

RSNO

SCOTLAND'S NATIONAL
ORCHESTRA

Annual Report

FOR THE YEAR ENDED 31 MARCH 2020

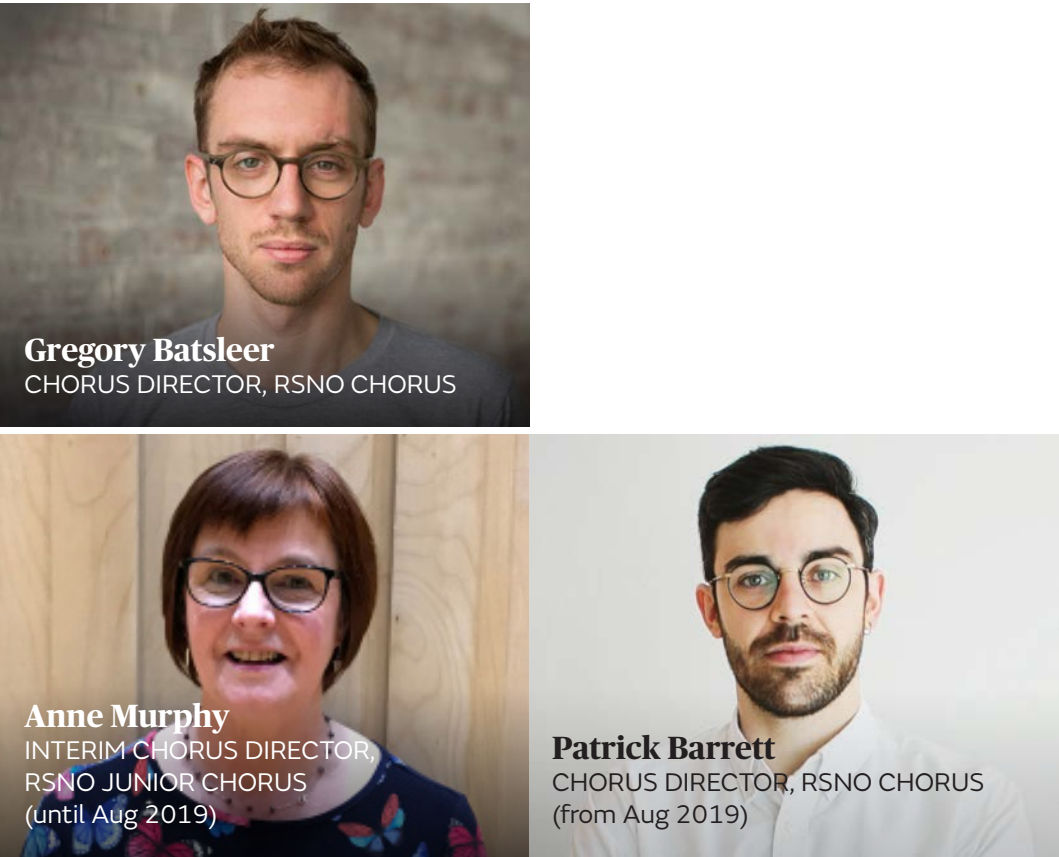


Patron: Her Majesty The Queen

RSNO Artistic Team



RSNO Chorus Artistic Team



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The Orchestra

World-class music for the people of Scotland and beyond.

Formed in 1891 as the Scottish Orchestra, in 1950 it became the Scottish National Orchestra and was awarded Royal Patronage in 1977. Throughout its history, the Orchestra has played an integral part in Scotland's musical life, including performing at the opening ceremony of the Scottish Parliament building in 2004. Many renowned conductors have contributed to its success, including George Szell, Sir John Barbirolli, Walter Susskind, Sir Alexander Gibson, Neeme Järvi, Bryden Thomson, Walter Weller, Alexander Lazarev, Stéphane Denève and Peter Oundjian.

The Orchestra's artistic team is led by Danish conductor Thomas Søndergård, who was appointed RSNO Music Director in 2018, having previously held the position of Principal Guest Conductor. Hong Kong-born Elim Chan succeeded Søndergård as Principal Guest Conductor.

The RSNO performs across Scotland, including concerts in Glasgow, Edinburgh, Dundee, Aberdeen, Perth and Inverness. The Orchestra appears regularly at the Edinburgh International Festival and the BBC Proms at London's Royal Albert Hall, and has made recent tours to the USA, China and throughout Europe. The RSNO was an active participant in the cultural programme of the 2014 Commonwealth Games, held in Glasgow, and in the same year hosted the Ryder Cup Gala Concert at Glasgow's SSE Hydro.

The Orchestra is joined for choral performances by the RSNO Chorus, directed by Gregory Batsleer. The RSNO Chorus evolved from a choir formed in 1843 to sing the first full performance of Handel's *Messiah* in Scotland. Today the RSNO Chorus is one of the most distinguished large symphonic choruses in Britain, with a membership of 125. The Chorus has performed nearly every work in the standard choral repertoire, along with contemporary works by renowned composers including John Adams, Danny Elfman, Magnus Lindberg, James MacMillan and Howard Shore. The acclaimed RSNO Junior Chorus, formed in 1978 by Jean Kidd, also performs regularly alongside the Orchestra. The Junior Chorus, under

Patrick Barrett, its recently appointed Chorus Director, has a membership of 380, with members aged from 7 to 18. The RSNO Junior Chorus has built up a considerable reputation singing under some of the world's most distinguished conductors and appearing on radio and television.

The RSNO has a worldwide reputation for the quality of its recordings, receiving two Diapason d'Or de l'année awards for Symphonic Music (Denève/Roussel 2007; Denève/Debussy 2012) and eight GRAMMY Awards nominations. Over 200 releases are available, including the complete symphonies of Sibelius (Gibson), Prokofiev (Järvi), Glazunov (Serebrier), Nielsen and Martinů (Thomson) and Roussel (Denève), and the major orchestral works of Debussy (Denève). Thomas Søndergård's first recording with the Orchestra (Strauss' *Ein Heldenleben*) was released on the Linn label in April 2019, with two Prokofiev symphonies following in February 2020.

The RSNO's pioneering Music for Life framework aims to engage the people of Scotland with music across key stages of life: Early Years, Nurseries & Schools, Teenagers & Students, Families, Accessing Lives, Working Lives and Retired & Later Life. The RSNO is committed to placing the Orchestra at the centre of Scottish communities across the length and breadth of the country.



‘The RSNO and Thomas Søndergård are a class act, their chemistry arrestingly instinctive and mutually conducive.’ THE SCOTSMAN

Chair's Report



2019:20 has been a year of music-making of the highest standard by the Royal Scottish National Orchestra. The Orchestra has performed to growing audiences across the country, garnering well-deserved acclaim from media and concert-goers alike.

Thomas Søndergård, in his second Season as Music Director, has continued to build strong and reciprocal relationships with the Orchestra's musicians, audiences, supporters and the media. His performances of music by Richard Strauss and Mahler have been particular stand-outs. He has also led the Orchestra on hugely successful tours to the USA's West Coast, Paris, the Netherlands, Belgium and Germany.

I would like to thank Thomas for his outstanding contribution during the year, as well as the other members of the Orchestra's artistic team: Principal Guest Conductor Elim Chan, Assistant Conductor Junping Qian and RSNO Chorus Director Gregory Batsleer. Thank you to Interim RSNO Junior Chorus Director Anne Murphy for her sterling contribution. And an enthusiastic welcome to Patrick Barrett, the RSNO Junior Chorus' new Director, who joined in August 2019.

The RSNO continues to attract guest artists of the highest calibre, but it was a special pleasure in November 2019 to welcome back former Principal Conductor, and now Conductor Laureate, Neeme Järvi for concerts of French repertoire in Edinburgh and Glasgow.

The Orchestra has continued to appear at high-profile cultural events outwith the main Edinburgh and Glasgow Seasons. Most notable in Summer 2019 were two visits to the Edinburgh International Festival, for five-star performances of works by Sir James MacMillan and Richard Strauss, and an overwhelming concert performance of Wagner's *Götterdämmerung*.

Recording is a major part of the Orchestra's activities, with commercial releases during 2019:20 including Thomas' first two CDs with the RSNO, of Strauss' *Ein Heldenleben* and Prokofiev's Symphonies Nos 1 and 5 on Linn Records, alongside Elim's Decca recording of Chopin's Piano Concertos with soloist Benjamin Grosvenor.

I wish to recognise and thank all the loyal subscribers and audiences across Scotland who have supported the RSNO at performances throughout the year.

I am extremely grateful to the Scottish Government for the support it provides to the RSNO. I would also like to thank the RSNO's generous private supporters, corporate partners and the Councils of Glasgow, Edinburgh, Dundee and Aberdeen for their significant contributions. These enable the Orchestra to deliver artistic excellence, continued international reach and an exciting and expanding engagement programme (via the ambitious Music for Life initiative).

I would like to record my sincere thanks on behalf of the Board of Directors to cellist Ruth Rowlands and in particular to violinist Christopher Ffoulkes (who retired after 41 years of loyal and dedicated service), who left the Orchestra in 2019. The Board extends a very warm welcome to those musicians who joined the RSNO during the past year: Associate Leader Emily Davis, Assistant Principal Viola Asher Zaccardelli, Principal Contrabassoon Paolo Dutto, Principal Cor Anglais Henry Clay, Tutti Violin Robin Wilson and Associate Principal Trumpet Jason Lewis. Welcome too to Sarah Charista, the Sir Alexander Gibson Conducting Fellow, and congratulations to Lena Zeliszewska on her promotion to Associate Leader.

I am very grateful to my fellow Board colleagues and would like to pay particular thanks to Mark Batho and John Clark who retired from the board at the last AGM.

In April 2019 it gave me great pleasure to welcome Alistair Mackie, the RSNO's new Chief Executive. Alistair has already made a very great impact on the Orchestra's operations, particularly in his drive to introduce themed concert series, expand the international touring schedule, build on the success of the Music for Life programme and develop digital content to exploit the RSNO's current and archive performances.

The importance of digital innovation has been dramatically illustrated in recent weeks, as Coronavirus resulted in the premature close of the 2019:20 Season in mid-March. The Orchestra's online activities, including the Friday Night Club, #RSNOchallenge and Sunday Sounds, have been enormous successes, keeping existing audiences engaged, attracting new and younger audiences from Scotland, the UK and around the world, and providing

performance opportunities for the musicians. I am enormously grateful to the digital team and rotating shifts of un-furloughed musicians for their innovative thinking and hard work during this time.

I would like to thank our artistic team for their excellent leadership throughout the year, and our Board who continue to give generously of their time and expertise. I also wish to express appreciation to the musicians and staff of the RSNO for their unstinting dedication to making the Orchestra one of Europe's finest.

Dame Susan Bruce DBE
Chair



Chief Executive's Report



My first year as Chief Executive has proved to be one of phenomenal artistic achievements for the RSNO and also one of unexpected – and unprecedented – challenges for the Orchestra, its audiences and its supporters.

Music Director Thomas Søndergård and the other members of the artistic team have continued to lead the Orchestra and RSNO choruses in magnificent performances around Scotland, as well as on tour in the USA and across Europe, delighting audiences and reviewers alike. There were also two memorable appearances at the 2019 Edinburgh International Festival and Thomas' first two recordings (on Linn Records) with the RSNO.

Attendance has increased in Glasgow by 7%, in Edinburgh by 15%, and Aberdeen by 41% (as a result of the refurbishment of the Music Hall). Under-26s account for 18% of the Season concert audience and over 20% when including film and festive programmes. To attract new audiences, we introduced the RSNO Season Pass for 26-35 year olds which sold out in one week.

An integral part of the RSNO's work is Music for Life, the Orchestra's national programme to engage people of all ages and abilities, no matter what their circumstances, with Scotland's National Orchestra. The initiative has continued to expand in the past year, with the RSNO's first Dementia-friendly Concert, the establishment of RSNO Generations, the introduction of a new National Schools Concert Programme and wider engagement with and for young people.

One of my main priorities since becoming Chief Executive has been to focus on advancing the RSNO's digital capacity. With a world increasingly communicating through social media, it seemed imperative that the Orchestra improve the quantity and quality of its digital engagement. I was therefore delighted in November when, with the help of the RSNO Foundation, the digital team was established. No one then had any idea of how timely these appointments would be.

With the lockdown as a result of Coronavirus in mid-March, the 2019:20 Season concerts captured by the digital team have formed the backbone of the RSNO's Friday Night Club series. The digital team has also made possible the online #RSNOchallenge and Sunday Sounds strands. Very few British orchestras have been able to offer full concert performances during lockdown and this unusual time has enabled us to learn more about digital promotion and engaging audiences online. One ambition is to develop these digital assets for the future.

We are living through an extraordinary period in global history that even a few short months ago would have seemed inconceivable. I know I am not alone in longing for the opportunity of sitting once more among fellow music-lovers, sharing the powerful experience of live orchestral performance. Until then, though, the RSNO will continue to do all it can to stay connected. Finally, I would like to extend my sincere thanks to Staff, Orchestra and Board for their hard work over the past year.

Alistair Mackie
Chief Executive

Coronavirus (COVID-19)

The RSNO gave its final performance of the 2019:20 Season in Glasgow on Saturday 14 March. The RSNO Centre was closed on Monday 16 March. The RSNO will not recommence any office-based work or live performances until advised by the Scottish Government that conditions are safe for musicians, staff and audiences.

During lockdown the RSNO's main objectives are to safeguard revenue, increase reach and enhance the Orchestra's reputation. To achieve these objectives the Orchestra is:

- Managing its resources.
- Continuing to engage with audiences and supporters.

RESOURCES

The RSNO is utilising the Government's Job Retention scheme to:

- Furlough some members of the staff team.
- Furlough the majority of the Orchestra. During this period, many of the musicians have indicated their willingness to produce digital content for the organisation. The Orchestra is currently rotating groups of musicians not on furlough to facilitate a constant supply of new content.

AUDIENCES AND ENGAGEMENT

Keeping close to our loyal audiences and supporters is of paramount importance. To achieve this, the Orchestra has:

- Communicated regularly with donors, partners, subscribers, members and customers regarding activity (e.g. cancelled events and new digital content) via social media, email, phone and other methods (e.g. a telephone campaign to check on audience member and supporter wellbeing).
- Established the financial need of the RSNO during lockdown with external supporters and new audiences by making compelling donor asks. A Coronavirus appeal was launched at the start of lockdown.
- Focused on increasing the volume of individuals engaging with the new online programmes (e.g. Friday Night Club and #RSNOchallenge).
- Connected with new networks to help deliver online content (e.g. Google Classroom and other education networks).

- Built stronger external relationships. Partnerships developed during lockdown include: ScotRail sponsorship of #RSNOchallenge, inclusion in the League of American Orchestra's lockdown list, becoming an official Young Scot points partner and securing free online advertising from Classic FM.
- The RSNO's Learning and Engagement team has worked throughout lockdown to migrate its activity online, continuing to engage with community and school audiences through online creative activity. The team have also used the lockdown period to develop a youth strategy with a view to creating an RSNO Young Company.
- During lockdown, the RSNO has had a unique opportunity to create and distribute content to grow online audiences. The organisation has experienced a 70% increase in YouTube followers and a 15% increase in Facebook followers.

NEW DIGITAL PROGRAMME STRANDS

The Orchestra has created new online material by utilising existing (and often never-seen-before) content filmed prior to lockdown and by producing new content created at home by non-furloughed musicians. This resulted in two initial new strands of programming:

Friday Night Club

On Friday 27 March the RSNO's Friday Night Club was launched to enable audiences to enjoy full orchestral performances while staying at home. The first performance was Beethoven's Symphony No3 *Eroica* conducted by Sir Roger Norrington, originally recorded in February 2020 at Glasgow Royal Concert Hall by the recently appointed RSNO digital team. The concerts are broadcast 'as live' on the RSNO's Facebook and YouTube channels and remain available afterwards.

#RSNOchallenge

Every Wednesday from 25 March, the RSNO's musicians and artistic team invited families to join them in a musical activity. Perfect for all ages, challenges have so far included creating a samba band out of kitchen items, drawing a cartoon inspired by the music of *Peter and the Wolf* and learning how to sing in canon.

Directors' Report



OBJECTIVES AND ACTIVITIES

The Royal Scottish National Orchestra Society Limited ('the Society') seeks to provide all of Scotland with music-making of the highest quality. Scotland's National Orchestra aims to:

- Enrich the cultural life of the nation.
- Reach the widest possible audience.
- Encourage and develop musical talent.
- Aspire to the best possible standards in management and in music.

The principal activity of the Society is to administer the Royal Scottish National Orchestra, which gives performances of symphonic, operatic and choral music in Scotland, the rest of the UK and abroad, and engages in a wide range of learning and engagement work across many different communities. In continuing the artistic development of the Orchestra and enabling a wider appreciation of music in Scotland, the Society is dependent on continuing government support, but is also reliant, to an

increasing extent, on support from the private sector. The vast majority of the Society's expenditure in the year was directly in support of these activities.

The Society measures its success through a combination of quantitative and qualitative approaches, particularly attendance and repeat attendance (concert and workshop), number of concerts and workshops, penetration throughout Scotland (all regions, not just the major Central Belt cities), engagement with and value of donors and audiences, audience feedback and press and other reviews.

Future objectives include further developing and diversifying the Orchestra's concert offerings in order to reach the broadest possible audiences, increasing international touring, further expanding the National Schools Concert Programme and further developing activity in the RSNO Centre, including recording, broadcasting and streaming.

Directors' Report

STRATEGIC REPORT: ACHIEVEMENTS AND PERFORMANCE

Alistair Mackie

In April 2019, the RSNO welcomed Alistair Mackie as Chief Executive. Alistair was previously Interim Managing Director of the Philharmonia Orchestra in London, with which he had played the trumpet (latterly as Joint Principal) since 1996. He remains a Trumpet Professor at the Royal College of Music. Born in Ayrshire, Alistair has had an association with the RSNO since his teenage years, his first orchestral experience being a performance of Holst's *The Planets* by the then Scottish National Orchestra at Glasgow's Kelvin Hall.

Thomas Søndergård

Thomas Søndergård completed his first season as RSNO Music Director with acclaimed performances of Mahler's Symphony No6 and Walton's *Belshazzar's Feast* (with the RSNO Chorus).

'Mahler 6 at the Usher Hall - most exciting performance I've heard in 50 years. Thanks, Thomas and all the RSNO!'

Audience member Ken on Mahler's Sixth Symphony

Thomas launched the 2019:20 Season with the first in a three-concert series, The Golden Age of Vienna (two of which were given), featuring performances of masterpieces by Richard Strauss, Berg (with Scottish star mezzo-soprano Karen Cargill) and Mahler. He went on to conduct Bax, Shostakovich and Rachmaninov (with Ukrainian virtuoso pianist Vadym Kholodenko), then Schreker, Tchaikovsky and Mozart (with 2019:20 Artist in Residence, Scottish pianist Steven Osborne), and the third concert in the Orchestra's Beethoven Revolution series, marking the 250th anniversary of the birth of Beethoven. All these concerts were extremely well received by the media and audiences.

April 2019 to March 2020 Season Highlights

Principal Guest Conductor Elim Chan continued to make a very favourable impression with Elgar's *Enigma Variations* (May 2019), Shostakovich's Symphony No10 (October 2019) and Beethoven's Symphony No7 (launching the Beethoven Revolution series in February 2020).

In November 2019, the Orchestra was thrilled to welcome back to Scotland its Conductor Laureate, Neeme Järvi, his first visit since 2015. Neeme conducted superb performances of works by Delibes, Bizet and Saint-Saëns (his Symphony No3).

'The Edinburgh Friday concert was top drawer! Never a dull moment throughout the whole evening. Bravo!'

Audience member Jim on Saint-Saëns' Symphony No3

Leader Sharon Roffman directed performances of Beethoven's Symphony No5 in Perth, Edinburgh and Glasgow in May 2019, with members of the Orchestra standing to play. This innovative approach was a first for the RSNO.

Scottish superstar violinist Nicola Benedetti returned to the RSNO in December 2019, playing Sibelius' concerto to packed audiences in Edinburgh and Glasgow, providing the Orchestra with its highest-grossing concerts ever.

'It was beyond outstanding!'

Audience member Andrew on Nicola Benedetti in Concert

Touring and Festivals

The beginning of April 2019 saw the RSNO embark on its six-concert tour to Nevada and California, with April performances in Palm Desert, Aliso Viejo, Northridge, Santa Barbara and Davis. Music Director Thomas Søndergård conducted all the performances and the Orchestra was joined by soloists Olga Kern (piano) and Sandy Cameron (violin).



Directors' Report

STRATEGIC REPORT: ACHIEVEMENTS AND PERFORMANCE (Continued)

The RSNO made two hugely successful visits to the 2019 Edinburgh International Festival. The first, on 10 August, featured James MacMillan's *Quickening* (with the Edinburgh Festival Chorus, King's Singers and RSNO Junior Chorus) and Richard Strauss' *Ein Heldenleben*, conducted by Edward Gardner. The second, on 25 August, was an earth-shattering concert performance of Wagner's *Götterdämmerung*, with Sir Andrew Davis conducting and Christine Goerke as Brünnhilde, which met with unanimous acclaim from Scottish, UK and international media.



In September 2019, the Orchestra made a whistle-stop trip to Paris with Thomas Søndergård to give two concerts with a Scottish/French flavour at the spectacular La Seine Musicale, opened in 2017. In early January 2020 the RSNO toured A Viennese Gala to Perth, Inverness, Dunfermline and Langholm.

Later the same month the Orchestra embarked on a six-concert tour to Germany, the Netherlands and Belgium, with performances in Stuttgart, Antwerp, Aachen, Eindhoven, Regensburg and Friedrichshafen. Thomas Søndergård conducted all the concerts and Nicola Benedetti played the Bruch and Sibelius violin concertos.

Composition and New Work

The RSNO continues to support new composers and compositions.

RSNO Composers' Hub offers young composers the opportunity to write for orchestra in a range of contexts, developing skills and creative relationships, as well as acquiring an understanding of the business of a major arts organisation. Allan X. Chen was the 2018:19 Season winner and his piece *Semblance* was premiered in 2019:20 Season concerts in February 2020, conducted by Teddy Abrams.

Notes from Scotland is the RSNO's national young composers' competition for those aged between 12 and 18 years, giving entrants the opportunity to learn from composition experts and have their work performed live and recorded by the Orchestra. The 2019 winner was 15-year-old Paddy Davies for his multi-percussion composition entitled *Tri*.

The RSNO gave the US premiere of *A Matter of Honor*, commissioned from composer Paul Chihara, at the Soka Performing Arts Center in Los Angeles on 3 April 2019, having given the world premiere in Edinburgh a few days earlier. The work, inspired by the words and actions leading up to the forced relocation of Japanese/American citizens during World War II, was narrated by actor Clyde Kusatsu.

The Orchestra also gave the US and UK premieres of Danny Elfman's Violin Concerto *Eleven Eleven* (with soloist Sandy Cameron) at concerts on its tour to Nevada and California and at November 2019 performances in Edinburgh and Glasgow. The Orchestra also recorded the piece for Sony. There was a most unusual world premiere in Edinburgh on 8 November 2019, when the RSNO gave the first performance of Vaughan Williams' *The Future*, orchestrated by conductor Martin Yates more than a century after its composer left an incomplete piano score.

'Last night was special. To think we are the first people to have heard a lost work by Vaughan Williams - a huge honour, and quite humbling.'

Audience member Stephen on Vaughan Williams' *The Future*

Directors' Report

STRATEGIC REPORT: ACHIEVEMENTS AND PERFORMANCE (Continued)

The RSNO also gave the world premiere of *The Nutcracker and the Mouse King*, a new concert version of Tchaikovsky's *The Nutcracker* by conductor John Mauceri, in Edinburgh on 6 December 2019, with world-famous Scottish actor Alan Cumming as the narrator.



'Thank you so much for last night. It was absolutely amazing. I am still in total bliss.'

Audience member Melanie on *The Nutcracker* and *the Mouse King*

Following the Scottish premiere of Wynton Marsalis' Violin Concerto with the RSNO in February 2019, later in the year the soloist, Nicola Benedetti, went on to win a GRAMMY award for Best Classic Instrumental Solo for her performance of the piece on CD with the Philadelphia Orchestra.

Rarely performed works continue to feature in the RSNO's Subscription Season concerts. During the first half of the 2019:20 Season these included Berg's *Seven Early Songs*, Bax's *In the Faery Hills*, Kalevi Aho's *Sieidi* (Concerto for Percussion and Orchestra) and Schreker's *Nachtstück* from *Der ferne Klang*.

RSNO Chorus and RSNO Junior Chorus

The RSNO Chorus and RSNO Junior Chorus, under their directors Gregory Batsleer and Patrick Barrett,

continue to be the mainstay of the hugely popular RSNO Christmas Concerts, which feature a screening and live musical performance of *The Snowman*.

'Brilliant night ... great to see the whole audience join in. Musicians were amazing.'

Audience member Tracii on the RSNO Christmas Concert

The RSNO Chorus performed Handel's *Messiah* twice during the year, at Easter 2019 conducted by Chorus Director Gregory Batsleer and in January 2020 conducted by Nicholas McGegan.

The RSNO Chorus also gave the 2018:19 Season-ending performance of Walton's *Belshazzar's Feast*.

In the 2019:20 Season the RSNO Chorus gave the world premiere of Vaughan Williams' *The Future*, appeared in the Danny Elfman Gala and sang Stravinsky's *Symphony of Psalms*. They also performed Brahms' *German Requiem* in a two-piano version which was recorded and then broadcast online as part of the RSNO's Friday Night Club.



'Such a phenomenal performance.'

Audience member Amy on Brahms' *German Requiem*

Directors' Report

STRATEGIC REPORT: ACHIEVEMENTS AND PERFORMANCE (Continued)

The RSNO Junior Chorus performed alongside the Edinburgh Festival Chorus and the King's Singers in James MacMillan's *Quickening* at EIF 2019, and gave Britten's *A Ceremony of Carols* in the RSNO's New Auditorium in December 2019.

RSNO at the Movies

The RSNO's commitment to reaching the widest possible audiences across Scotland continues through its RSNO at the Movies strand of concerts. During the period covered by this report, these concerts included: The Music of John Williams (Dundee, Edinburgh and Glasgow); a screening of *Back to the Future* (accompanied live by the RSNO); a Danny Elfman Gala (featuring music from *Batman*, *Alice in Wonderland* and *Edward Scissorhands*, and the UK premiere of his Violin Concerto); and performances of *The Snowman* in Aberdeen, Dundee, Edinburgh, Glasgow and Perth.

'Thank you so much for one of the best afternoons ever! The music of John Williams was spellbinding! You truly are world class!'

Audience member Lynn on The Music of John Williams

Chamber Series

Members of the Orchestra, in differing configurations, participated in the successful Sunday afternoon Chamber Series in the New Auditorium. In the 2019:20 Season they were joined by Scottish mezzo-soprano Karen Cargill singing French songs, and 2019:20 Artist in Residence Steven Osborne gave a solo piano recital as part of the Orchestra's Beethoven Revolution series.

Recordings and Broadcasts

Between April 2019 and March 2020, the RSNO featured on ten CD recordings with six different labels. These included Music Director Thomas Søndergård's first recordings with the Orchestra, of works by Richard Strauss and Prokofiev; recordings spotlighting pianists Benjamin Grosvenor (Chopin) and Vanessa Benelli Mosell (Ravel) and violinist Rachel Barton Pine (Dvořák, Khachaturian); lesser-known works by English composers Elgar and

Vaughan Williams; and showcases for the works of contemporary composers Gustavo Díaz-Jerez and Alexander Brincken.



In November 2019 the RSNO appointed a cross-organisation digital team, comprising a video producer and sound engineer. The team was tasked with embracing the possibilities of established and emerging digital platforms to introduce the Orchestra to wider Scottish, UK and worldwide audiences. These possibilities were forcefully demonstrated with the broadcast on Facebook and YouTube of three previously filmed RSNO 2019:20 Season concerts as part of the Orchestra's Friday Night Club presentations from mid-March 2020 as a result of the Coronavirus lockdown.

Commercial Hires

The RSNO continues to be in demand for commercial hires across Scotland. In the past year these included: *The Planets: An HD Odyssey*, with accompanying NASA film (Edinburgh); Celtic Connections (Glasgow); a screening of Tim Burton's *The Nightmare Before Christmas*, with the RSNO Chorus and original actors, including Danny Elfman (Glasgow Hydro, with an audience of almost 10,000); Raymond Gubbay Christmas and Hogmanay concerts (Glasgow); and Proms concerts with Scottish instrumentalists the Ayoub Sisters (Inverness, Perth and Aberdeen).

'Absolutely brilliant night. Will always remember this!'

Audience member Steven on The Nightmare Before Christmas



'I have grown up listening to Danny Elfman scores, so last night became a very special moment in my heart. Thank you RSNO!'

Audience member Emma on the Danny Elfman Gala



Directors' Report

STRATEGIC REPORT: ACHIEVEMENTS AND PERFORMANCE (Continued)

MUSIC FOR LIFE

Music for Life is the RSNO's national programme to engage people of all ages and abilities, no matter what their circumstances, with Scotland's National Orchestra.

Early Years

Astar/Baby Boxes

The RSNO Astar (Gaelic for 'journey') app, developed in partnership with Dundee's Abertay University, continues to be distributed to new parents across Scotland as part of the Scottish Government (Better Life Chances Unit) Baby Box. The six tracks help parents begin their musical journey with their new baby and include gentle music for waking to, lively music for singing and clapping along with, and quiet music for nap time. During 2019 the Scottish Government delivered more than 45,000 baby boxes promoting the benefits of using Astar, and the app was downloaded by more than 3,700 users.

Nurseries & Schools

Nursery Concerts

In June 2019 the RSNO delivered a series of nine concerts aimed at nursery and primary one pupils in Glasgow, Edinburgh, Dundee and Perth. The concerts proved a sell-out, reaching 2,449 children from 60 nurseries in 14 Scottish council areas. Under the theme 'The World Around Us', the interactive concerts introduced young listeners to the Orchestra through a musical exploration of planet Earth, from the depths of the ocean to the stars in the night sky.

RSNO Generations:

See Retired & Later Life page 21.

RSNO National Schools Concert Programme

The majority of the RSNO's National Schools Concert Programme, taking Scotland's Year of Coasts and Waters 2020 as its theme, was delivered before the Coronavirus lockdown. This included:

- Reaching 5,503 school pupils and teachers from 106 schools in 21 council areas (143% increase in total audience compared to last year) across Glasgow, Edinburgh, Dundee and Aberdeen.

- Supporting 3,376 children and teachers living in circumstances of socio-economic disadvantage (living in the top 20% of the SIMD – Scottish Index of Multiple Deprivation) to take part in the programme through the RSNO bursary scheme (61% of all participating audiences).
- Delivering 135 in-school music-making workshops led by RSNO musicians (182% increase compared to 2018/19).
- Distributing 212 RSNO Coasts and Waters resource packs with music activities for classroom use.
- Developing the skills of 65 teachers who took part in one of the four Continuing Professional Development sessions.

Unfortunately, the live schools' performances, and the planned 'relaxed' performance for 120 pupils with special education needs, due to be given in late March 2020, were cancelled due to the Coronavirus outbreak. The RSNO is committed to delivering this final element of the National Schools Concert Programme in alternative means, by filming the Coasts and Waters performance, Tara the Tugboat, at the RSNO Centre in Glasgow and streaming it to families and schools digitally, in an accessible, informative and interactive way. This will only take place once appropriate measures have been put in place for the safe operation of schools and the RSNO.

Stranraer Schools Project

In October 2019 the RSNO delivered a day of activity for Primary 7 and Secondary 1 pupils (c150 pupils) across Stranraer, taking a chamber ensemble of RSNO musicians to perform a specially tailored concert in the school hall at Stranraer Academy presented by animateur Lucy Drever. The programme addressed the theme of transition for P7s who were leaving primary school at the end of the academic year and facilitated the coming together of new people using music as a tool to explore this time of transition and change. The project was repeated with Perth primary schools in March 2020.

'My favourite part of the RSNO Takeover was being able to play alongside a professional and talk to him about what being a professional musician is like. It was really inspiring.'

Participant RSNO Takeover 2019

Directors' Report

STRATEGIC REPORT: ACHIEVEMENTS AND PERFORMANCE (Continued)

Teenagers & Students

Under 16s Free Tickets

Free tickets continued to be available for all children under the age of 16 accompanied by an adult at RSNO Subscription Season concerts (and at half price for RSNO at the Movies concerts).

14–18s Free Tickets

The RSNO continued to offer a limited number of free tickets to those aged 14 to 18 to attend Subscription Season concerts with their friends.

Under 26s Tickets

Full-time students aged 16 to 25 continued to be able to purchase tickets at £6 each for RSNO Subscription Season concerts (and at half price for RSNO at the Movies concerts).

RSNO Young Ambassadors

Twenty young people aged 16 to 21 from 12 Scottish local authorities signed up in October 2019 to become RSNO Young Ambassadors. Young Ambassadors highlight the work of the RSNO in their local areas and communities, and meet regularly throughout the season to co-create learning opportunities for young people in relation to orchestral music. They also receive free tickets for RSNO concerts and work experience opportunities. During the Coronavirus lockdown the Young Ambassadors continued to meet online twice a week with the RSNO's learning and engagement team, key members of staff, musicians, conductors and composers.

RSNO Junior Chorus Recruitment

During June 2019 workshops reaching 340 Primary 3 pupils were held in 17 schools across Glasgow (three in areas of multiple deprivation) to engage with the RSNO Junior Chorus. Ninety of the participants were offered places in the Junior Chorus and all of them remain as members.

RSNO Takeover

In June 2019, 47 young people aged 16 to 18 from 23 Scottish local authorities participated in RSNO Takeover, the annual two-day intensive work-experience programme held in the RSNO Centre in Glasgow. RSNO Takeover is designed for young people who are considering a career in the creative

arts, either as a musician or in arts administration. The project is led by the young people themselves, with guidance and support from RSNO musicians and staff. Participants undertake tasks including concert management, stage management and marketing and PR, and participate in workshops designed to improve their music skills. The 2019 RSNO Takeover culminated in a public concert in the New Auditorium, planned, produced, promoted and performed by the participants.



RSNO Work Experience Scheme

The RSNO accepts student placements from schools, colleges and universities across the UK. In 2019, ten students from seven Scottish local authority areas undertook work experience within various departments at the RSNO Centre in Glasgow and gained an in-depth understanding of the running of a major arts organisation.

RSNO Side-by-Side

In April 2019, the Orchestra delivered its second RSNO Side-by-Side event at Dundee's Caird Hall. Forty-four young musicians from Dundee's School Symphony Orchestra were invited to spend a full day with the Orchestra, benefiting from sectional and full orchestra rehearsals alongside the RSNO musicians. The event culminated in a performance of Mussorgsky's *Pictures at an Exhibition* for families and friends, which built the confidence of the young people and inspired them to continue developing their technique.

Directors' Report

STRATEGIC REPORT: ACHIEVEMENTS AND PERFORMANCE (Continued)



**'It was a wonderful afternoon.
I could have stayed all day!!
The musicians were out of this
world as was the very
entertaining Daniela!**

Audience Member
Dementia-friendly Concert



RSNO/Royal Conservatoire of Scotland Apprenticeship

The RSNO/RCS Apprenticeship scheme bridges the gap between conservatoire student performance and professional experience for young musicians showing great promise as orchestral musicians, kickstarting their experience with a professional orchestra. RCS students audition for the apprenticeship scheme in the same way that the RSNO would structure auditions for real vacancies within the Orchestra. In Spring 2019, 38 students participated in the second year of the auditions and 17 were selected.

RSNO Youth Advisory Board

Recognising that the integration of young people's voices into the governance of the organisation is vital for nurturing this audience, the RSNO started planning for a new Youth Advisory Board towards the end of 2019. YAB will comprise eight young people who will feed into the RSNO's strategic direction and shape the programming that can positively impact young people's lives. Recruitment for YAB began in February 2020.

Notes from Scotland

See Composition and New Work page 12.

Families

Family Concerts

The RSNO presented, in collaboration with Children's Classic Concerts, two family-friendly concerts in Edinburgh and Glasgow – Weir Science in October 2019 and Santa's Workshop in December 2019 – attended by more than 8,000 people. Later the same month the Orchestra presented its annual Christmas Concerts in Aberdeen, Dundee, Edinburgh, Glasgow and Perth, featuring a screening of *The Snowman* narrated by Jamie MacDougall and performances by all the RSNO's choruses, to a total audience of 8,302.

#RSNOchallenge

One of the RSNO's digital campaigns during the Coronavirus lockdown launched on 25 March 2020. #RSNOchallenge is a weekly family-friendly activity presented by RSNO musicians to inspire music-making and creativity at home. The first challenge, Create a Samba Band, has proved extremely popular with families during lockdown.

Accessing Lives

RSNO Dementia-friendly Concert

In September 2019, the RSNO held its first Dementia-friendly Concert. Seating, light and sound in the New Auditorium were adapted to the needs of the audience, who consisted of 57 individuals living with Alzheimer's and/or dementia and their carers. Listeners were able to sing, clap and dance along to the music they recognised. The afternoon concert, presented by soprano Daniela Hathaway, proved incredibly successful and featured on BBC Scotland News. The RSNO plans an expansion of dementia-friendly activity in 2020, with streaming to care homes in Dundee and around Scotland. Discussions are also underway with partner Luminate to create a series of digital 'How to' guides for care home coordinators to develop their skills and knowledge on how they can use music to engage with residents living with dementia.



RSNO Music-making Workshops in partnership with Tayside Healthcare Arts Trust (THAT)

Working in partnership with THAT in Dundee, the RSNO delivered a music-making project for 15 acute brain injury survivors over eight weeks between April and June 2019. The RSNO musicians deliberately maintained an open structure to the programme to allow the participants greater leadership in its development but also to challenge themselves further. The participants also attended the RSNO's Music of John Williams concert at the Caird Hall, which enriched the relationship between the musicians and the group. The involvement of a visual artist challenged the group to think about notes and music in a new way and to draw parallels between

Directors’ Report

STRATEGIC REPORT: ACHIEVEMENTS AND PERFORMANCE (Continued)

different forms of creative expression, culminating in a ‘sharing’ for invited guests where the participants carried out the musical structures they had developed against a backdrop of their music-inspired artworks. Participants reported significant benefits in mood, confidence, concentration and socialisation.

CHAS (Children’s Hospices Across Scotland)

Between February and May 2019, four RSNO musicians delivered six music-making sessions for children with life-shortening conditions, their siblings, parents and staff at two children’s hospices: Robin House (Balloch, West Dunbartonshire) and Rachel House (Kinross, Perth & Kinross). The sessions were designed to be child-led, with musicians tailoring the interactive sessions to the specific interests and needs of the children and their families.

Gig Buddies

In 2019, the RSNO started a partnership with Gig Buddies, an organisation bringing together adults who have special needs with volunteers who accompany them to concerts. The RSNO is offering free tickets to all Gig Buddies attending the Orchestra’s concerts in 2019:20.

Dundee Blind and Partially Sighted Society

Between January and March 2020, the RSNO delivered seven workshops for visually impaired individuals through a partnership with Tayside Healthcare Arts Trust (THAT) and Dundee Blind and Partially Sighted Society. The workshops culminated in a sharing event, where a performance of original material took place.

Working Lives

RSNO Assistant Conductor

The RSNO recruits an Assistant Conductor on a biennial basis. The two-year programme is intended for exceptionally talented early-career conductors to develop their skills and gain invaluable work experience with a professional orchestra. Junping Qian, who was recruited to the post in 2018, has proved to be an invaluable asset to the Orchestra. The RSNO is now inviting applications for the 2020–22 Assistant Conductor.

Season Pass

In September 2019, the RSNO piloted an exclusive ticket offer for those aged 26 to 35, with the aim of

encouraging more young professionals to attend concerts across Scotland. Available to only 100 individuals, the Season Pass entitled the holder to attend all 2019:20 Season concerts in Edinburgh or Glasgow for just £100. The scheme sold out completely in a matter of days, encouraging the RSNO to plan its expansion for the 2020:21 Season.

RSNO Community Orchestra

The RSNO Community Orchestra brings together amateur musicians to play, develop their musicianship and orchestral technique and learn from RSNO musicians under the direction of RSNO Principal Trombone Dávur Juul Magnussen. The Community Orchestra meets at the RSNO Centre one Sunday every month and in 2019 attracted more than 120 passionate players. In June 2019 the group presented a sharing concert for family and friends in the New Auditorium. Many members travel from areas in the central belt and beyond to attend, and the group has built a strong community, which continued into lockdown after rehearsals ended in March 2020.

RSNO Chorus Academy

The RSNO Chorus Academy was set up in 2015 to encourage singers who would like to build their confidence in all aspects of singing. Directed by Scottish soprano Aimee Toshney and open to all, it attracted 85 singers in 2019, who met at the RSNO Centre every Tuesday evening. The group gave an end-of-term presentation for friends and family in May 2019 and performed at the RSNO Christmas Concerts. The Chorus Academy has become a strong social group, with members arranging other social events outside their Chorus commitment. A number of RSNO Chorus Academy members have progressed sufficiently both musically, and in confidence, to graduate to the RSNO Chorus.

Prescribe Culture Scheme

Prescribe Culture is a mental health and wellbeing initiative run by the University of Edinburgh Museums Services, pro-actively engaging with social prescribing, sometimes referred to as community referral or non-pharmacological support. In November 2019 the RSNO offered a number of complimentary tickets to three season concerts at the Usher Hall for students accessing the pilot phase of this project running from October to December 2019.

Directors’ Report

STRATEGIC REPORT: ACHIEVEMENTS AND PERFORMANCE (Continued)

Glasgow Association for Mental Health (GAMH)

The RSNO’s learning and engagement team worked in partnership with GAMH to pass on information to clients about the RSNO Chorus Academy. Five clients of GAMH joined and have progressed well, fully integrating into the Chorus. Other clients have also expressed an interest but do not yet feel able to take up the places offered. The RSNO will continue to work with GAMH to encourage participation in the Chorus Academy.

Dundee Workplace Choir

Dundee Workplace Choir brings together up to 20 employees of D C Thomson & Co. Ltd, Dundee Council and Leisure & Culture Dundee every Thursday lunchtime for a period of 24 weeks. In November 2019, the scheme was widened to include employees from the Dundee V&A. Led by Scottish soprano Aimee Toshney, participants experience choral singing in a fun and relaxed environment, improving their workplace wellbeing.

Retired & Later Life

RSNO Generations

Following the success of the pilot RSNO Generations project in spring 2019 – an intergenerational initiative connecting elderly people living in a care home with young children at a nursery through music – we successfully repeated the project with a care home and nursery in Paisley from January to March 2020. Using group learning activities tailored to the needs of two different generations, this project reduced social isolation and improved mental health, and a boost in confidence and wellbeing were observed among the elderly participants. Through the project, the children developed greater empathy towards adults in later life and improved their musicianship.

RSNO Afternoon Concerts

The RSNO continued to give afternoon concerts in Glasgow throughout the year. Between April 2019 and March 2020, these included two performances of Handel’s *Messiah*, Britten’s *A Ceremony of Carols*, Brahms’ *German Requiem* and concerts in the Chamber Series. Of most note, however, were the Symphony, Soup and a Sandwich concerts (see below).

Symphony, Soup and a Sandwich

Launched in 2017, these hour-long concerts, preceded by an optional lunch and conducted by young conductors new to the RSNO, continued to attract large audiences in the New Auditorium. The three concerts given between December 2018 and October 2019 were attended by almost 1,300 people, providing opportunities to experience orchestral music for those unable to travel to evening performances, particularly those in retirement or later life. Feedback indicates that more than 90% of the audience is aged 55 and over.

Audiences & Partnerships

Audiences

The RSNO gave 112 performances to 133,000 audience members. 20% of the RSNO audience were young people (under 26). To attract new audiences, the Season Pass scheme was devised. The scheme created 100 ‘golden’ tickets for people aged between 26 and 35, enabling them to attend every RSNO Season concert for £100. The Season Pass sold out in one week. Concerts were also programmed to attract first-time attenders. These included the Elfman Gala (64% of the audience were first-timers) and the Nutcracker (43% of the audience were first-timers).

‘It was so good to see the residents engaging with the children and the energy, confidence and pleasure it gave.’

Care home staff member
on RSNO Generations



Directors’ Report

STRATEGIC REPORT: ACHIEVEMENTS AND PERFORMANCE (Continued)

Partnerships & Collaborations

NYOS Symphony Orchestra

In April 2019, the National Youth Orchestra of Scotland celebrated its 40th anniversary with concerts in Edinburgh and Glasgow conducted by the RSNO’s Principal Guest Conductor Elim Chan. The soloist in Rachmaninov’s Piano Concerto No3 was the RSNO’s 2019:20 Season Artist in Residence Steven Osborne. Both concerts were attended by large and enthusiastic audiences bolstered by RSNO subscribers, to whom the concerts had been advertised in the Orchestra’s Season Brochure.

Perth Come and Play! March 2019

This side-by-side orchestral coaching day was organised in collaboration between the Royal Scottish National Orchestra, Scottish Chamber Orchestra, BBC Scottish Symphony Orchestra and Horsecross Arts. The free event was open to all orchestral musicians aged 12+ and playing to ABRSM Grade 6+, increasing engagement with the national orchestras as well as raising awareness of ongoing activity at Perth Concert Hall.



Glasgow Airport

In July 2019, the Orchestra entertained passengers at Glasgow Airport with a pop-up concert of Scottish favourites including *Flower of Scotland* and a selection of eightsome reels.

Faroe Islands

During September 2019, the Orchestra’s Principal Trombone, Faroe Islands-born Dávur Juul Magnussen, hosted a small RSNO team at the inaugural concert of the Islands’ Hátún Hall in the capital, Tórshavn. During the visit the team conducted masterclasses with music students and explored opportunities for further partnerships in order to strengthen connections between Scotland and the Faroe Islands.

Partnership Organisations

During 2019:20, the RSNO worked in partnership or collaborated with the following educational institutions, arts organisations, charities, media outlets and commercial companies:

- Royal Conservatoire of Scotland
- Alzheimer Scotland
- Tayside Healthcare Arts Trust
- Luminare
- Gig Buddies
- Children’s Classic Concerts
- ScotRail
- Glasgow Airport
- Capital Document Solutions
- Investec
- Dine
- Gallagher
- Hampden & Co.
- La Bonne Auberge
- Prestonfield
- Valvona & Crolla
- Classic FM
- BBC Radio 3
- Glasgow Association for Mental Health
- Glasgow Life
- Children’s Hospices Across Scotland
- Prescribe Culture Scheme – Edinburgh University

Directors’ Report

FINANCIAL REVIEW

The Society had an excellent year, posting an operational surplus (Core Operations in the Income & Expenditure Account – see Note 3) of £232,395 (2019: surplus £434,432). This includes an Orchestra Tax Credit of £703,414 (2019: £763,192) from HMRC. The Orchestra Tax recovery reduced as concerts were not being performed at the end of the year due to COVID-19. There was an overall surplus of £61,895 (2019: deficit of £161,363). Core income increased by £203,641 from £8,105,480 in 2019 to £8,309,121, a 3% increase. Core expenditure increased by 4% from £8,768,883 in 2019 to £9,114,447.

Included in Sponsorship & Corporate Partnerships income are donated goods and services totalling £78K (2019: £79K). We are extremely grateful to our photocopier, travel and accommodation partners for their valuable support.

The balance sheet has total funds of £6,659,285 (2019: £5,453,859), an increase of £1,205,426 in the year. This is primarily as a result of the FRS102 pension valuation which is not a cash gain. It should also be noted that the carrying value of the Society’s leasehold interest in the RSNO Centre of £9,703,924 (2019: £9,977,275) could not be realised as cash. Cash balances increased to £1,861,251 (2019: £1,571,543).

The Society’s subsidiary company, Royal Scottish National Orchestra Society (Properties) Limited is currently dormant and consolidated financial statements are not required on the basis of materiality.

The Society’s principal sources of funding are the Scottish Government, local authorities, grant-making trusts, individuals and companies.

Unrestricted reserves (excluding designated reserves) at 31 March 2020 have a surplus balance of £1,920,020 (2019: £1,437,919). The deficit on the pension reserve has reduced significantly to £6,219,000 (2019: £7,520,000) (Note 22); a New Home reserve of £9,703,924 (2019: £10,319,340) and other designated reserves of £395,816 (2019: £397,256), resulting in an overall unrestricted reserves surplus of £5,800,760 (2019: £4,634,515).

The Directors are satisfied that it is appropriate to prepare the financial statements on the going concern basis given the future revenue funding secured, the expectation that the Scottish Government will continue to fund the Society and the long-term nature of the pension deficit repayment plan.

The principal restricted reserves are unspent funds for New Home: New Ambitions of £308,787 (2019: £307,287), and the Iain and Pamela Sinclair legacy, which will primarily be expended on recording and broadcasting, has remained the same £237,096 (2019: £237,096). The instrument bequest fund relates to a cello donated to the Orchestra, the fund for which is held at £50,000 (2019: £50,000). Other restricted funds held amount to £262,642 (2019: £244,961).

Reserves Policy

The Society’s policy on restricted funds is to separately record donations, grants and other sources of funding where restrictions are imposed that are narrower than the Society’s overall objectives. Where this income has not been fully utilised in the year for their purpose, the balance on the fund is detailed in Note 16. Balances on these funds will be expended in the coming years in line with the terms of the grants. The Society’s policy on unrestricted funds is to have unrestricted net current assets, excluding designated funds, of between 6% and 8% of Core Operations expenditure. Actual unrestricted net current assets of £1,185,234 (2019: £1,017,331) (see Note 17) were 13% of expenditure (2019: 11%). There has been an intent to increase the unrestricted reserves at the moment to the current levels due to uncertainty related to:

- COVID-19
- Scottish Government core funding
- Brexit
- Repayment of the pension deficit

Directors’ Report

FINANCIAL REVIEW (Continued)

Principal Risks and Uncertainties

The Board of Directors regularly reviews the principal risks facing the Society. The principal risks currently identified are: COVID-19 and impact on our current orchestral activity, stability of short, medium and long term Scottish Government funding in the currently challenging public finance environment, the size of the pension deficit, and maintaining and growing the Orchestra’s support base. All these issues have the potential to significantly adversely impact the Society’s finances and the Board and the executive are active in pursuing actions to mitigate these risks.

Plans for Future Periods

We have identified three main aspirations going forward:

- A commitment to Artistic Excellence. This commitment extends to all we do including: performing well-loved symphonic repertoire; presenting new compositions and supporting contemporary composers; performing repertoire that attracts new audiences and seeking partnerships which enable us to operate in a commercial and competitive environment. As we develop our relationship with our Music Director, we will continue to develop artistically, ensuring that the excellent reputation of the Orchestra is developed through recording and touring.
- A commitment to engage people of all ages and abilities across Scotland, no matter what their circumstances, with orchestral music of the highest quality. This will be achieved through our Music For Life programme.
- A commitment to increasing International Reach and our place on a global platform which is being developed through a programme of touring, recording, broadcasting, digitisation, streaming and online distribution.

Directors’ Report

FINANCIAL REVIEW (Continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Royal Scottish National Orchestra Society Limited is a charitable company limited by guarantee, governed by its Memorandum and Articles of Association dated 8 July 1950 and amended to allow for current governance arrangements in June 2002, June 2011 and August 2012. It is a registered charity.

Organisational Structure

The Board of Directors, which can have up to 19 members, administers the charitable company. The Board meets every two months and there are subcommittees covering Finance and Human Resources. The Finance Committee meets monthly and the HR Committee meets at least annually. The Chief Executive is appointed by the Directors to manage the day-to-day operations of the charitable company.

The membership of the Society comprises Directors, employed musicians who have been employees for more than one year, senior management team where they have been employees for more than one year, additional local authority representatives from Edinburgh (1) and Glasgow (1), and the chairs of the four RSNO Circle Committees from Aberdeen, Dundee, Edinburgh and Glasgow.

The Board are responsible for the recruitment of the Chief Executive, organisational governance and strategy. Day to day organisational management is the responsibility of the Chief Executive who is responsible for employee recruitment, operational decision making and organisational development.

The Group consists of the following entities:

- The Royal Scottish National Orchestra Society Limited: a charitable company limited by guarantee registered in Scotland with Companies House and the Office of the Scottish Charity Regulator; and
- The Royal Scottish National Orchestra Society (Properties) Limited: a charitable company limited by guarantee registered in Scotland with Companies House and the Office of the Scottish Charity Regulator. All the Directors of this charitable company are chosen from the current Directors of the parent and is wholly controlled by the parent.

The Royal Scottish National Orchestra Society (Properties) Limited did not trade during the prior and current year. The result and Balance Sheet of the subsidiary has not been consolidated on the grounds of lack of materiality.

Appointment of Directors

As set out in the Articles of Association, as amended following the EGM on 3 June 2011, the Directors will consist of six Player Directors, ten Elected Directors, two Nominated Directors and a Chief Executive Director. Player and Elected Directors can serve for a three year period and can be re-elected for a further three year period, at which time they will retire by rotation. As amended following the EGM of 24 August 2012, in exceptional circumstances the term of an elected Director can be extended by one year. Nominated Directors are Directors appointed by Glasgow City Council and the City of Edinburgh Council. Directors are elected by the Society’s membership at the AGM.

Director Training

On appointment, Directors receive an induction which aims to give them sufficient knowledge of the organisation and of their roles to enable them to carry out their responsibilities as Directors. In addition, the Chairman meets with all Directors annually to discuss their roles as Directors, and the Board has an annual away day during which training, appropriate to the strategic issues under review, is undertaken.

Key Management Personnel Remuneration

The Board sets the remuneration of the Chief Executive, who then sets the remuneration of the Senior Management Team. Relevant benchmarking with both national and international organisations is undertaken as part of this process. The Society’s key management personnel comprise the Senior Management Team, namely the Chief Executive, the Chief Operating Officer, the Director of Concerts and Engagement and the Director of External Relations.

Related Parties

Glasgow City Council and the City of Edinburgh Council each nominate a Director and provide funding to enable the charitable company to carry out its charitable objectives.

Directors’ Report

FINANCIAL REVIEW (Continued)

REFERENCE AND ADMINISTRATIVE DETAILS

The Royal Scottish National Orchestra Society Ltd
Charitable Company registered in Scotland
Company Number: SC027809
Scottish Charity Number: SC010702

The directors serving during the year and up to date on approval of the Financial Statements were:

<p>Elected Directors Dame Susan Bruce DBE (Chair) John Heasley (Honorary Treasurer) Mark Batho (resigned 23 August 2019) Hugh Bruce-Watt Kat Heathcote (appointed 6 March 2020) Linda Holden Neil McLennan Constantine Pilavachi Gurjit Singh Lalli David Robinson (appointed 17 April 2020) Jane Wood</p> <p>Chief Executive Director Alistair Mackie (appointed 23 April 2019)</p> <p>Interim Chief Executive Angela Moreland (served until 22 April 2019)</p> <p>Player Directors John Clark (resigned 23 August 2019) Ursula Heidecker Allen Dávur Juuls Magnussen Sophie Rathbone (appointed 23 August 2019) Kennedy Leitch Janet Burnley Lisa Rourke</p> <p><i>Assessor for the RSNO Foundation</i> Gordon Murray Secretary Gordon Murray</p>	<p>Registered Office and Principal Office 19 Killermont Street Glasgow G2 3NX</p> <p>Auditor Scott-Moncrieff Audit Services 25 Bothwell Street Glasgow G2 6NL</p> <p>Bankers Bank of Scotland Glasgow Argyle Street Branch 167–201 Argyle Street Glasgow G2 8BU</p> <p>Nominated Directors Glasgow City Council: Cllr Frank Docherty City of Edinburgh Council: Cllr Lezley Marion Cameron</p>
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Directors’ Report

FINANCIAL REVIEW (Continued)

DIRECTORS’ AND TRUSTEES’ RESPONSIBILITIES

The Directors of the Society are those listed in the Reference and Administrative Details on page 26.

The Directors are responsible for preparing the Directors’ Report (incorporating the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Charity and company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’. 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 the income and expenditure of the charitable company 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 in the Charities’ SORP (FRS 102)
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company’s transactions and 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 Regulation 8 of 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 THE AUDITOR

As far as each of the Directors at the time the report is approved are aware:

- a) there is no relevant information of which the charitable company’s auditor is unaware; and
- b) the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company’s auditor is aware of the information.

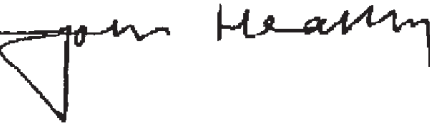
POST BALANCE SHEET EVENTS

There were no significant events affecting the charitable company since the year end other than the impact of COVID-19 as explained in the Coronavirus (COVID-19) section of the financial statements.

AUDITOR

The appointed auditor, Scott-Moncrieff, tendered their resignation and were replaced by Scott-Moncrieff Audit Services. Scott-Moncrieff Audit Services have expressed their willingness to continue in office as auditor and will be proposed for re-appointment at the Annual General Meeting.

The Directors’ Report incorporating the Strategic Report has been approved by order of the Board.



John Heasley
DIRECTOR

Dated: 28 August 2020

Independent Auditor’s Report

TO THE MEMBERS AND DIRECTORS OF THE ROYAL SCOTTISH NATIONAL ORCHESTRA SOCIETY LTD
FOR THE YEAR ENDED 31 MARCH 2020

Opinion

We have audited the financial statements of Royal Scottish National Orchestra Society Limited (the charitable company) for the year ended 31 March 2020 which comprise the Statement of Financial Activities, Balance Sheet, the Statement of Cash Flow, the Analysis of Net Debt and the 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 31 March 2020 and of 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 (as amended).

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 United Kingdom, including the Financial Reporting Council’s Ethical Standard, and we have fulfilled our 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 audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:
the directors’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charitable company’s ability to continue as a going concern. For example, the impact of COVID-19 on the charitable company’s trade, customers, suppliers, employees and other stakeholders and on the wider economy in general is difficult to evaluate.

Other information

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

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

We have nothing to report in this regard.

Independent Auditor’s Report

TO THE MEMBERS AND DIRECTORS OF THE ROYAL SCOTTISH NATIONAL ORCHESTRA SOCIETY LTD
FOR THE YEAR ENDED 31 MARCH 2020 (Continued)

Opinions 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 (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors’ Report (incorporating the Strategic Report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 (incorporating the Strategic 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.

Responsibilities of the directors

As explained more fully in the directors’ responsibilities statement set out on page 27, the directors (who are the directors for the purposes of company law and trustees for the purposes of charity law) 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 the Acts and relevant regulations made or having effect thereunder.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor’s Report.

Use of our report

This report is made solely to the 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 (as amended).

Our audit work has been undertaken so that we might state to the charitable company’s members, as a body, and the charitable company’s directors, as a body, those matters we are required to state to

Independent Auditor’s Report

TO THE MEMBERS AND DIRECTORS OF THE ROYAL SCOTTISH NATIONAL ORCHESTRA SOCIETY LTD
FOR THE YEAR ENDED 31 MARCH 2020 (Continued)

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.

Scott-Moncrieff

Allison Gibson, Senior Statutory Auditor
For and on behalf of Scott-Moncrieff Audit Services, Statutory Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
25 Bothwell Street
Glasgow
G2 6NL

Date: 28 August 2020

Statement of Financial Activities

FOR THE YEAR ENDED 31 MARCH 2020

		2020			2019		
	Notes	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
		£	£	£	£	£	£
INCOME & ENDOWMENTS FROM:							
Donations and Legacies		5,073,008	294,181	5,367,189	5,061,273	283,476	5,344,749
Charitable Activities		2,759,905	5,000	2,764,905	2,637,790	10,420	2,648,210
Other Trading Activities		169,200	-	169,200	120,836	-	120,836
Investments and Other		14,165	-	14,165	5,870	-	5,870
TOTAL INCOME	5	8,016,278	299,181	8,315,459	7,825,769	293,896	8,119,665
EXPENDITURE ON:							
Raising Funds		235,617	-	235,617	292,292	-	292,292
Charitable Activities		7,971,062	1,079,768	9,050,830	8,254,972	827,834	9,082,806
TOTAL EXPENDITURE	6	8,206,679	1,079,768	9,286,447	8,547,264	827,834	9,375,098
NET EXPENDITURE BEFORE TAXATION							
	10	(190,401)	(780,587)	(970,988)	(721,495)	(533,938)	(1,255,433)
Orchestra Tax Relief		703,414	-	703,414	763,192	-	763,192
NET (EXPENDITURE) / INCOME AFTER TAXATION		513,013	(780,587)	(267,574)	41,697	(533,938)	(492,241)
Transfers Between Funds							
	16	(819,768)	819,768	-	(645,013)	645,013	-
Other Recognised Gains and Losses							
Actuarial Gains on Defined Benefit Pension Schemes	22	1,473,000	-	1,473,000	431,000	-	431,000
NET MOVEMENT IN FUNDS		1,166,245	39,181	1,205,426	(172,316)	111,075	(61,241)
Reconciliation of Funds:							
Total Funds Brought Forward	16	4,634,515	819,344	5,453,859	4,806,831	708,269	5,515,100
TOTAL FUNDS CARRIED FORWARD	16	5,800,760	858,525	6,659,285	4,634,515	819,344	5,453,859

The Statement of Financial Activities includes all gains and losses recognised in the year.
All items dealt with in arriving at the results above related to continuing operations.
The notes form part of these financial statements.

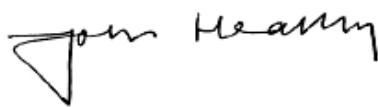
Balance Sheet

FOR THE YEAR ENDED 31 MARCH 2020

	Note	Total Funds 2020 £	Total Funds 2019 £
FIXED ASSETS			
Tangible assets	12	10,450,026	10,752,684
CURRENT ASSETS			
Debtors	13	1,429,663	1,416,379
Cash at bank and in hand		1,861,251	1,571,543
		3,290,914	2,987,922
LIABILITIES			
Creditors: Amounts falling due within one year	14	(862,655)	(766,747)
NET CURRENT ASSETS			
		2,428,259	2,221,175
NET ASSETS excluding pension scheme			
		12,878,285	12,973,859
PENSION LIABILITY			
	22	(6,219,000)	(7,520,000)
NET ASSETS including pension liability			
	16 / 17	6,659,285	5,453,859

RESERVES			
Restricted Funds	16 / 17	858,525	819,344
Unrestricted Funds			
Reserves from ordinary activities	16 / 17	1,920,020	1,437,919
Designated reserves	16 / 17	10,099,740	10,716,596
Pension Reserve	16 / 17	(6,219,000)	(7,520,000)
Total Unrestricted Funds		5,800,760	4,634,515
TOTAL FUNDS		6,659,285	5,453,859

The financial statements were approved and authorised by the Board of Directors on 28 August 2020 and were signed on its behalf by John Heasley, Honorary Treasurer.



John Heasley, Honorary Treasurer
Scottish Charity No: SC010702
Company No: SC027809

Statement of Cashflows

FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	21	332,696	204,750
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interest and rents from investments		4,838	3,765
Purchase of property, plant and equipment	12	(56,089)	(87,301)
Proceeds from disposals of property, plant and equipment	12	8,263	-
Net cash used in investing activities		(42,988)	(83,536)
Change in cash and cash equivalents in the year			
		289,708	121,214
Cash and cash equivalents at the beginning of the year		1,571,543	1,450,329
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		1,861,251	1,571,543

Analysis of Net Debt

FOR THE YEAR ENDED 31 MARCH 2020

	At 1 April 2019 £	Cashflows £	At 31 March 2020 £
Cash and cash equivalents	1,571,543	289,708	1,861,251

The notes form part of these financial statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

1: GENERAL INFORMATION AND PRINCIPAL ACCOUNTING POLICIES

General information

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charitable company's transactions are denominated. They comprise the financial statements of the charitable company only.

The principal activity of the Society is to administer the Royal Scottish National Orchestra which gives performances of symphonic, operatic and choral music.

The society is a charitable company and is limited by guarantee, incorporated in the United Kingdom and registered in Scotland. It is recognised as a charity for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC010702. In the event of the winding up of the charitable company a member is liable to contribute a sum not exceeding £1. Details of the registered office and company registration number can be found on page 26.

Basis of accounting

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102") (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)', the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The Society meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires directors to exercise their judgement in the process of applying the accounting policies (see Note 2).

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented in dealing with items which are considered material in relation to the charitable company's financial statements unless otherwise stated.

Preparation of the accounts on a going concern basis

The charitable company is dependent on grants from the Scottish Government. Budgets and cash flow projections to 31 March 2022 have been prepared and the Directors believe that adequate funding from this source will be made available for that period. The Directors therefore consider it is appropriate to prepare the accounts on a going concern basis.

On 16 March 2020 the RSNO had to temporarily cease operations due to the COVID-19 pandemic. During this time expenditure has been ratified to ensure all costs are essential while at the same time continuing our digital delivery to ensure we meet our Scottish Government targets. While there will obviously be a financial impact due to the pandemic, the Directors consider that the organisation has entered this difficult phase in a strong position and will be able to withstand this impact.

Basis of consolidation

These financial statements are for the charitable company only. The result and Balance Sheet of the subsidiary undertaking, The Royal Scottish National Orchestra Society (Properties) Ltd, has not been consolidated on the grounds of lack of materiality. The subsidiary was dormant during the current and prior year.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

1: GENERAL INFORMATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

Income

Income, whether capital or revenue including revenue grants from the Scottish Government, is recognised when the charitable company has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Legacies are recognised on receipt, except when the value of the legacy is notified to the charitable company in advance and the amount is material.

Income received in advance of a concert or recording is deferred until the completion of the performance or recording.

Donated goods and services

The value of donated goods and services is calculated with reference to the estimated fair value of the goods and services provided.

Fund accounting

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

Designated funds are unrestricted funds earmarked by the Directors for particular purposes.

Restricted funds are funds that 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.

Expenditure

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

Allocation of support costs

The Society recognises support and governance costs as those which cannot be directly attributed to an individual activity but which support the general activity of the organisation or enable it to meet its legal governance obligations.

Where costs cannot be directly attributed to particular headings, e.g. support costs, they have been allocated to the cost of the Society's activities in proportion to each activity's direct costs.

Operating leases

The charitable company classifies certain office equipment and leased pianos as operating leases as the title to the equipment remains with the lessor and the equipment is replaced every few years. Rental charges are charged on a straight line basis over the term of the lease.

Finance leases

The charitable company classifies its lease on the RSNO Centre as a finance lease as the length of the lease, 50 years, is in line with the estimated economic life of the property. The initial lease premium is amortised on a straight line basis for the length of the lease, up until the first break clause at 40 years. The annual peppercorn rent is charged at its nominal value in each year's accounts.

The Society's leasehold asset is its 50 year lease on its facilities within Glasgow Royal Concert Hall which commenced in September 2015. It is stated in the accounts at cost to the Society less depreciation on the basis that the present value of the commercial cost of leasing the rehearsal, performance, learning, office, and storage accommodation is estimated to be more than the carrying value.

Tangible fixed assets

All tangible fixed assets are capitalised and included at cost, including any incidental expenses of acquisition.

Music library and some instruments are not depreciated, as the residual value of these assets would be in excess of the cost.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

1: GENERAL INFORMATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

The cost of other fixed assets is written off over their expected useful lives at the following rates:

- Leasehold buildings 2.5% straight line
- Instruments 0 - 10% reducing balance
- Furniture & equipment 10% reducing balance
- Computers 20% straight line
- Vehicles 25% straight line

Directors undertake an annual assessment to consider whether any impairment has occurred in the value of the assets.

Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The Society 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.

Pensions

During the year the Society operated two pension schemes: 1. The RSNO Pension Scheme, a defined benefit scheme operated under separate trust which closed to new members on 1 April 2008 and closed to additional accruals from 1 October 2016, and 2. A Stakeholder Group Personal Pension Scheme, a defined contribution scheme.

The annual cost of the defined benefit RSNO Pension Scheme and the valuation of the scheme's deficit have been calculated in accordance with FRS 102, details of which can be found in Note 22.

The annual cost of the defined contribution scheme is the employer contributions made on behalf of the employee in the year.

2: CRITICAL JUDGEMENTS AND ESTIMATES

In preparing the financial statements Directors make estimates and assumptions which affect reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The estimates and assumptions with a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- The carrying value of leasehold buildings is depreciated cost, on the basis that the present value of the commercial cost of leasing the rehearsal, performance, learning, office, and storage accommodation (value-in-use) is estimated to be more than the carrying value. Changes in the estimates of an equivalent commercial rental or estimated discount rates could result in the value-in-use falling below the carrying value which would impair the value of leasehold buildings in the accounts. It should be noted that there is a significant degree of estimation in the calculation of the commercial rent as there is not a market for long leases of comparable rehearsal and performance spaces.
- The depreciation rates have been deemed to be appropriate for the class of assets.
- The pension assumptions have been deemed to be appropriate based on actuarial advice.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

3: INCOME & EXPENDITURE 31 MARCH 2020

2020	Core operations	New Home: New Ambitions	FRS 102 Pension Scheme Items	2020 Total
	£	£	£	£
TURNOVER				
Activities				
Concerts	1,398,260	-	-	1,398,260
Hired Engagements Media and Tours	1,257,683	-	-	1,257,683
Learning & Engagement	25,460	-	-	25,460
Choruses	83,502	-	-	83,502
Total Activities	2,764,905	-	-	2,764,905
Grants Receivable	4,303,238	1,500	-	4,304,738
Donations	1,062,451	-	-	1,062,451
Sponsorship & Corporate Partnerships	116,723	-	-	116,723
Events	52,477	-	-	52,477
TOTAL TURNOVER	8,299,794	1,500	-	8,301,294
OTHER OPERATING INCOME				
Surplus on Disposal of Fixed Assets	1,014	-	-	1,014
Miscellaneous income	8,313	-	-	8,313
TOTAL OTHER OPERATING INCOME	9,327	-	-	9,327
TOTAL INCOME	8,309,121	1,500	-	8,310,621
EXPENDITURE				
Staff Costs	4,512,415	-	(265,000)	4,247,415
Depreciation	351,498	-	-	351,498
Own & Joint Promotion Concerts	2,021,010	-	-	2,021,010
Hired Engagements, Media and Tours	1,318,461	-	-	1,318,461
Learning & Engagement activity	103,188	-	-	103,188
Choruses	138,214	-	-	138,214
Fundraising	67,403	-	-	67,403
General overhead and property costs	602,258	-	261,000	863,258
TOTAL EXPENDITURE	9,114,447	-	(4,000)	9,110,447
INTEREST RECEIVABLE AND SIMILAR INCOME	4,838	-	-	4,838
INTEREST PAYABLE AND SIMILAR CHARGES	-	-	176,000	176,000
(DEFICIT) / SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION AND AMORTISATION OF CAPITAL GRANTS	(800,488)	1,500	(172,000)	(970,988)
ORCHESTRA TAX RELIEF	703,414	-	-	703,414
TRANSFER OF CAPITAL GRANTS	329,469	-	-	329,469
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES	232,395	1,500	(172,000)	61,895

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

3: INCOME & EXPENDITURE 31 MARCH 2020 (Continued)

2019	Core operations	New Home: New Ambitions	Iain & Pamela Sinclair Legacy	FRS 102 Pension Scheme Items	2019 Total
	£	£	£	£	£
TURNOVER					
Activities					
Concerts	1,497,292	10,420	-	-	1,507,712
Hired Engagements Media and Tours	1,034,298	-	-	-	1,034,298
Learning & Engagement	29,497	-	-	-	29,497
Choruses	76,703	-	-	-	76,703
Total Activities	2,637,790	10,420	-	-	2,648,210
Grants Receivable	4,342,280	-	-	-	4,342,280
Donations	1,002,469	-	-	-	1,002,469
Sponsorship & Corporate Partnerships	108,413	-	-	-	108,413
Events	12,423	-	-	-	12,423
TOTAL TURNOVER	8,103,375	10,420	-	-	8,113,795
OTHER OPERATING INCOME					
Miscellaneous income	2,105	-	-	-	2,105
TOTAL OTHER OPERATING INCOME	2,105	-	-	-	2,105
TOTAL INCOME	8,105,480	10,420	-	-	8,115,900
EXPENDITURE					
Staff Costs	4,192,583	-	-	164,000	4,356,583
Depreciation	354,022	-	-	-	354,022
Own & Joint Promotion Concerts	2,420,735	1,630	-	-	2,422,365
Hired Engagements, Media and Tours	1,004,563	-	12,039	-	1,016,602
Learning & Engagement activity	99,682	-	-	-	99,682
Choruses	125,411	-	-	-	125,411
Fundraising	42,801	-	-	-	42,801
General overhead and property costs	529,086	14,546	-	230,000	773,632
TOTAL EXPENDITURE	8,768,883	16,176	12,039	394,000	9,191,098
INTEREST RECEIVABLE AND SIMILAR INCOME	3,765	-	-	-	3,765
INTEREST PAYABLE AND SIMILAR CHARGES	-	-	-	184,000	184,000
DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION AND AMORTISATION OF CAPITAL GRANTS	(659,638)	(5,756)	(12,039)	(578,000)	(1,255,433)
ORCHESTRA TAX RELIEF	763,192	-	-	-	763,192
TRANSFER OF CAPITAL GRANTS	330,878	-	-	-	330,878
(DEFICIT) / SURPLUS ON ORDINARY ACTIVITIES	434,432	(5,756)	(12,039)	(578,000)	(161,363)

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

4: RECONCILIATION: INCOME & EXPENDITURE ACCOUNT TO STATEMENT OF FINANCIAL ACTIVITIES

	2020 £	2019 £
RECONCILIATION TO STATEMENT OF FINANCIAL ACTIVITIES		
Surplus/(deficit) on ordinary activities	61,895	(161,363)
Amortisation of capital grants fully recognised in previous years' Statements of Financial Activities	(329,469)	(330,878)
NET EXPENDITURE AFTER TAXATION RECOGNISED IN THIS YEAR'S STATEMENT OF FINANCIAL ACTIVITIES	(267,574)	(492,241)

5: INCOME

	2020			2019		
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
INCOME AND ENDOWMENTS FROM:						
Donations & Legacies						
Scottish Government	3,979,000	111,500	4,090,500	3,961,112	170,000	4,131,112
Local Authorities	214,238	-	214,238	206,026	5,142	211,168
Trusts, Individuals and Legacies	879,770	182,681	1,062,451	894,135	108,334	1,002,469
	5,073,008	294,181	5,367,189	5,061,273	283,476	5,344,749
Charitable Activities						
Concerts: Own and Joint Promotions	1,398,260	-	1,398,260	1,497,292	10,420	1,507,712
Hired Engagements, Media & Tours	1,257,683	-	1,257,683	1,034,298	-	1,034,298
Learning & Engagement	20,460	5,000	25,460	29,497	-	29,497
Choruses	83,502	-	83,502	76,703	-	76,703
	2,759,905	5,000	2,764,905	2,637,790	10,420	2,648,210
Other Trading Activities						
Sponsorship & Corporate Partnerships	116,723	-	116,723	108,413	-	108,413
Events	52,477	-	52,477	12,423	-	12,423
	169,200	-	169,200	120,836	-	120,836
Investments and Other						
Bank Interest	4,838	-	4,838	3,765	-	3,765
Surplus on Disposal of Fixed Assets	1,014	-	1,014	-	-	-
Miscellaneous Income	8,313	-	8,313	2,105	-	2,105
	14,165	-	14,165	5,870	-	5,870
TOTAL INCOME AND ENDOWMENTS	8,016,278	299,181	8,315,459	7,825,769	293,896	8,119,665

Unrestricted grants from the Scottish Government are for the support of the general activities of the RSNO. There were two restricted grants from the Scottish Government of £111,500. There are no unfulfilled conditions or contingencies attached to the Scottish Government grants.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

6: EXPENDITURE

	2020			2019		
	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£	£	£	£
EXPENDITURE ON:						
Raising Funds						
Events, Sponsorship and Other Fundraising	235,617	-	235,617	292,292	-	292,292
	235,617	-	235,617	292,292	-	292,292
Charitable Activities						
Orchestra & Concerts Department	4,441,105	-	4,441,105	4,264,037	2,727	4,266,764
Concerts: Own & Joint Promotions	2,615,559	-	2,615,559	3,137,708	-	3,137,708
Hired Engagements, Media & Tours	488,046	1,079,768	1,567,814	424,586	819,289	1,243,875
Learning & Engagement	225,130	-	225,130	243,506	-	243,506
Choruses	201,222	-	201,222	185,135	5,818	190,953
	7,971,062	1,079,768	9,050,830	8,254,972	827,834	9,082,806
TOTAL EXPENDITURE	8,206,679	1,079,768	9,286,447	8,547,264	827,834	9,375,098

7: ANALYSIS OF EXPENDITURE

	2020			2019		
	Activities Undertaken Directly	Support Costs	Total Costs	Activities Undertaken Directly	Support Costs	Total Costs
	£	£	£	£	£	£
EXPENDITURE ON:						
Raising Funds						
Events, Sponsorship and Other Fundraising	199,065	36,552	235,617	239,001	53,291	292,292
	199,065	36,552	235,617	239,001	53,291	292,292
Charitable Activities						
Orchestra & Concerts Department	3,752,138	688,967	4,441,105	3,488,845	777,919	4,266,764
Concerts: Own & Joint Promotions	2,209,797	405,762	2,615,559	2,565,639	572,069	3,137,708
Hired Engagements, Media & Tours	1,324,593	243,221	1,567,814	1,017,091	226,784	1,243,875
Learning & Engagement	190,205	34,925	225,130	199,110	44,396	243,506
Choruses	170,006	31,216	201,222	156,138	34,815	190,953
	7,646,739	1,404,091	9,050,830	7,426,823	1,655,983	9,082,806
TOTAL EXPENDITURE	7,845,804	1,440,643	9,286,447	7,665,824	1,709,274	9,375,098

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

8: ANALYSIS OF SUPPORT COSTS

	2020	2019
	£	£
Salary Costs	341,660	263,851
Depreciation	351,498	354,022
Building Management Costs	181,168	175,189
IT	75,392	63,562
Insurance and Office Management	112,500	105,420
Governance & Legal Costs (see note 9)	88,092	70,714
Other Support Costs	290,333	676,516
	1,440,643	1,709,274

9: GOVERNANCE COSTS

	2020	2019
	£	£
Audit Fees	10,704	12,930
Other Accountancy Costs, Including Taxation	11,358	5,113
Legal Fees	66,010	51,541
Board Expenses	20	1,130
	88,092	70,714

10: NET EXPENDITURE BEFORE TAXATION FOR THE YEAR

	2020	2019
	£	£
Net expenditure before taxation	(970,988)	(1,255,433)
This is stated after charging:		
Deprecation	351,498	354,022
Auditor's Remuneration		
Audit Fees	10,704	12,930
Accountancy and taxation services	11,358	5,113

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

11: STAFF AND DIRECTOR COSTS

2020	Loans outstanding at year end	Total earnings	Society pension contributions
	£	£	£
Alistair Mackie (Appointed 23/04/2019)	-	112,769	7,598
John Clark (resigned 23/08/2019)	-	12,477	717
Lisa Rourke	-	38,535	2,211
Kennedy Leitch	-	35,786	1,991
Ursula Heidecker	-	34,905	2,077
Janet Burnley	-	41,901	3,536
Dávur Juuls Magnussen	-	47,391	2,258
Sophie Rathbone (Appointed 23/08/2019)	552	17,611	957
	552	341,375	21,345

2019	Loans outstanding at year end	Total earnings	Society pension contributions
	£	£	£
Krishna Thiagarajan (resigned 24/08/2018)	-	63,532	2,791
John Clark	-	32,332	2,123
Lisa Rourke	1,811	35,759	1,960
Kennedy Leitch	-	33,285	1,771
Ursula Heidecker	-	34,233	1,988
Janet Burnley	-	40,801	3,386
Dávur Juuls Magnussen	-	44,666	2,163
	1,811	284,608	16,182

During the year 8 employee directors (2019: 7) received expenses of £11,165 (2019: £10,832) as reimbursement of travel, subsistence and relocation relating to their employment.

During the year no directors (2019:0) received £Nil (2019: £Nil) as reimbursement of travel and accommodation expenses relating to their activities as a director.

Employee costs: Statement of Financial Activities	2020	2019
	£	£
Wages and salaries	3,670,292	3,427,911
Social security costs	336,735	308,729
Superannuation and other pension costs	230,626	611,185
Sick Fund and other employee costs	9,762	8,758
	4,247,415	4,356,583

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

11: STAFF AND DIRECTOR COSTS (Continued)

Employees	2020	2019
The average weekly number of people employed during the year was	Number	Number
Musicians	70	68
Administration	38	36
	108	104

Higher paid employees	2020	2019
Number of employees earning between:	Number	Number
£60,000 - £69,999	2	3
£70,000 - £79,999	-	1
£110,000 - £119,999	1	-

During the year no higher paid employees (2019: nil) accrued retirement benefits under the Society's defined benefit pension scheme. During the year 3 higher paid employees (2019: 3) accrued retirement benefits under the Society's defined contribution scheme.

During the year key management personnel (KMP) received salaries totalling £291,117 (2019: £286,116), had pension contributions of £17,918 (2019: 14,306) and employer's national insurance of £31,839 (2019: £33,427). The salary of the Chief Executive is set by the Board of Directors. The Chief Executive is responsible for setting the salaries of the remaining key management personnel.

12: TANGIBLE FIXED ASSETS

	Leasehold Buildings	Instruments	Furniture and Equipment	Computers	Music Library	Vehicles	Total
	£	£	£	£	£	£	£

COST

At 1 April 2019	10,934,000	452,346	401,617	209,368	170,827	113,336	12,281,494
Additions	-	5,000	13,329	28,384	9,376	-	56,089
Disposals	-	(9,000)	(1,180)	-	-	-	(10,180)
At 31 March 2020	10,934,000	448,346	413,766	237,752	180,203	113,336	12,327,403

DEPRECIATION

At 1 April 2019	956,725	189,510	119,042	150,197	-	113,336	1,528,810
Charge in year	273,351	21,155	26,086	30,906	-	-	351,498
Disposals	-	(2,931)	-	-	-	-	(2,931)
At 31 March 2020	1,230,076	207,734	145,128	181,103	-	113,336	1,877,377

Net Book amounts at 31 March 2020	9,703,924	240,612	268,638	56,649	180,203	-	10,450,026
Net Book amounts at 31 March 2019	9,977,275	262,836	282,575	59,171	170,827	-	10,752,684

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

13: DEBTORS

	2020	2019
	£	£
Due within one year:		
Trade debtors	138,573	119,291
Prepayments and accrued income	422,942	389,522
Taxation debtor	679,887	751,831
Other debtors	188,261	155,735
	1,429,663	1,416,379

14: CREDITORS

	2020	2019
	£	£
Due within one year:		
Trade creditors	180,116	247,377
Other accruals and deferred income	470,591	372,243
Other taxation and social security	96,864	80,853
Other creditors	115,084	66,274
	862,655	766,747

Deferred income of £162,936 (2019: £207,638) relates to monies to which the charity is not yet entitled to at the year end. The deferred income is released to the SOFA when all entitlement criteria have been met , usually in the subsequent financial year.

	2020	2019
	£	£
At 1 April 2019	207,638	36,062
Received in the year	162,936	207,638
Released to the SOFA in the year	(207,638)	(36,062)
At 31 March 2020	162,936	207,638

The Bank of Scotland hold a floating charge over the assets of the Charitable company.

Creative Scotland hold a charge over part of the lease of the RSNO Centre in relation to the £500,000 grant, received in 2017, in respect of the building works.

15: SHARE CAPITAL

The Royal Scottish National Orchestra Society Limited is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

16: ANALYSIS OF CHARITABLE FUNDS

2020	At 1 April 2019	Income	Expenditure	Orchestra Tax Relief	Transfers	Actuarial Gains	At 31 March 2020
	£	£	£	£	£	£	£
UNRESTRICTED FUNDS							
Reserves from ordinary activities	1,437,919	8,016,278	(8,034,679)	703,414	(202,912)	-	1,920,020
DESIGNATED FUNDS							
Capital Grant (spent) reserve	12,756	-	-	-	(1,440)	-	11,316
Strategic plan reserve	344,500	-	-	-	-	-	344,500
Building repair reserve	40,000	-	-	-	-	-	40,000
New Home designated reserve	10,319,340	-	-	-	(615,416)	-	9,703,924
Total Designated Funds	10,716,596	-	-	-	(616,856)	-	10,099,740
Pension reserve	(7,520,000)	-	(172,000)	-	-	1,473,000	(6,219,000)
TOTAL UNRESTRICTED FUNDS	4,634,515	8,016,278	(8,206,679)	703,414	(819,768)	1,473,000	5,800,760
RESTRICTED FUNDS							
New Home	307,287	1,500	-	-	-	-	308,787
Instrument bequest	50,000	-	-	-	-	-	50,000
Iain & Pamela Sinclair legacy - recording label	237,096	-	-	-	-	-	237,096
Other restricted reserves	224,961	297,681	(1,079,768)	-	819,768	-	262,642
TOTAL RESTRICTED FUNDS	819,344	299,181	(1,079,768)	-	819,768	-	858,525
TOTAL FUNDS	5,453,859	8,315,459	(9,286,447)	703,414	-	1,473,000	6,659,285

2019	At 1 April 2018	Income	Expenditure	Orchestra Tax Relief	Transfers	Actuarial Gains	At 31 March 2019
	£	£	£	£	£	£	£
UNRESTRICTED FUNDS							
Reserves from ordinary activities	1,132,357	7,825,769	(7,969,264)	763,192	(314,135)	-	1,437,919
DESIGNATED FUNDS							
Capital Grant (spent) reserve	14,307	-	-	-	(1,551)	-	12,756
Strategic plan reserve	344,500	-	-	-	-	-	344,500
Building repair reserve	40,000	-	-	-	-	-	40,000
New Home designated reserve	10,648,667	-	-	-	(329,327)	-	10,319,340
Total Designated Funds	11,047,474	-	-	-	(330,878)	-	10,716,596
Pension reserve	(7,373,000)	-	(578,000)	-	-	431,000	(7,520,000)
TOTAL UNRESTRICTED FUNDS	4,806,831	7,825,769	(8,547,264)	763,192	(645,013)	431,000	4,634,515
RESTRICTED FUNDS							
New Home	299,594	10,420	(2,727)	-	-	-	307,287
Instrument bequest	50,000	-	-	-	-	-	50,000
Iain & Pamela Sinclair legacy - recording label	237,096	-	-	-	-	-	237,096
Other restricted reserves	121,579	283,476	(825,107)	-	645,013	-	224,961
TOTAL RESTRICTED FUNDS	708,269	293,896	(827,834)	-	645,013	-	819,344
TOTAL FUNDS	5,515,100	8,119,665	(9,375,098)	763,192	-	431,000	5,453,859

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

16: ANALYSIS OF CHARITABLE FUNDS (Continued)

Name of Fund	Description, nature and purpose of the fund
Reserves from ordinary activities	The "free reserves" after allowing for all designated funds
Designated Funds	
Capital Grants (spent reserves)	Once grants are spent on the assets for which they were awarded, the grant is transferred from restricted to designated reserves. The transfer in the year of £1,440 (2019: £1,551) to Reserves from ordinary activities is their amortisation against the depreciation on those assets
Strategic plan reserve	Created to allow investment in new activity developed as a result of strategic planning, including foreign touring.
Building repair reserve	Created to provide resources for unexpected building repair bills
New Home designated reserve	This fund represents capital expenditure on the construction, fitting out of our New Home and investment in new activity largely within our New Home. The transfer of £615,416 (2019: £329,327) to Reserves from ordinary activities represents the amortisation of New Home capital grants received against the depreciation on these assets.
Restricted Funds	
New Home	This reserve is the balance of grants received in advance of relevant capital and revenue expenditure.
Instrument bequest	Instruments donated to the Orchestra for use of musicians.
Iain & Pamela Sinclair legacy - recording label	Legacy from long-standing supporter to fund an RSNO recording label and other projects.
Other restricted reserves	These represent a number of smaller grants for specific activities. The transfer of £819,768 (2019: £645,013) from reserves from ordinary activities represents the charitable company's contribution from unrestricted funds to fund restricted funds in deficit.

17: ANALYSIS OF NET ASSETS BETWEEN FUNDS

2020	Restricted Funds	Designated Funds	Unrestricted Funds	New Home Designated Reserve	Pension Reserve	2020 Total
	£	£	£	£	£	£
Fixed Assets	-	11,316	734,786	9,703,924	-	10,450,026
Net Current Assets	858,525	384,500	1,185,234	-	-	2,428,259
Pension (liability)	-	-	-	-	(6,219,000)	(6,219,000)
	858,525	395,816	1,920,020	9,703,924	(6,219,000)	6,659,285

2019	Restricted Funds	Designated Funds	Unrestricted Funds	New Home Designated Reserve	Pension Reserve	2019 Total
	£	£	£	£	£	£
Fixed Assets	-	12,756	420,588	10,319,340	-	10,752,684
Net Current Assets	819,344	384,500	1,017,331	-	-	2,221,175
Pension (liability)	-	-	-	-	(7,520,000)	(7,520,000)
	819,344	397,256	1,437,919	10,319,340	(7,520,000)	5,453,859

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

18: COMMITMENTS UNDER OPERATING LEASES

	2020	2019
	£	£
Within one year	12,540	17,974
Within two to five years	27,829	30,546
After five years	19,133	26,090
	59,502	74,610

Lease payments recognised in the year as an expense were £18,368 (2019: £21,102).

19: SUBSIDIARY COMPANY

The subsidiary company Royal Scottish National Orchestra Society (Properties) Limited owned the Henry Wood Hall which was sold in 2015. The charitable company did not trade during the current or prior year. All the Directors of the subsidiary are also Directors of the Society. The subsidiary is a company limited by guarantee and thus control lies with the Directors of the Society.

Cosolidated financial statements are not required as the subsidiary is dormant.

The subsidiary company has the same registered office address as the parent. Details of the registered office address can be found on Page 24.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

20: RELATED PARTIES

As two Directors of the Society sit on the committee of the RSNO Sick Fund and the RSNO Benevolent Fund, they are considered to be related parties. During the year the Sick Fund received from the Society, by way of contribution to the fund, the sum of £8,976 (2019: £8,504). At 31 March 2020 the Sick Fund owed £90,619 to the Society (2019: £108,231). During the year the Society paid £nil (2019: £nil) on behalf of the Benevolent Fund and received £nil (2019: £nil) from the Benevolent Fund. At 31 March 2020 the Benevolent Fund owed £nil (2019: £nil) to the Society.

The RSNO Foundation is related by common Trustees and during the year the Foundation made a grant of £278,000 to the Society (2019: £160,200). At 31 March 2020 the Foundation owed £nil (2019: £nil) to the Society.

The RSNO Pension Scheme owes £72,598 (2019: £17,914) to the Society.

The RSNO American Foundation is a separate entity set up to support the aims and objectives of the RSNO in the USA.

Related parties to the Directors of the Society earned the following from their employment with the Society.

	Total earnings	Society pension contributions
2020		
	£	£
Katherine Bryan (spouse of Kennedy Leitch)	48,227	2,690
	48,227	2,690

	Total earnings	Society pension contributions
2019		
	£	£
Katherine Bryan (spouse of Kennedy Leitch)	36,389	1,753
	36,389	1,753

21: RECONCILIATION OF NET EXPENDITURE TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2020	2019
	£	£
Net (expenditure) for the year after taxation	(267,574)	(492,241)
Adjustments for:		
Depreciation charges	351,498	354,022
Dividends, interest and rents from investments	(4,838)	(3,765)
Increase in debtors	(13,284)	(112,185)
Increase/(decrease) in creditors	95,908	(119,081)
Gain on disposal of property plant and equipment	(1,014)	-
Non-cash pension costs	172,000	578,000
NET CASH PROVIDED BY OPERATING ACTIVITIES	332,696	204,750

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

22: PENSION NOTE

The Society operates a defined benefit pension scheme for its employees which closed to future accruals on 30 September 2016. The current practice of increasing pensions in line with inflation is included in the measurement of the defined benefit obligation. A full actuarial valuation was carried out at 31 March 2018. These disclosures are based on the results of the full actuarial valuation as at 31 March 2018, projected forward with appropriate adjustments to 31 March 2020. The scheme is closed to both new members and future accruals of existing members.

Explanation of amounts in the financial statements

Amounts recognised in the Balance Sheet

	Value at 31 March 2020	Value at 31 March 2019
	£'000	£'000
Defined benefit obligation	(30,228)	(31,746)
Fair value of scheme assets	24,009	24,226
Net defined benefit liability recognised in balance sheet	(6,219)	(7,520)

Amount recognised in the Statements of Financial Activities over the year

	12 months to 31 March 2020	12 months to 31 March 2019
	£'000	£'000
Current service cost	-	-
Past service costs	-	429
Net interest on the net defined benefit liability	176	184
Total administrative expenses recognised in profit and loss	261	230
Employer contributions	(265)	(265)
Total pension expense	172	578

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

22: PENSION NOTE (Continued)

Projected Statements of Financial Activities expense to 31 March 2021

	12 months to 31 March 2021
	£'000
Net interest on the net defined liability	139
Total administrative expenses recognised in profit and loss	155
Total pension expense	294

Society contributions over the year to 31 March 2021 are expected to be in line with the Schedule of Contributions agreed between the Society and the Scheme’s Trustees as part of the 31 March 2018 Actuarial Valuation (i.e. £164,000 p.a.).

Admin expenses for the year to 31 March 2021 are assumed to be in line with the Schedule of Contributions agreed between the Society and the Scheme’s Trustees as part of the 31 March 2018 Actuarial Valuation (i.e. £155,000 p.a.). If actual expenses are higher the pension expense for the year ending 31 March 2021 will be higher.

Reconciliation of assets and defined benefit obligations

	12 months to 31 March 2020	12 months to 31 March 2019
	£'000	£'000
Defined benefit obligation at beginning of period	31,746	31,804
Past service costs	-	429
Interest cost	736	781
Actuarial gains on benefit obligation	(1,429)	(103)
Benefits paid	(825)	(1,165)
Defined benefit obligation at end of period	30,228	31,746

	12 months to 31 March 2020	12 months to 31 March 2019
	£'000	£'000
Fair value of Scheme assets at beginning of period	24,226	24,431
Interest income on Scheme assets	560	597
Return on assets in excess of interest income on Scheme assets	44	328
Employer contributions	265	265
Benefits paid	(825)	(1,165)
Administration expenses	(261)	(230)
Fair value of Scheme assets at end of period	24,009	24,226

Actuarial gains and losses recognised in the Statements of Financial Activities

	12 months to 31 March 2020	12 months to 31 March 2019
	£'000	£'000
Actuarial gain on assets	(44)	(328)
Actuarial gain on liabilities	(1,429)	(103)
Total gain recognised in Statement of Financial Activities	(1,473)	(431)

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

22: PENSION NOTE (Continued)

The table below shows the effect that changing the most significant assumptions at 31 March 2020 would have had on the defined benefit obligation:

	31 March 2020
	£'000
Increase of 0.25% in discount rate	1,158
Decrease of 0.25% in discount rate	(1,232)
Increase of 0.1% in inflation	(178)
Decrease of 0.1% in inflation	398
Increase of one year in life expectancy*	(972)

*Life expectancies at age 63 would increase from 21.7 years to 22.7 years for a male currently aged 63, and from 23.1 years to 24.1 years for a male currently aged 43.

Each sensitivity above is considered in isolation and we have adopted the same methodology as used for calculating the defined benefit obligation.

Asset Data

The assets of the Scheme are invested as follows:

	31 March 2020		31 March 2019	
	%	£'000	%	£'000
Equity	6.96%	1,670	8.00%	1,937
Fixed Interest Gilts	16.20%	3,890	16.01%	3,880
Corporate bonds	9.45%	2,270	9.31%	2,256
DGF's	11.80%	2,832	30.50%	7,390
Semi-Liquid Credit	13.98%	3,357	-	-
Cash / Bank Account	5.93%	1,425	1.22%	295
LDI	35.68%	8,565	34.96%	8,468
Total	100.00%	24,009	100.00%	24,226

Financial Assumptions

	31 March 2020	31 March 2019
	% p.a.	% p.a.
Discount rate	2.25%	2.35%
RPI Inflation	2.50%	3.15%
CPI Inflation	1.60%	2.25%
Salary increases	1.60%	2019/20: 3% 2.25% thereafter
Pension increases:		
- RPI max 5%	2.50%	3.05%
- RPI max 2.5%	1.95%	2.10%

The duration of the Scheme’s liabilities is c17 years.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2020

22: PENSION NOTE (Continued)

Demographic Assumptions	31 March 2020	31 March 2019
Current life expectancy at age 63		
- Male	21.7 years	21.5 years
- Female	23.7 years	23.5 years
Life expectancy at age 63 of a member currently aged 43:		
- Male	23.1 years	23 years
- Female	25.3 years	25.1 years
Proportion married	75%	75%
Commutation	All members are assumed to take the maximum tax-free cash available using current commutation factors	All members are assumed to take the maximum tax-free cash available using current commutation factors

The mortality assumption has been updated to reflect the most up to date CMI projection model (i.e. 2019) for future mortality improvements. The mortality assumption is therefore in line with S2PA tables (with a +2 year age rating) and future improvements based on the CMI 2019 projections model, with a long term rate of improvement of 1.25% p.a. and a smoothing parameter of 7.0 and a core initial addition parameter of 0%.

All other demographic assumptions are consistent with those adopted last year.

23: ULTIMATE CONTROLLING PARTY

In the opinion of the Directors there is no ultimate controlling party.



Royal Scottish National Orchestra
19 Killermont Street, Glasgow G2 3NX

The Royal Scottish National Orchestra Society Ltd
Charitable Company registered in Scotland
Company Number: SC027809
Scottish Charity Number: SC010702

The RSNO is supported by the
Scottish Government



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