCE (continued)

Charitable Activities July 2022 to June 2023 (continued)

Sistema Scotland uses music and nurturing relationships to improve lives and strengthen communities. Our evidenced Big Noise orchestra and social programmes support children and young people in some of Scotland's most disadvantaged communities:

- Big Noise Raploch in Stirling (est. 2008)
- Big Noise Govanhill in Glasgow (est. 2013)
- Big Noise Torry in Aberdeen (est. 2015)
- Big Noise Douglas in Dundee (est. 2017)
- Big Noise Fallin in Stirling, (est. 2021)
- Big Noise Wester Hailes in Edinburgh (est. 2022)

The Big Noise model is place-based in targeted, geographically identified communities, providing early intervention and long-term commitment through a continuous pathway from birth to adulthood. Big Noise sessions are delivered in Baby/Little Noise to pre-nursery aged children, in Nursery and Primary school in curriculum time and in after-school and holiday programmes. The programme is immersive and follows a curriculum designed to encourage continued engagement alongside steady and continuous progress providing an invaluable range of life skills and experiences. Participants develop confidence, teamwork, resilience, pride and aspiration as well as the capacity to work hard, and are supported to reach their potential to lead successful and fulfilled lives. Big Noise is free, non-audition and fully inclusive, with all in the eligible age groups in our Big Noise communities encouraged to take part. The programme includes tuition, instruments, healthy snacks, day trips, residential trips, performances and t-shirts are provided free of charge.

Key Events and Activities

Holistic support from Big Noise has been more vital than ever as families in our Big Noise communities have been disproportionately affected by the cost of living crisis and the lasting health and economic impacts of the Covid-19 pandemic. In 2022/23 we have sustained our six Big Noise programmes, with a particular focus on supporting wellbeing, targeted approaches to engaging with young people most in need of support and developing ways for young people to shape how Big Noise is designed and delivered. We have seen increased participation in many strands of the Big Noise programme, in particular many of our holiday clubs, demonstrating both the quality of the programme delivered and increased need for support.

In November 2022 Sistema Scotland welcomed a significant development in the independent evaluation of our Big Noise programmes by Glasgow Centre for Population Health. The report, titled Statistical analysis of educational outcomes among Big Noise Raploch participants, focuses on educational outcomes for participants in Big Noise Raploch, the first programme to have reached the milestone of supporting children and young people from infancy to adulthood using the Big Noise model that operates across all our centres. The findings of this statistical analysis examining the impacts of Big Noise participation on educational outcomes show that young people who take part in Big Noise have a measurably greater chance of achieving a positive post-school destination than their peers who do not participate in the programme: **98% compared to 84%**.

**SISTEMA SCOTLAND
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The early months of 2023 were particularly challenging in relation to funding commitments from local authority partners. We were deeply saddened by the decisions taken by Dundee and Aberdeen City Councils to withdraw their funding from Big Noise Douglas and Torry in the face of extremely difficult budget positions, a decision later mirrored by Stirling Council following increased investment from the Scottish Government. We are proud of everyone from our Big Noise communities who expressed to their Councils how much Big Noise means to them by launching petitions, writing to their elected members and speaking out publicly during Council budget-setting meetings. We are extremely grateful to the Scottish Government for recognising and affirming the impact of the Big Noise programmes, and for committing increased investment to offset the reductions from local authorities.

2022/23 has also been a year of significant change in Sistema Scotland's leadership. In April 2023 our founding CEO **Nicola Killean OBE** was nominated by the Scottish Parliament as the new Commissioner for Children and Young People Scotland. Nicola began her new post in August 2023 and left Sistema Scotland with the immense gratitude of the Board, staff and of course the Big Noise communities.

In March 2023 we welcomed **Paul Sullivan** in the newly created role of Director for Children, Young People and Communities. Paul's role is to champion children, young people and community members and ensure Big Noise meets their needs, supports their rights and amplifies their voices. He will work to maximise our contribution to national and regional strategies for tackling child poverty and inequality in Scotland. Also in March 2023 our Director of Music Peter Nicholson left the team, and we are pleased to update that **David Munn** was appointed as our new Director of Music and Curriculum in June 2023. David will build on his many years of experience working as a lower strings Musician and Senior Musician with Big Noise Raploch to ensure we have the highest quality programme for the children and young people.

Also in March **Fiona Duncan** joined Sistema Scotland's Board. Fiona is Chair of the Promise Scotland, the body responsible for driving and supporting the change demanded by Scotland's independent care review including the promise to care-experienced children and young people that they will grow up loved, safe, and respected. We look forward to having Fiona's expertise in helping assess how the life-changing impact of Sistema Scotland is measured, and more broadly how Scotland measures what really matters to children and young people.

PROGRAMME REPORTS**Overview**

Throughout 2022/23 we have sustained and developed our six Big Noise programmes across the communities of Raploch, Fallin, Govanhill, Torry, Douglas and Wester Hailes. Children and young people from babies to school leavers have been supported to improve their confidence, life skills and wellbeing as they take part in inclusive musical learning. Their participation in Big Noise has encompassed:

- Little Noise/Baby Noise drop-in sessions for babies and toddlers with their parents or carers, developing attachment and early communication skills through musical play as well as providing a safe social space for their adults;
- Fun sessions during school time in our partner nurseries and early years of our partner primary schools, focusing on musicianship (pitch, rhythm, singing) and introducing stringed instruments. These sessions introduce all children in our partner communities to Big Noise at an early age;

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DIRECTORS' REPORT (continued)

For the year ended 30 June 2023

PROGRAMME REPORTS (continued)

- Immersive voluntary after-school programmes for children and young people from around age 7, delivered four days per week and supporting them to become more independent, confident and resilient through the challenges and rewards of learning to play together in orchestral groups;
- Summer, October and spring holiday clubs, with all children and young people eligible for the after-school programme invited to take part in enjoyable musical sessions, crafts, games and sports up to four days per week as well as receiving a free healthy meal each day that they attended. Along with the after-school club, this strand has provided a vital space of respite and protection for vulnerable participants, allowing them to develop encouraging and supportive relationships with both Big Noise staff musicians and their peers. Our out-of-school delivery has also been a key financial support to families with the provision of free food and a safe environment for children while parents or carers are at work.

Performance is a significant part of the Big Noise journey and it has been wonderful for children and young people to be involved in a range of exciting opportunities; these experiences were much missed during the pandemic. Each Big Noise programme hosted its own programme of celebratory community concerts throughout the year, from informal 'sharing sessions' for families to community concerts celebrating ends of term, Christmas, and Big Noise birthdays. 2023 marked a number of significant Big Noise birthdays including the 15th anniversary of Sistema Scotland and Big Noise Raploch, Big Noise Govanhill's 10th birthday and Big Noise Douglas's 5th birthday. In June 2023 children and families from all six Big Noise programmes took part in a special concert reception at the Scottish Parliament to mark Sistema Scotland's 15th anniversary, performing together for the first time ever in the Parliament's Garden Lobby to an audience of MSPs, families and other guests. The event was co-hosted by Gordon MacDonald MSP, Sistema Scotland Chairman Benny Higgins and Big Noise graduate Hannah Davidson, and as well as music included a speech from Christina McKelvie MSP, Minister for Culture, Europe and International Development, and interviews with young people about their experiences of Big Noise.

Partnership working

Sistema Scotland has continued to nurture a range of impactful partnerships both to improve young people's experiences and to share our own learning and expertise more widely. Our partnership with the **RSNO** has flourished, with Big Noise participants of varying ages and levels of experience joining Scotland's national orchestra onstage during their concerts at such prestigious venues as Perth Concert Hall, Glasgow's City Halls and Aberdeen's Music Hall. These have presented inspiring opportunities for our young people to learn and perform alongside a professional orchestra in front of large public audiences, helping develop confidence, motivation and self-esteem.

In February 2023 twelve young musicians from Big Noise Raploch and Big Noise Govanhill took part in a once-in-a-lifetime trip to India, supported by the **British Council**. Following a week-long residency in Chennai they took to the stage alongside young Indian musicians from composer A. R. Rahman's Sunshine Orchestra and Chennai's KM Music Conservatory to perform in the Concert for Friendship. They also took part in an outreach programme, visiting a local school and university to deliver workshops and learn about South Indian culture.

Sistema Scotland has also contributed to a number of significant national policy consultations. We responded to a national policy consultation regarding **Community Wealth Building in Scotland**, drawing on our experience with place-based and long-term interventions and highlighting the need for flexibility in national approaches, enhanced community voice and sustained funding. We contributed evidence to the review of the **Scottish Government's National Performance Framework**, focusing on the importance of collective community wellbeing, more use of qualitative data to measure national performance and improved awareness. In April 2023 our CEO Nicola Killean took part in the **Scottish Government's Reform Action Group**, presenting on the Big Noise model to inform and contribute to discussions around the challenges of the third sector in working across service provision alongside local and national government.

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DIRECTORS' REPORT (continued)

For the year ended 30 June 2023

PROGRAMME REPORTS (continued)

Anti-racism

Sistema Scotland's Anti-Racism Workgroup has continued to meet throughout 2022/23, with involvement from representatives across the staff team, Board and a member of Black Lives in Music. In November 2022 the workgroup proposed an anti-racism impact statement and action plan which was then approved by the Board and endorsed by all staff. We have continued to work on expanding and enriching our curriculum by interrogating our resources and teaching methodologies, incorporating new materials from diverse cultures and training staff to deliver this work. We aim to ensure that staff and volunteer teams are mindful of being actively anti-racist and all children and young people see themselves represented in the music and cultures engaged with at Big Noise including role models, composers and musicians from diverse ethnic backgrounds. We have researched the historical context of music we use and established a traffic light system whereby songs that are considered inappropriate are no longer used, others may be used with appropriate introduction/discussion and others used freely. A review of our recruitment processes and procedures is underway to encourage and enable a more diverse workplace, with actions taken so far including advertising roles on a broader range of platforms including Black Lives in Music and Youth Link Scotland.

Sustainability

As a charity working with young people towards positive futures, we recognise that reducing our environmental impact and implementing an action plan towards net zero will be a vital part of our work going forward. Our Sustainability Working Group has met regularly during the year to progress this strategic goal and we have engaged an external consultant to lead an audit of each Big Noise programme from which we will address short-, medium- and long-term actions to reduce our carbon footprint and set out a net zero target for the organisation. Our 'Green Champions' across the organisation have also worked to embed sustainability action into our everyday activities such as improving recycling processes, engaging local suppliers and helping young people learn about these issues and respect their environment.

Big Noise Raploch and Big Noise Fallin, Stirling

Established in 2008, **Big Noise Raploch** continues to be our only programme delivering the full Big Noise journey from babies to adults and has this year engaged with around 500 children and young people. All children attending Raploch Nursery, Raploch and Our Lady's Primary Schools and Castleview School (for children with additional support needs) participated in Big Noise sessions each week during school time, and many also took part in after-school and holiday programmes along with older children and young people who live in Raploch and attend Wallace and St Modan's High Schools. Children and community members have also taken part in regular Little Noise sessions and an intergenerational Community Chorus delivered in partnership with Inspiring Communities. During October we were able to open up the holiday club to young musicians from across Stirling to take part.

As well as the cross-centre events mentioned above, young people from Big Noise Raploch have embraced opportunities to develop their confidence and broaden their horizons through a range of performances including at the Scottish Youth Justice Conference, the IRISS conference, local hospices and care homes and the Stirling Open Streets Festival. As our longest-standing programme we have continued to see more and more young people 'graduate' from Big Noise Raploch and begin the next stages of their lives in employment, education and training. Seeing the difference Big Noise has made to the outcomes of these young people confirmed by Glasgow Centre for Population Health's independent research has been wonderful. This year many of these positive destinations have included young people returning to Big Noise to work or volunteer and it has been wonderful to see former participants working with us in roles as varied as HR, administration, support musicians and support workers.

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DIRECTORS' REPORT (continued)

For the year ended 30 June 2023

PROGRAMME REPORTS (continued)

We have continued to learn from and develop **Big Noise Fallin**, our brass programme in Stirling which is managed and delivered drawing on the expertise and experience of our established Raploch team. Big Noise Fallin launched in 2021 and has this year engaged with almost 100 children, who have progressed extremely well and even at this early stage have performed confidently in front of large audiences. In November 2022 Big Noise Fallin won a bronze award in the preparatory category of the Scottish Youth Brass Band Championships, and in February 2023 performed for a large audience at the St James's Place staff conference in Stirling's Macrobert Arts Centre.

Sistema Scotland is grateful to Stirling Council for their financial and in-kind investment in Big Noise Raploch and Big Noise Fallin during 2022/23. The partnership between our two organisations supports the delivery and the development of the programme to ensure the best outcomes for the children of Stirling.

Big Noise Govanhill, Glasgow

In 2022/23 **Big Noise Govanhill** has engaged with around 1,100 children and young people from babies to fifth year of secondary school. We have delivered the programme for children and young people attending four local primary schools (Annette Street, Cuthbertson, Holy Cross and St Bride's), two local secondary schools (Holyrood Secondary and Shawlands Academy) and two local nurseries (Cuthbertson and Govanhill) as well as delivering Baby Noise sessions for pre-nursery aged children along with parents and carers.

One of the most significant developments for Big Noise Govanhill this year has been the move from our original premises at Forsyth House to Govanhill Neighbourhood Centre in July 2022. This has over all been a very positive move and we are already beginning to experience what we believe will be significant long-term benefits, including the ability to deliver our after-school programme from one location, being situated in the heart of the Govanhill community and operating from a space shared with other core community services. The move has not been without its challenges, however; in January we unfortunately found out that some of the upstairs space in our new premises required essential and extensive work to deal with dry rot. Works took place from February to April 2023, requiring Big Noise Govanhill to vacate our office and key delivery spaces for six weeks and temporarily relocate and re-timetable while ensuring all participants were still able to access the programme.

Throughout the year we have continued with Big Noise Govanhill's Nurture Club delivered at our regular after-school sessions and trialled during the pandemic. These smaller, quieter sessions are aimed at children who have trouble engaging in full orchestral groups and are led by our Support Workers, with activities including social activities, emotional check-ins and art, with a long-term aim of supporting children to build their confidence and join in with the music in a way that suits them. Our adult community orchestra – the Del Mondo orchestra – has gone from strength to strength with strong participation from community members, who have enjoyed performing at our community concerts, in local care homes and took a trip to Aberdeen to visit Big Noise Torry.

Many of our Big Noise Govanhill participants are now reaching the age at which they need to make important decisions about their futures after they leave school and Big Noise. This year we have worked closely with our older young people to develop effective support strands based on what they enjoy and find helpful. Through our weekly Youth Voice sessions young people have helped Big Noise Govanhill to develop sessions helping them identify their skills and interests, organised speakers and visitors to share information about different career paths and developed a young teachers programme where participants are supported to help deliver Big Noise sessions.

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Throughout the year young people have had many exciting opportunities through Big Noise alongside their regular participation. In July 2022 three young musicians joined a group from Raploch to perform in London at an event hosted by the Peter Cundill Foundation, which they found an inspiring opportunity to travel, make new friends and gain confidence performing. In October 2022 the BBC Scottish Symphony Orchestra led a residency week at Holyrood Secondary School during which we partnered to deliver a special after-school session. Young people from Big Noise and across Glasgow were joined by professional players from the BBC SSO and guest conductors to learn and rehearse together. We have continued to work hard at building community and family relationships, for example with a week of open evenings for parents to visit the Neighbourhood Centre and observe some Big Noise sessions; this was very well-attended and a wonderful opportunity to connect with families and improve understanding of what Big Noise offers.

Big Noise Torry

Big Noise Torry in Aberdeen has this year engaged with over 800 children and young people from babies to third year of secondary school who attend Walker Road and Tullos Primary and Nursery Schools and Lochside Academy. Big Noise Torry continues to have a temporary dedicated office space at Victoria Road (as the development of the Torry community hub is still ongoing) and delivers the programme onsite across the three partner schools and St Fittick's Church Hall.

Children at Big Noise Torry take part mainly through string and musicianship tuition, however our relatively new percussion programme has continued to embed well this year, offering an alternative route into the programme for young people who have not engaged well on string instruments. Young people from P5 upwards have been taking part in percussion sessions after school, which have included sessions specifically targeted at young people in need of additional support to engage with Big Noise.

Our secondary school aged participants have taken the lead in further developing our youth voice sessions, which began in 2021 and have progressed significantly since then. This year their work has included organising a youth voice 'take over' evening in which they led games and song, acted as support musicians and helped our admin team. Young people have also helped shape the overall delivery of our programme for high school participants, for example incorporating more music tech and composition into our sessions, as well as leading discussions around promoting inclusion at Big Noise with recommendations including LGBT+ inclusion, greater awareness of people's pronouns, use of dyslexia-friendly resources and more repertoire from marginalised communities. Many young people have also taken part in our Young Leaders strand, giving them teaching and leadership experience with supervision through Big Noise and equipping them with skills and experiences that will positively impact their lives and the future community within Torry. Along with their families and wider community members, young people were also instrumental in leading the campaign against Aberdeen City Council's cuts to Big Noise Torry funding in early 2023, for example writing to councillors, starting petitions and attending demonstrations.

We have also worked hard this year to deepen connections with families and members of the wider community in Torry. Staff have carried out monthly visits to the local care home, where their time spent sharing music and social time with residents has helped boost wellbeing. The Big Noise Torry Community Reference Group has also flourished, taking part in monthly get-togethers along with other local groups at the Old Torry Community Centre as well as monthly wellbeing walks celebrating and enjoying the green spaces around Torry.

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DIRECTORS' REPORT (continued)

For the year ended 30 June 2023

PROGRAMME REPORTS (continued)

We are pleased to have delivered a range of exciting events and performances throughout 2022/23, such as a residential trip to Dalguise for around 30 children and young people, a lunchtime concert at Aberdeen's Cowdray Hall and many more community concerts, open days and celebratory events. As well as our organisation-wide partnership with the RSNO, many other local partnerships have brought exciting opportunities for collaboration and creativity. Station House Media Unit has delivered a number of workshops with young people from Big Noise Torry to develop songwriting skills, learn about filmmaking and create a radio show. We have also taken part in a combined art and music project run by a 4th year Music in Communities student at University of Aberdeen, Sarah Boyle, who supported participants to develop their own original music and art connecting to Torry. We were pleased to welcome four NYOS Jazz Young Ambassadors to join us for part of our October holiday club, where they supported delivery, shared music-making approaches and gained experience working with groups of younger musicians.

Big Noise Torry is delivered in partnership with Aberdeen City Council and we are grateful for their financial investment provided during this period.

Big Noise Douglas

Big Noise Douglas in Dundee has engaged with over 550 children and young people over 2022/23, through sessions during school time in Claypotts Castle and St Pius RC Primary Schools in the community, in both schools' nurseries and Baluniefield Nursery and after-school sessions open to all children and young people up to S1 age living or attending school in Douglas. 2022/23 has seen Big Noise Douglas's oldest participants making the transition to high school, with most attending Craigie High School.

As well as continuing with our well-established offer of engaging with Big Noise Douglas through string instruments and musicianship, our percussion strand has continued to develop well. Percussion learning has continued to be an especially effective way of ensuring children learning in the Deaf unit at Claypotts Castle Primary and Craigie High Schools can engage well with Big Noise. We have also been able to offer brass sessions throughout the year to P5s attending St Pius, and hope to be able to expand this in future years.

The Big Noise Douglas community choir, run by local choir leader Alice Marra, has continued to flourish and has expanded to include residents from a local care home. Relationships with the Douglas community have been further strengthened over the year, in particular during the challenging period in early 2023 in response to Dundee City Council's decision to withdraw funding from Big Noise, when community members showed how deeply they value Big Noise Douglas by organising petitions, writing to elected members, campaigning and speaking at the Council's budget setting meeting.

Children and young people have taken part in a range of trips and performances over the year, many marking the 5th birthday of Big Noise Douglas in 2023. In January Big Noise Douglas and Big Noise Raploch participants performed and spoke in front of funders and guests in the spectacular Vista Room at DC Thomson's headquarters in Dundee. Another stand-out celebration was Big Noise Douglas's 5th birthday concert and family festival in June. The event was held in the grounds of Claypotts Castle Primary School, with performances from our orchestras and community choir, free food and face painting. We were especially delighted to welcome First Minister Humza Yousaf to the event, who met with participants, parents and grandparents and heard their stories of the positive impact Big Noise has had on their lives.

Big Noise Douglas is delivered in partnership with Dundee City Council and we are grateful for their financial investment provided during this period.

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DIRECTORS' REPORT (continued)

For the year ended 30 June 2023

PROGRAMME REPORTS (continued)

Big Noise Wester Hailes

Our newest Big Noise programme has now been embedded in the Wester Hailes community in Edinburgh for over a year and has this year engaged with almost 450 children in the community who attend Sighthill, Clovenstone and Canal View Primary Schools. This year we have continued to develop and grow our offering in the community, with children now taking part in in-school sessions, well-attended after-school sessions up to three times weekly and holiday clubs. Our relationships with partner primary schools have developed well, including collaborations with Big Noise on end-of-term events.

At the start of 2023 we moved into our office space at WHALE Arts Agency in the heart of the community, presenting exciting opportunities for developing partnerships with other vital local services. The children of Wester Hailes, who are at the very beginning of their Big Noise journey, have also had opportunities to be inspired by older young people. During our October holiday club we took the children to watch older young people in the Big Noise Govanhill and Big Noise Raploch Symphony Orchestras perform in the Westside Plaza Shopping Centre, which was a very positive and inspiring experience.

Our musicians have worked hard to engage families and community members in our work and build positive relationships and trust in the community. We have introduced Little Noise sessions, which are well attended and allow musicians to develop relationships and trust with families early on in their Big Noise journey. Parents have also engaged well in understanding and sharing in their children's learning; the team held several informal sharing sessions throughout the year, as well as home visits during the holidays and "recital sessions" where after-school participants have performed solos, duets and trios for their parents at the end of after-school sessions. At the end of the summer term our after-school participants performed a Wester Hailes tour of our three partner primary schools. It was an excellent way to end a year of fun and hard work for the children, who embraced the challenge of performing, many for the first time ever.

Big Noise Wester Hailes is delivered in partnership with City of Edinburgh Council.

SUPPORTING OUR STAFF

Sistema Scotland is committed continually to improve the delivery of the programme and the outcomes for the children and young people, developing its work to ensure best practice in all areas.

On-going professional development and training, particularly in the area of safeguarding, is a strategic priority. All staff receive refresher safeguarding/child protection training annually. Over the course of the year, new staff receive a range of mandatory training including safeguarding/child protection, appropriate touch, de-escalation, health and safety, first aid, manual handling and noise awareness. All staff receive supervision sessions every eight weeks: this is protected time with the staff member's line manager and an opportunity to discuss what is going well with his/her work, any issues they may be having, identifying areas for professional development and training, and agreeing on actions to take forward. During our bi-annual training and development weeks over this year, we have had a particular focus on community engagement & participation, inclusive practice, post Covid-19 recovery and equality & diversity.

**SISTEMA SCOTLAND
(A Company Limited by Guarantee)**

DIRECTORS' REPORT (continued)

For the year ended 30 June 2023

VOLUNTEERS

The return to full Big Noise programme delivery in 2022/23 saw an expansion in volunteering, returning close to the historic peak of volunteer involvement. Across the programmes in Raploch, Fallin, Govanhill, Torry, Douglas and Wester Hailes 40 volunteers contributed around 3,200 hours of invaluable support to the children, young people and staff teams. We are enormously grateful to all our volunteers who come from within the communities where we operate and from further afield and bring enthusiasm, skills and compassion providing practical assistance in the smooth running of a Big Noise programme as well as supporting the children and young people with their musical and social development. We are delighted that our volunteers include community members and young people; over the past year we have been particularly successful in recruiting younger volunteers including those who have participated in Big Noise, young people completing the Duke of Edinburgh's Award scheme, and students from local universities. Volunteers receive training in safeguarding/child protection and an induction into the methods and ethos of Sistema Scotland. They are supported at a local level by an identified member of staff and centrally by the Volunteer Support Coordinator.

FINANCIAL REVIEW

Going concern

The board is acutely aware of the challenging fiscal environment, increased demand for funding and the altered profile of the charity's public sector investment. The trustees have considered the effects on the operations and any going concern implications for the charity post year-end.

After making appropriate enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least the next 12 months from the date of approval of these accounts. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Reserves policy

The directors are committed to ensuring the long-term sustainability of each of our Big Noise programmes. On a quarterly basis the Finance Committee reviews the level of reserves to ensure that the charity always has sufficient resources available to be able to honour its contractual commitments in the event of an unexpected funding shortfall. During the year, the Finance Committee undertook a review of the reserves policy based on an assessment of statutory and contractual commitments, and the change in the provenance of funding. As a result, the Board updated its reserves policy to require that a minimum of four months' projected expenditure be held in unrestricted reserves.

In addition to inflationary pressures on existing costs, we project a marked increase in future costs as most of the established Big Noise programmes continue to grow each year. At the year end the charity held free reserves of around £2.1m. This is equivalent to 4 months of our budgeted cost for 2023-24.

SISTEMA SCOTLAND
(A Company Limited by Guarantee)

DIRECTORS' REPORT (continued)

For the year ended 30 June 2023

Principal funding

We are enormously grateful to all who have generously supported the work of Sistema Scotland in this period, those listed here and many others who prefer to remain anonymous:

Aberdeen City Council	The Estate of Margaret Donaldson
Aberdeen Solicitors Property Centre	Dundee Bairs
Amati Global Investors	Dundee City Council
Baillie Gifford	The Ellem Foundation
Misses Barrie Charitable Trust	Ernst Maas Educational Trust
The Gordon & Ena Baxter Foundation	Esmée Fairbairn Foundation
Lorne Campbell	The Gannochy Trust
CMS Charitable Trust	Gordon Fraser Charitable Trust
Creative Scotland's Youth Music Initiative	Michael Gordon
Gavin and Kate Gemmell	St James's Place Charitable Foundation
Glasgow Children's Holiday Food Programme	Stevenson Charitable Trust
Glasgow City Council	Stirling Council
Glasgow Communities Fund	Bruce Stout
Fiona Grant	Summer Holidays Food & Childcare Fund
Mr & Mrs JMB Trust	2022
The van der Kuyl family	Stirlingshire Educational Trust
Lethendy Charitable Trust	STV Children's Appeal
The MacRobert Trust	Tay Charitable Trust
The Stanley Morrison Charitable Trust	The Scottish Government
The National Lottery Community Fund	The Scottish Ministers' Investing in
Northwood Charitable Trust	Communities Fund (via Govanhill Housing
Parabola Foundation	Association)
The Peter Cundill Foundation	Thirkleby Trust
Paul Hamlyn Foundation	University of Stirling
Players of People's Postcode Lottery awarding	William Grant Foundation
funds from Postcode Culture Trust	Ruth and Robin Woodburn
Port of Aberdeen	Diana Yates-Watson
The RS Macdonald Charitable Trust	

INVESTMENT POLICY AND OBJECTIVES

The reserves of the charity are held in either a current account or interest bearing deposit accounts. This is kept under regular review to ensure that sufficient liquidity is maintained to enable the organisation to manage its commitments.

Overview

Income versus the prior year, excluding Gifts in Kind, reduced £686k (12%). In the prior year we received an exceptional private donation of £1.25m to be expensed over a number of years to support the development of Big Noise Wester Hailes. When we exclude this income from the comparative, income is up £564k (13%), largely driven by increase investment in the current year from certain Local Authority partners, an increase in grants from the private sector and additional income from legacies.

Year-on-year expenditure increased by £698k (17%), excluding Gifts in Kind. Around half of this increase was due to the first full year of delivery in Big Noise Wester Hailes and a related increase in central support costs. The remaining increase was due to the impact of cost-of-living awards for staff, inflationary increases from suppliers and a return to a fuller programme delivery in the absence of Covid-19 restrictions.

The resulting surplus for the year of £211k which all was an addition to unrestricted reserves, was welcomed by the Board as our cost base in the year ahead is expected to increase due to inflationary pressures and an expanding delivery model. The resulting level of free reserves is in line with our policy set out above and the Board is satisfied that the financial position of the charity remains sustainable.

**SISTEMA SCOTLAND
(A Company Limited by Guarantee)**

DIRECTORS' REPORT (continued)

For the year ended 30 June 2023

STRUCTURE, GOVERNANCE and MANAGEMENT (continued)

Governing document

The company is limited by guarantee and governed by its Memorandum and Articles of Association and obtained charitable status on 3 January 2008. The liability of its members is limited to £1 each. The company is accepted as a charitable body by HM Revenue & Customs. The Board of Directors sets the policies of the company and the day to day running of the company is controlled by the leadership team.

Recruitment and appointment of new directors

Directors are selected to bring a balance of skills and expertise to the Board, the composition of which is reviewed by the Nomination Committee.

Induction and training of new directors

All newly-appointed directors receive a tailored induction programme, managed by the Company Secretary, including briefings from the Chairman and Chief Executive, meetings with other Board members and staff members, and observation visits to the Big Noise programmes, in order to familiarise themselves with the work of the charity.

Pay policy for senior staff

All directors give of their time freely and no director received remuneration during the year. The Remuneration Committee reviews the annual salary of all staff, including the key management personnel of Chief Executive Officer and two Director level posts, and makes recommendations to the Board of Sistema Scotland. The Committee considers any changes or additional responsibilities in the roles, benchmarking with comparable organisations (which includes both reviewing salary levels and what other comparable organisations are paying as an annual cost of living award) and the affordability to Sistema Scotland of any increases.

Organisational structure

Sistema Scotland is governed by a Board which meets at least quarterly and is responsible for the strategic direction of the charity. The Board currently comprises eight non-executive members drawn from a variety of professional backgrounds relevant to the work of the charity. The mix of skills and experience on the Board ensures that members are able to maintain robust and effective oversight of the affairs of the organisation. Trustee indemnity insurance is in place for the benefit of trustees.

The Board has established seven sub-committees:

1. Audit Committee - comprising three non-executive Board members, the Audit Committee meets at least twice per year to oversee the audit of the annual accounts, appointment of auditors, risk management, internal control and financial procedures, IT, compliance and health and safety.
2. Finance Committee - comprising three non-executive Board members, the Finance Committee meets at least quarterly to scrutinise the management accounts, to review any significant investment plans and to monitor cash flow projections and the progress of fundraising activities.
3. Music Committee - comprising three non-executive Board members together with the Director of Music and Curriculum, the Music Committee gives independent advice and support to the Director of Music on all musical matters. It is planned to broaden the remit of the Music Committee to encompass inclusion and to support the new Director for Children, Young People and Communities role.
4. Remuneration Committee - comprising three non-executive Board members, the Remuneration Committee meets at least twice per year and reviews and makes recommendations to the Board of Sistema Scotland on all salary levels across the organisation including for new posts and the key roles of Chief Executive Officer, Director of Music and Curriculum, and Director for Children, Young People and Communities.
5. Nomination Committee - comprising the Board Chairman and two non-executive Board members, the Nomination Committee oversees and makes recommendations regarding the balance of skills on the Board, succession planning, and the recruitment and appointment of Board members. It is intended to combine the Nomination and Remuneration Committees during 2023/24.

**SISTEMA SCOTLAND
(A Company Limited by Guarantee)**

DIRECTORS' REPORT (continued)

For the year ended 30 June 2023

STRUCTURE, GOVERNANCE and MANAGEMENT (continued)

Organisational structure (continued)

6. Ethics Committee - comprising three non-executive Board members, the Ethics Committee has been constituted should it be necessary for the Board to consider ethical matters including certain major new partnerships and funding commitments.

7. Public Affairs Committee - comprising three non-executive Board members, the Public Affairs Committee meets as required to oversee the public affairs activities of the organisation.

The leadership team is headed by a Chief Executive who reports to the Board. Throughout the financial year and until 11 August 2023, the role of Chief Executive was undertaken on a part time basis by Nicola Killean OBE. The Director of Music and Curriculum and the Director for Children, Young People and Communities report to the Chief Executive.

The following specialist areas (through a combination of full and part time posts) report to the Chief Executive:

Finance, HR & OD, Communications & Marketing, Fundraising & Governance, Administration and Evaluation. These functions are supported by officers and administrators as appropriate.

The Heads of Centre for Big Noise Raploch & Fallin, Big Noise Govanhill, Big Noise Torry, Big Noise Douglas and Big Noise Wester Hailes report to the Director for Children, Young People and Communities. Each Head of Centre is supported by a small team of Senior Musicians, an Operations Manager, administrator(s) and a team comprising musicians, curriculum leaders, support workers and volunteers. Including Heads of Centre, Sistema Scotland employs 101 musicians, 29 support workers and 37 other staff (e.g. administrators, operations managers and central team roles).

As well as an internal IT Officer, the organisation is supported by an outsourced IT helpdesk.

The total number of employees as at end June 2023 was 167 (equating to 104.08 full time equivalent posts).

Related parties

Sistema Scotland owns 100% of the share capital of Sistema Scotland (Trading) Limited, which was set up on 22 August 2011. The wholly owned subsidiary is non-trading.

Risk management

An organisational risk register is in place, detailing the key risks facing the organisation and the systems and procedures implemented to mitigate these risks. It includes an assessment of the impact and likelihood of each risk, along with a risk heat map. The risk register is compiled and updated by the leadership team; it is kept under ongoing review by the Audit Committee at each of its meetings and is reviewed biannually by the full Board. During the year, the Audit Committee and Board adopted a risk appetite statement defining the Board's appetite to risk (and related metrics) across the categories of operational, financial, external, compliance and governance.

The directors consider that the principal risks facing the organisation are safeguarding (including child protection); securing funding to ensure the long-term sustainability of the organisation; loss of key personnel and staff capacity; inflationary pressures on budgets; and cyber security. During the year, principal risks were added relating to the changing profile of public sector funding towards increased direct Scottish Government investment, and leadership changes arising from the departure of the founding Chief Executive Officer. A number of detailed mitigating actions have been identified in relation to each of these risks.

Safeguarding and Health and Safety are items on the agenda of every Board meeting. Underpinning the organisation's management of risk is a range of policies and procedures including Safeguarding (encompassing Child Protection, One-to-one and online teaching), Protection of Vulnerable Groups, Health & Safety, Data Protection, Confidentiality and a number of other staffing and operational policies.

**SISTEMA SCOTLAND
(A Company Limited by Guarantee)**

DIRECTORS' REPORT (continued)

For the year ended 30 June 2023

STRUCTURE, GOVERNANCE and MANAGEMENT (continued)

Risk management (continued)

These are reviewed every two years (every year for Safeguarding and Health & Safety) or sooner if the need to do so is identified. All policies and procedures are communicated to new staff as part of the induction process and via team meetings for existing staff, and copies are available online to all staff.

The expenditure and funding forecasts are scrutinised monthly by key members of the leadership team and quarterly by the Finance Committee (as previously outlined). The Audit Committee oversees the internal control environment to ensure that Sistema Scotland's financial processes and division of responsibilities are robust and appropriate for the growing scale of the organisation.

Future developments (including significant events after 30 June 2023)

Following the announcement of our founding CEO Nicola Killean's nomination as the next Commissioner for Children and Young People Scotland in April 2023, Nicola left Sistema Scotland in August to begin her new role. In September 2023 Sistema Scotland announced that Vicky Williams will be appointed as our next CEO following a rigorous recruitment process. Vicky has been part of Sistema Scotland for 13 years and a member of our senior leadership team for the past ten as Head of Centre for Big Noise Raploch and Fallin. She began her new role in November, taking over from Interim CEO Maggie Cunningham, a founding Board member of Sistema Scotland until 2019..

In other leadership news, in August 2023 David Munn took on the role of Director for Music and Curriculum. David will build on his many years of experience working as a lower strings Musician and Senior Musician with Big Noise Raploch to ensure we have the highest quality programme for the children and young people. Our recently appointed Director for Children, Families and Communities, Paul Sullivan, will over the coming year continue to embed his work championing Big Noise participants and ensuring Sistema Scotland is effectively supporting their rights, amplifying their voices and representing our communities.

Throughout July all of our Big Noise centres delivered successful and well-attended summer clubs, with over 550 children and young people taking part. The holiday clubs offered fun musical activities, crafts, sports and games as well as a free healthy meal for participants each day.

A busy programme of performances and events has also continued. In August participants from across our Big Noise programmes joined Sistema Scotland's patron and world-renowned conductor Gustavo Dudamel for his appearance as part of the Scottish Parliament's Festival of Politics. Gustavo's speech focused on his belief in the transformative power of music and he highly commended the efforts of Big Noise, also meeting with participants and answering their questions after the event. Following this Big Noise Raploch's Rinconada Chamber Orchestra had the opportunity to perform in the Parliament alongside musicians from the Simón Bolívar Symphony Orchestra. They later performed their own show as part of the Edinburgh Festival Fringe. Throughout 2023/24 we will continue to offer exciting and memorable performances and trips for children and young people, including several side-by-side performances already planned as part of our partnership with the RSNO.

In future delivery plans, we will continue to work with over 3,500 children and young people across our six Big Noise programmes. Our team in Big Noise Torry will this year be moving into their new long-term base in the Torry Hub once construction is completed (currently expected in October 2023). We are looking forward to having our office space, storage and much of our after-school delivery in one venue, which we anticipate will resolve many logistical challenges and allow young people from the different schools in Torry to learn and play together more easily.

**SISTEMA SCOTLAND
(A Company Limited by Guarantee)**

DIRECTORS' REPORT (continued)

For the year ended 30 June 2023

Following the decisions of three local authority partners to withdraw funding from Big Noise in early 2023, much of our focus will be on ensuring a continued robust and sustainable funding model to support the delivery of our Big Noise programmes for future years. We will continue to work closely with Scottish Government with a view to sustaining its valuable investment in the future of children in Scotland at an increased level, as well as retaining and developing strong relationships with all other public and private sector funders and exploring new funding sources.

Statement of directors' responsibilities

The directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume the charitable company will continue in operation.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are directors at the time when the Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditors

The auditor, CT, has indicated their willingness to continue in office. The directors will propose a motion reappointing the auditor at a meeting of the directors.

This report was approved by the directors, on 4 December 2023 and signed on their behalf by:

Angiolina Foster

**Angiolina Foster CBE
Director**

INDEPENDENT AUDITOR'S REPORT to the DIRECTORS of**SISTEMA SCOTLAND
(A Company Limited by Guarantee)****For the year ended 30 June 2023****Opinion**

We have audited the financial statements of Sistema Scotland (the 'charitable company') for the year ended 30 June 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 charitable company's affairs as at 30 June 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year 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 Companies Act 2006, 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 charitable company 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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' annual report, other than the financial statements and our auditors' 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 AUDITOR'S REPORT to the DIRECTORS of

SISTEMA SCOTLAND (A Company Limited by Guarantee)

For the year ended 30 June 2023

Opinion on Other Matters Prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on Which We are Required to Report by Exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors 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 Directors 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 Directors are responsible for assessing the charitable company'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 Directors either intend to liquidate the charitable company 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 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the industry in which it operates and considered the risks of acts by the charitable company which were contrary to applicable laws and regulations, included fraud. These included but were not limited to the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

INDEPENDENT AUDITOR'S REPORT to the DIRECTORS of

**SISTEMA SCOTLAND (continued)
(A Company Limited by Guarantee)**

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- review of minutes of Board meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Directors, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and Directors 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 charitable company, the charitable company's members as a body and the charitable company's Directors as a body, for our audit work, for this report, or for the opinions we have formed.



Jeremy Chittleburgh (Senior Statutory Auditor)

For and on behalf of CT
Chartered Accountants and Statutory Auditors
61 Dublin Street, Edinburgh, EH3 6NL

Date: 21 December 2023

CT are eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

SISTEMA SCOTLAND
(A Company Limited by Guarantee)

STATEMENT of FINANCIAL ACTIVITIES
(incorporating Income and Expenditure Account)

For the year ended 30 June 2023

	Note	Restricted 2023 £	Un- restricted 2023 £	Total Funds 2023 £	Total Funds 2022 Restated £
Income from:					
Donations and legacies	4	4,331,182	816,659	5,147,841	5,837,986
Charitable activities – other income		884	-	884	300
Investments – Bank interest		-	23,075	23,075	1,021
		-----	-----	-----	-----
Total income		4,332,066	839,734	5,171,800	5,839,307
		-----	-----	-----	-----
Expenditure on					
Raising fund	5	111,098	69,463	180,561	169,724
Charitable activities	6	4,243,529	536,444	4,779,973	4,074,727
		-----	-----	-----	-----
Total expenditure		4,354,627	605,907	4,960,534	4,244,450
		-----	-----	-----	-----
Net movement in funds		(22,561)	233,827	211,266	1,594,857
		=====	=====	=====	=====
Reconciliation of funds					
Total funds brought forward		1,750,419	1,872,579	3,622,998	2,028,141
Net movement in funds		(22,561)	233,827	211,266	1,594,857
		-----	-----	-----	-----
Total funds carried forward		1,727,858	2,106,406	3,834,264	3,622,998
		=====	=====	=====	=====

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources are derived from continuing activities

SISTEMA SCOTLAND
(A Company Limited by Guarantee)

BALANCE SHEET

As at 30 June 2023

	Notes	2023		2022
		£	£	restated
		£	£	£
Fixed assets				
Investments	12		100	100
Current assets				
Debtors	13	48,008	353,128	
Investments		2,024,137	109,157	
Cash and cash equivalents		2,144,243	3,547,495	
		-----	-----	
		4,216,388	4,009,780	
Creditors: amounts falling due within one year	14	(382,224)	(386,882)	
		-----	-----	
Net current assets			3,834,164	3,622,898
			-----	-----
Total net assets			3,834,264	3,622,998
			=====	=====
Charity funds				
Restricted funds	16	1,727,858		1,750,419
Unrestricted funds	16	2,106,406		1,872,579
			-----	-----
Total funds			3,834,264	3,622,998
			=====	=====

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the directors on 4 December 2023 and signed on their behalf by:

Angiolina Foster

Angiolina Foster CBE
Director

Registered number: SC312903

The notes on pages 24 to 33 form part of these financial statements.

SISTEMA SCOTLAND
(A Company Limited by Guarantee)

STATEMENT of CASH FLOWS

For the year ended 30 June 2023

	Notes	2023	2022
		£	£
Cash flows from operating activities			
Net cash used in operating activities	17	488,653	1,498,134
		-----	-----
Cash flows from investing activities			
Dividends, interest and rents from investments		23,075	1,021
Additional money held on deposit		(1,913,255)	(879)
		-----	-----
Net cash provided by investing activities		(1,891,905)	142
		-----	-----
Change in cash and cash equivalents in the year		(1,403,252)	1,498,276
Cash and cash equivalents at the beginning of the year		3,547,495	2,049,219
		-----	-----
Cash and cash equivalents at the end of the year	19	2,144,243	3,547,495
		=====	=====

SISTEMA SCOTLAND
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. General information

The charity is a company limited by guarantee and the registered office is Raploch Community Campus, Drip Road, Stirling, FK8 1RD. The members of the company are the Directors named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Accounting policies

Basis of preparation of the financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) – Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Sistema Scotland meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Going concern

In common with other charitable organisations, Sistema Scotland is dependent on income from its donors, grant givers and other supporters to ensure its objectives continue to be achieved for the longer term. The directors have reviewed and updated the charity's forecasts and cashflows for potential future income streams and activities including actions that could be taken should income reduce. The charity has good relationships with its suppliers and funders and has no reason to believe that this will not continue in the current and future years. After taking all these factors into account, the directors are of the opinion that Sistema Scotland has and will have adequate financial resources to continue its activities for at least the next 12 months from when the accounts are approved and hence the accounts are prepared on a going concern basis.

Group financial statements

The company does not prepare consolidated group financial statements as it is entitled for the year ended 30 June 2023 to the exemption conferred by Section 405 of the Companies Act 2006, as the exclusion of the subsidiary company is not considered by the directors to be material for the purpose of giving a true and fair view. Information is therefore presented for the individual company and not its group. The principal activity, net assets and results of the subsidiary company are detailed in note 11.

Income

All income is recognised once the charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of a probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Grants are included in the Statement of Financial Activities on receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

**SISTEMA SCOTLAND
(A Company Limited by Guarantee)**

NOTES to the FINANCIAL STATEMENTS

For the year ended 30 June 2023

2. Accounting policies (continued)

Income (continued)

Donated professional services and facilities are recognised on the basis of the value of gift to the Company which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Raising funds expenditure comprises costs incurred in connection with administration of the company and compliance with constitutional and statutory requirement.

All expenditure is inclusive of irrecoverable VAT.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the Bank.

Tangible fixed assets and depreciation

For accounting purposes Sistema Scotland establishes £15,000 as the threshold amount for minimum capitalisation of fixed assets and instruments. Any item costing below this amount will be expenses in the Statement of Financial Activities incorporating income and expenditure account.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the Balance Sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities incorporating income and expenditure account.

Taxation

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

Investments

Fixed asset investments

Investments in subsidiaries are valued at cost less provision for impairment.

Current asset investments

Monies held on deposit with a maturity date exceeding three months are classified as current asset investments.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**SISTEMA SCOTLAND
(A Company Limited by Guarantee)**

NOTES to the FINANCIAL STATEMENTS

For the year ended 30 June 2023

2. Accounting policies (continued)

Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments.

Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

Financial instruments

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

Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities Incorporating Income and Expenditure account on a straight line basis over the lease term.

Pensions

The charitable company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charitable company to the fund in respect of the year.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the directors in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

Critical accounting estimates and areas of judgement

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires the trustees to exercise judgements in applying the charity's accounting policies. The trustees have reviewed these and concluded there are no areas requiring a higher degree of judgement, or complexity, and no areas where assumptions or estimates are most significant to the financial statements.

SISTEMA SCOTLAND
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS

For the year ended 30 June 2023

3. Restatement

The prior year comparative figures have been restated to recognise Postcode Culture Trust grant funding in the year it is received rather than in the year it is spent.

	Restricted funds	Unrestricted funds	Total funds	
	2022	2022	2022	
	£	£	£	
Reconciliation of funds				
Funds as previously reported	1,541,283	1,872,579	3,413,862	
Recognition of additional income	209,136	-	209,136	
	-----	-----	-----	
	1,750,419	1,872,579	3,622,998	
	-----	-----	-----	
Reconciliation of income and expenditure	2022	2022	2022	
	£	£	£	
Net movement in funds as previously reported	1,416,070	(30,349)	1,385,721	
Recognition of additional income	209,136	-	209,136	
	-----	-----	-----	
	1,625,206	(30,349)	1,594,857	
	-----	-----	-----	
4. Income from donations and legacies	Restricted funds	Unrestricted funds	Total funds	Total funds
	2023	2023	2023	2022
	£	£	£	<i>restated</i>
				£
Grants				
Local authority funding	1,906,607	-	1,906,007	1,592,410
Scottish government funding	1,100,000	-	1,100,000	1,100,000
Other public funding	159,910	-	159,910	328,850
Private sector funding	496,762	387,520	884,282	524,232
Postcode Culture Trust	600,000	-	600,000	650,000
	-----	-----	-----	-----
	4,262,679	387,520	4,650,199	4,195,492
	-----	-----	-----	-----
Donations	68,503	105,914	174,417	1,243,495
Legacies	-	183,000	183,000	35,732
Gifts in kind	-	120,508	120,508	102,253
Gift Aid	-	19,717	19,717	261,014
	-----	-----	-----	-----
	68,503	429,139	497,642	1,642,494
	-----	-----	-----	-----
	4,331,182	816,659	5,147,841	5,837,986
	=====	=====	=====	=====
Public sector funding is split as follows;				
			2023	2022
			£	£
Glasgow City Council			233,154	233,102
Aberdeen City Council			621,000	573,760
Stirling City Council			428,500	442,695
Dundee City Council			623,353	350,000
Scottish Government			1,100,000	1,100,000
Sottish Government – Investing in Communities			90,000	90,000
Creative Scotland			69,910	224,929

SISTEMA SCOTLAND
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NOTES to the FINANCIAL STATEMENTS

For the year ended 30 June 2023

	Restricted funds 2023	Unrestricted funds 2023	Total funds 2023	Total funds 2022
	£	£	£	£
5. Expenditure on raising funds				
Fundraising	3,270	4,225	7,495	4,718
Staff costs	107,828	65,238	173,066	165,006
	-----	-----	-----	-----
	111,098	69,463	180,561	169,724
	=====	=====	=====	=====
	Direct costs 2023	Support costs 2023	Total funds 2023	Total funds 2022
	£	£	£	£
6. Analysis of expenditure by activities				
Improving lives, strengthening communities	3,282,415	1,497,558	4,779,973	4,074,727
	=====	=====	=====	=====
	Activities Undertaken Directly 2023	Support costs 2023	Total funds 2023	Total funds 2022
	£	£	£	£
Analysis of direct costs				
Staff costs	2,305,381	595,717	2,901,098	2,750,625
Room hire	17,490	2,396	19,886	15,957
Miscellaneous programme costs	57,134	20,576	77,710	57,644
Children's catering	63,385	8,588	71,973	54,581
Performances, trips and events	38,780	10,417	49,197	38,056
Staff training	30,126	17,126	47,252	47,291
Instruments	69,665	45,634	115,299	100,623
	-----	-----	-----	-----
	2,581,961	700,454	3,282,415	3,064,779
	=====	=====	=====	=====
Analysis of support costs				
Staff costs	694,852	281,013	975,865	559,402
Insurance	11,210	8,515	19,725	9,964
Telephone and IT	120,214	25,685	145,899	104,212
Postage and stationery	4,722	7,423	12,145	14,105
Sundries	6,525	6,891	13,416	15,074
Recruitment costs	7,831	15,118	22,949	33,807
Development	2,488	11,344	13,832	7,437
Translation	170	-	170	503
Bank charges	13	1,845	1,858	1,736
Marketing, evaluation and website	2,815	3,645	6,460	6,066
Office expenses	18,929	3,492	22,421	31,895
Property costs	85,882	93,155	179,037	148,959
Travel subsistence	8,698	3,480	12,178	9,104
Governance costs	38,083	33,520	71,603	67,682
	-----	-----	-----	-----
	1,002,432	495,126	1,497,558	1,009,948
	=====	=====	=====	=====

Governance costs include staff costs of £39,510 (2022: £43,019).

7. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £10,800 (2022: £7,800) and non-audit fees of £2,340 (2022: £1,920).

SISTEMA SCOTLAND
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NOTES to the FINANCIAL STATEMENTS

For the year ended 30 June 2023

8. Staff costs	2023	2022
	£	£
Wages and salaries	3,548,206	3,044,598
Social security costs	287,153	225,773
Other pension schemes	151,155	141,304
	-----	-----
External consultants and self employed musicians fees	3,986,514	3,411,675
	103,025	106,377
	-----	-----
	4,089,539	3,518,052
	=====	=====

The average number of persons employed by the charitable company during the year was as follows:

	2023	2022
	No.	No.
Management and administration staff	38	35
Musicians and support workers	127	108
	-----	-----
	165	143
	=====	=====

One employee received remuneration between £60,000-£69,999 in 2023 (2022 none).

The company considers its key management personnel comprise the Chief Executive Officer and the Directors. The total employer benefits of the key management personnel were £127,258 (2022: £123,022).

9. Directors' remuneration and expenses

During the year, no directors received any remuneration or other benefits (2022: £Nil).

During the year ended 30 June 2023, travel and subsistence expenses totalling £38 (2022: £320) were reimbursed to one director (2022: three directors).

10. Gifts in kind

Gifts in kind included the following:

Stirling Council provided services and accommodation to the value of £35,887 (2022 - £33,446).
Aberdeen City Council provided services and accommodation to the value of £8,903 (2022 - £8,903).
Dundee City Council provided services and accommodation to the value of £29,307 (2022 - £27,313).
Musical instruments were gifted from a variety of sources worth approximately £36,181 (2022 - £10,649).
Arnold Clark provided a people carrier and vans for a FOC value £2,860 (2022 - £1,188).
Capital Document Solutions provided printing services worth approximately £2,707 (2022 - £9,862).
G-Suite Licensing provided licensing services worth approximately £Nil (2022 - £6,748).
Other gifts in kind totalled £4,663 (2022 - £4,144).

These have been entered as gifts in kind in income and in the appropriate expenditure category.

SISTEMA SCOTLAND
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS

For the year ended 30 June 2023

	Investments In subsidiary companies
	£
11. Fixed asset investments	
Cost or valuation	
At 1 July 2022	100
	=====
At 30 June 2023	100
	=====

Principal subsidiaries

The following was subsidiary undertaking of the charitable company:

Name	Holding
	%
Sistema Scotland (Trading) Limited – Dormant	100
	=====

The aggregate of the share capital and reserves at 30 June 2023 of the subsidiary undertaking was as £45

12. Debtors	2023	2022
	£	£
Due within one year		
Trade debtors	530	62,978
Other debtors	44,120	284,725
Prepayments and accrued income	3,358	5,425
	-----	-----
	48,008	353,128
	=====	=====

13. Creditors: amounts falling due within one year	2023	2022
	£	Restated
		£
Trade creditors	57,231	91,325
Other taxation and social security	74,985	73,859
Other creditors	40,740	41,307
Accruals and deferred income	209,268	180,391
	-----	-----
	382,224	386,882
	=====	=====

SISTEMA SCOTLAND
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS

For the year ended 30 June 2023

14. Creditors: amounts falling due within one year (continued)	2023	2022
	£	Restated
		£
Deferred income		
Balance as at 1 July 2022	71,374	53,805
Amount released to incoming resources	(37,500)	(19,931)
Amount deferred in year	47,322	37,500
	-----	-----
	81,196	71,374
	=====	=====

Deferred income represents performance related donations for future periods.

15. Statement of funds	Balance at		Expend-	Balance at
	1 July	Income	iture	30 June
	2022	£	£	2023
	£	£	£	£
Unrestricted funds				
General	1,872,579	839,734	(605,907)	2,106,406
Restricted funds				
Big Noise Raploch & Fallin	48,147	742,324	(780,439)	10,032
Big Noise Govanhill	68,130	874,255	(877,761)	64,624
Big Noise Torry	24,330	793,011	(800,673)	16,668
Big Noise Douglas	50,676	768,728	(616,324)	203,080
Big Noise – Wester Hailes	1,340,000	218,181	(323,181)	1,235,000
Postcode Culture Trust	209,136	600,000	(659,136)	150,000
Core costs	10,000	335,567	(297,113)	48,454
	-----	-----	-----	-----
Total restricted funds	1,750,419	4,332,066	(4,354,627)	1,727,858
	-----	-----	-----	-----
Total	3,622,998	5,171,800	(4,960,534)	3,834,264
	=====	=====	=====	=====

Statement of funds – prior year	Balance at		Expend-	Balance at
	1 July	Income	iture	30 June
	2021	Restated	Restated	2022
	£	£	£	Restated
		£	£	£
Unrestricted funds				
General	1,902,928	470,967	(501,316)	1,872,579
Restricted funds				
Big Noise Raploch & Fallin	5,000	795,202	(752,055)	48,147
Big Noise Govanhill	95,037	836,598	(863,505)	68,130
Big Noise Torry	12,230	723,794	(711,694)	24,330
Big Noise Douglas	12,946	616,329	(578,599)	50,676
Big Noise Wester Hailes	-	1,434,671	(94,671)	1,340,000
Postcode Culture Trust	-	650,000	(440,864)	209,136
Core costs	-	311,746	(301,746)	10,000
	-----	-----	-----	-----
Total restricted funds	125,213	5,368,340	(3,743,134)	1,750,419
	-----	-----	-----	-----
Total	2,028,141	5,839,307	(4,244,450)	3,622,998
	=====	=====	=====	=====

Big Noise restricted income is spent on the Big Noise project it is received for. Funding received from the Postcode Culture Trust is spent in line with the agreed projects with the Trust each year.

SISTEMA SCOTLAND
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS

For the year ended 30 June 2023

16. Analysis of net assets between funds

Current year	Restricted 2023	Un- restricted 2023	Total 2023
	£	£	£
Fixed asset investments	-	100	100
Current assets	1,727,858	2,488,530	4,216,388
Creditors due within one year	-	(382,224)	(382,224)
	-----	-----	-----
Total	1,727,858	2,106,406	3,834,264
	=====	=====	=====
Prior year	Restricted 2022	Un- restricted 2022	Total 2022
	Restated £	Restated £	Restated £
Fixed asset investments	-	100	100
Current assets	1,750,419	2,259,361	4,009,780
Creditors due within one year	-	(386,882)	(386,882)
	-----	-----	-----
Total	1,750,419	1,872,579	3,622,998
	=====	=====	=====

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2023	2022
	£	Restated £
Net income for the year (as per Statement of Financial Activities)	211,266	1,594,857
	=====	=====
Adjustments for:		
Dividends, interest and rents from investments	(23,075)	(1,021)
(Increase)/decrease in debtors	305,120	(263,546)
Increase/(decrease) in creditors	(4,658)	167,843
	-----	-----
	488,653	1,498,133
	=====	=====

18. Analysis of change in net funds	At 1 July 2022	Cash flows	At 30 June 2023
	£	£	£
Cash at bank and in hand	3,547,495	(1,403,252)	2,144,243
	=====	=====	=====

19. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are invested and managed independently of the finances of the company. Contributions payable are charged in the income and expenditure as incurred. Contributions of £151,155 were payable (2022: £141,304). Payments of £26,972 (2022: £23,508) were due at the year end.

SISTEMA SCOTLAND
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NOTES to the FINANCIAL STATEMENTS

For the year ended 30 June 2023

20. Operating lease commitments

At 30 June 2023 the charitable company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£	£
Within one year	16,591	13,791
In 2 – 5 years	5,334	-
	-----	-----
	21,925	13,791
	=====	=====

Lease payments recognised as an expense in the Statement of Financial Activities totalled £63,110 (2022 £43,265).

21. Contingent Assets

As at the year end, the charity has been notified of three (2022; one) legacies where the disbursements had not been concluded at the year-end. Therefore, no amount has been accrued into the financial statements in respect of these legacies, which are estimated to have a combined total of £420,000 (2022; £378,000).

22. Related parties

One Trustee is also a Trustee of the RSNO. During the year the charity received RSNO fees for services totalling £339 (2022;£101). At the year end there was a creditor balance of £Nil (2022; £Nil) due to the RSNO.

Two Trustees are also a Trustees of the Royal Conservatoire of Scotland. During the year the charity paid the Royal Conservatoire of Scotland fees for services totalling £5,740 (2022;£844). At the year end there was a creditor balance of £1,040 (2022; £Nil) due to the Royal Conservatoire of Scotland.