

Charity registration number SC003223 (Scotland)

Company registration number SC082531 (Scotland)

THE SCOTTISH SCULPTURE WORKSHOP
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
PAGES FOR FILING WITH REGISTRAR

THE SCOTTISH SCULPTURE WORKSHOP

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Dr J Clarke G Jaramillo S Kenyon A Main S McIntyre C Gagnon	{Appointed 14 June 2023}
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Charity number (Scotland)	SC003223
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Company number	SC082531
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Registered office	1 Main Street Lumsden Huntly Aberdeenshire Scotland AB54 4JN
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Independent examiner	Thyme Accounting & Tax Ltd 36 Angusefield Avenue Aberdeen AB15 6AQ
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Bankers	Royal Bank of Scotland Queens Cross Branch Albyn Place Aberdeen AB10 1YN
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THE SCOTTISH SCULPTURE WORKSHOP

CONTENTS

	Page
Chairman's statement	
Trustees report	1 - 9
Independent examiner's report	10
Statement of financial activities	11
Balance sheet	12
Notes to the financial statements	13 - 24

THE SCOTTISH SCULPTURE WORKSHOP

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's Memorandum and Articles of Association the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The charity's objectives are to provide the location, facilities and technical help to anyone interested in pursuing their sculpture practice. Based on these fundamentals, we seek to create opportunities for making sculpture, for exhibiting and siting sculpture and for increasing the public understanding and appreciation of sculpture. The charity raises funding for initiatives from a range of sources. The uses to which this funding can be put is usually restricted to the purposes for which it was sought.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

Achievements and performance

I am pleased to share an update on SSW's recent accomplishments and developments over the past year to 2023.

1. Completion of Phase 1A of the Capital Programme:

We are delighted to announce the successful completion of Phase 1A of our capital programme. This milestone represents a significant step forward in our commitment to enhancing our facilities and expanding our vision. Phase 1A has included several critical components:

- Ceramics Workshop: Our newly constructed ceramics workshop is now fully operational, providing a dedicated space for artists and community.

- New Community Making Space: We have inaugurated a community making space that promises to be a hub for community and collaboration. This space fosters inclusivity, allowing us to engage with a wider range of community members.

- Renovation of Accommodation: Our accommodation facilities have undergone a comprehensive renovation, ensuring that we can continue to provide a comfortable and inspiring environment for resident artists and visiting guests.

- Improved Site Navigation: Recognizing the importance of a welcoming and accessible site, we have implemented enhancements to improve site navigation, making it easier for visitors and artists to explore and engage meaningfully at SSW.

2. Launch of the Community Making Space with MyVillages:

SSW partnered with MyVillages to launch our Community Making Space. This collaboration brought an international perspective to programming that has enriched the experiences of our local community and project participants.

3. Welcome Back Resident Artists:

We extend a warm welcome back to our resident artists who have played a vital role in our organisation's success. Their return adds to the vibrancy of the workshops that define SSW, and we look forward to contributions.

4. Changes in the Staff Team:

As part of our commitment to adapt and grow, there have been strategic changes within our staff team. These adjustments aim to enhance our capacity to support the expanded programming and operational needs resulting from our capital programme's successful completion and expansion of community engagement. We appreciate the dedication of all SSW staff, especially during these transitions.

THE SCOTTISH SCULPTURE WORKSHOP

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

In May 2022 we welcomed Director Sam Trotman back to the staff team after parental leave. Sara Gallie continued to support the team at a senior level on strategic organisational development but resuming her title as Office & Finance manager.

This year we invested in staff skills and capacities including Non Violent Communication, training in how to better support access needs for users to our site as well as Anti-racism training for SSW Director. CPD training in blacksmithing and attendance at the Iron Conference in Berlin were also taken up by technical staff.

There were also many changes in staffing this year with Jenny Salmean, SSW Programme and Communications Manager leaving to take up a new position with Deveron Projects in August 2023 and Technician Michael Hautemulle's fixed term contract ending in January 2024.

Senior Technician Eden Jolly and Ceramic Technician Beth Bidwell stepped down from their roles and are focussing on their own practices. We acknowledge everyone's contributions to SSW and thank them for the knowledge they brought to the organisation over many years.

Freelance

The team welcomed Liz Burnham to support on accounts and administration and Jo Matthews as Programme Producer. Matthew Wilcock of Gray's School of Art and Amy Benzie from Aberdeen Ceramics Studio provided temporary cover in our ceramics studio, bringing a wealth of experience and energy to the team. We also welcomed Mara Lewis to create and deliver the programme within the new Community Making Space in collaboration with myvillages and our local community in Lumsden.

Thanks also to Jane Robertson who completed her contract as Capital Project Manager. We also welcomed Uist Corrigan back to the team to help support the fit out of the site following the Capital development work in the ceramics studio and the office relocation.

Thanks also to our kind volunteers who helped support SSW over the year.

SSW has continued to make significant strides in fulfilling our mission and expanding our impact within the community. We are grateful for the unwavering support of the Board, the dedication of SSW staff, and the enthusiasm of resident and visiting artists and community members.

We would also like to thank our generous funders who have supported our work throughout 2022-23 including: Creative Scotland, William Grant Foundation, The Saastamoinen Foundation, Creative Europe, Bently Foundation, The William Syson Foundation, Hugh Fraser Foundation, Aberdeenshire Councils Marr Area Large Grant and Kildrummy, Towie and Lumsden Windfarms through Foundation Scotland.

Programme Overview

Open Access

Our ability to offer open access to facilities in 2022-23 was limited due to the Capital Development project and essential maintenance required in the Red Shed and Foundry areas. Despite this, open access residencies were completed by 32 artists in foundry, metalwork and stone carving over 126.5 days. Helping to support vital access to workshops, materials and expertise to complete their projects and research time.

THE SCOTTISH SCULPTURE WORKSHOP

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Courses

Although many of our courses were unfortunately cancelled due to the delayed Capital timeline we delivered 6 courses including introductions to blacksmithing, forge and foundry, large handbuilt ceramics and a glaze intensive. This year we supported 36 people to enjoy 18 days of teaching.

Add image 1 here

Credit: Newly refurbished ceramic studio at SSW 2023. Photo Felicity Crawshaw

Ceramics

In 2022-23 we completed the refurbishment and fit out of our ceramic studio and although there were changes to the programme, felt most by our regular makers and staff, the final outcome is our amazing new ceramics studio offering a light spacious studio, glaze room, clay store and kiln room which rivals offers across Scotland. Access to the studio supported our Caregiver residency and courses later in the year and the potential and capacity of this space will be reflected in our future offer and will be an invaluable asset for the future of making at SSW.

Add image 2 here

Credit: Oren Shoestring working at the quarry during Caregivers residency. Photo by Felicity Crawshaw

Residency

A range of residency was successfully delivered including; two SSW x Counterflows Caregivers Residencies hosted at SSW, selected by previous SSW x Counterflows caregiving artists and providing funded residency support to artists Norma Hunter, based in Aberdeenshire and Rabindranath X Bhose and Oren Shoestring, collaborative artists based in Glasgow. This pioneering residency was also supported by Creative Scotland's Radical Care targeted fund to help create sustained support for this programme and to provide funding for valuable research into how we can best support artists to access our facilities into the future. This included training in supporting artists with access needs, an access film to introduce artists to our site and a full access audit developed for future users of the site, lead by artists Hang Linton and Laura Lulika. The fund also enabled us to support writer Claire Sawers to attend residency at SSW to undertake a review of the Caregivers residency programme for the last 3 years.

Add image 3 here

Credit: Lisa Lepisto stonecarving during Ecologies in the Making residency 2022. Photo by Felicity Crawshaw

THE SCOTTISH SCULPTURE WORKSHOP

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Our initial Ecologies in the Making partner residency with Uniarts Helsinki and Cove Park, took place in 2023 when we hosted selected artist Lisa Lepistö at SSW for an 8 week fully funded production residency. Lisa learned new skills and experimented with stone carving during her stay and helped etch the foundations of this amazing 4 year programme. Recent graduate of the Academy of Fine Arts in Helsinki, Santtu Laine will join us with his family in 2024 to experiment with Bioplastics, as part of his exploration and research into new and sustainable materials. This residency programme has a focus on the future of making within the climate emergency.

SSW group residency took place in November when we welcomed our first 4 artists to enjoy the newly refurbished facilities at SSW. This was an absolute pleasure after the delays to the programme and saw artists Kane Stonestreet, Rosie McClean, Sophia Simenksy and Adrian Howard working in glass, foundry, ceramics and blacksmithing.

Projects & Networks

Add image 4 here

Credit: Partners of the Be Part network 2023. Photo by Sam Trotman

Be Part

Working across 10 European partners the Beyond Participation project supports research and practice in developing the co-creation of art and the infrastructures needed to do this. This year our focus has been on the opening of our community maker space and an experimental year long programme entitled Lumbungsden: named after the shared rice barn 'Lumbung', adopted at Documenta15 by Rangrupa as the curatorial guide.

Add image 5 here

Credit: Opening of community maker space with myvillages artist Kathrin Böhm. Photo by Felicity Crawshaw

Guided by the knowledge and experience of our fieldwork artists myvillages and following their Rural School of Economics model that is led by the local community and the creative economies they engage in, SSW launched the new space in December followed by a programme of free taster experiences for 85 of our local community, led by 6 local makers. We also contracted a Community Arts Organiser to develop the programme and work alongside the local community to focus and nurture future activity in the space.

THE SCOTTISH SCULPTURE WORKSHOP

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

As part of the Be Part EU network Sam Trotman participated in the Ghent Assembly in April and attended Documenta15 at Kassel in Germany with colleague Sara Gallie to explore the 'Lumbung' approach to community engagement and connect with myvillages participation in this experimental programming model. The programme launched with a day long event in December and will run for 1 year.

Scotland's Workshops

We continue to connect through this network of workshop facilities across Scotland to share expertise and best practice and engage in active support for each other through our subgroup activity. We regularly participate in Director's meetings and connect around pressing issues including recruitment, budget and funding, health & safety and future strategic planning. This year saw the network work together on our annual Workshops Week focussed on sustainability. At SSW we built a 'bury box' wood fired kiln and offered free workshop access to explore and discuss sustainable practices, and raise awareness of the network facilities during Scotland's Workshops week as well as glaze and fire work within the new kiln.

Capital Development

Add image 6 here

Credit: SSW refurbished exterior view winter 2023. Photo by Felicity Crawshaw

We completed Phase 1 A of our Capital refurbishment project in March 2023. The outcome is a wonderful large scale ceramic studio, with glaze & kiln rooms, a clay store and new equipment, a brilliant and accessible community maker space for the benefit of our local communities, a fresh new look exterior with level access around the main building and newly insulated and refurbished onsite accommodation.

This project was led by Collective Architecture, project managed by Jane Robertson, undertaken and managed by Coldwells Build and made possible through the support of our generous funders: The Bently Foundation, William Grant Foundation, The William Syson Foundation, Hugh Fraser Foundation, Aberdeenshire Councils Marr Area Large Grant and Kildrummy, Towie and Lumsden Windfarms through Foundation Scotland.

Thanks to everyone involved for their dedication in completing this exciting first phase of our capital master plan. We now look to Phase 1B which will see the refurbishment of our Bothy, surrounding yard and provide accessible accommodation on site for the first time. Phase 2 will include the redevelopment of our metal, wood, stone, forge and foundry workshop areas.

THE SCOTTISH SCULPTURE WORKSHOP

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Financial review

As at the balance sheet date the charitable company had total reserves of £795,910. This represents the reserves of the charitable company. Of this amount, £497,993 was represented by fixed assets (buildings, equipment etc), with £78,838 being represented by restricted funds (funding which has been received for specific purposes. Accordingly, the sum of £219,079 is freely available for use by the charitable company.

The remaining £219,079 of unrestricted reserves therefore represents the free reserves of the charitable company. This amount is represented by cash in hand and at bank plus short-term amounts receivable less short-term amounts payable.

At the AGM in 2018 it was decided that £50,000 of the unrestricted reserves would be designated for the proposed future capital development of the charity's workshop and premises, for which plans have now been drawn up.

Taking account of this designation, the charitable company therefore has £169,079 of free reserves at the balance sheet date.

It is the charitable company's policy to keep between three and six months' worth of operating costs within its free and unrestricted reserves, at all times, which have not been designated for a specific use. The Trustees consider that reserves at this level will ensure continuity of operations in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. This policy will also ensure an orderly closure of the charitable company if for whatever reason it has to cease its activities. The Trustees estimate that the charitable company's monthly running costs are approximately £25,000 (2022: £22,500) per month, including potential staff redundancy costs.

With ongoing disruption to the facilities caused by the capital refurbishment project throughout 2022-23, SSW have had to restrict numbers able to attend their planned programme of activities along with the temporary closure of the wood and metal workshop. The monitoring of monthly running costs and other budgetary caution has been taken, to ensure funds are available to continue the refurbishment work necessary and that SSW continues as a going concern through the next stages of redevelopment in 2023 onwards. The trustees therefore believe that the current free reserves are sufficient to comply with the reserves policy as stated.

THE SCOTTISH SCULPTURE WORKSHOP

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Plans for future periods

SSW's aims and objectives as outlined in its business plan state:

Strategic Aim

To deliver artistic excellence through providing affordable, accessible, high-quality facilities and experiences that support the development of art practice and making skills for all.

Objectives

1. To provide opportunities for artists to achieve artistic excellence and extend their practices through learning and critical exchange within our rural landscape
2. To ensure strong leadership, an able workforce, and strengthen staff capacity supported by appropriate governance
3. To develop an inclusive and inviting, financially stable, and well-respected organisation
4. To extend our reach through increased visibility and impact
5. To embed equalities, diversity and inclusion into all aspects of our organisation and activities

In 2022-23 SSW looks forward to reopening its main site following a period of capital development.

Within our newly refurbished site SSW will re-open our ceramics programme to increased users and deliver a range of residencies including partnership residencies, group residencies and open access..

We look forward to launching our new Community Making Space supported by artists MyVillages and developed with the local community.

We will also be reviewing plans for Phase 2 of our site development including the foundry, red shed and Bothy.

As the Trustees of SSW we are looking forward to seeing the impact of the newly redeveloped facilities in particular the new Community Making Space. Over the past years SSW's programme has opened up access to local communities through projects such as Forging Futures and Lumsden Live Radio. With the new space local people will have ongoing and well needed creative provision in Lumsden.

We are also looking forward to seeing the newly developed ceramics studio which foregrounds social gathering as well as a space to share technical expertise. Prior to the redevelopment SSW had long waiting lists for joining the ceramics programme - now with increased capacity we will be able to meet this need.

Structure, governance and management

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Dr J Clarke	
G Jaramillo	
P Chaplain	{Resigned 24 October 2022}
S Kenyon	
A Main	
S Rickett	{Resigned 16 November 2022}
S McIntyre	
I Henderson	{Resigned 21 April 2022}
C Gagnon	{Appointed 14 June 2023}

THE SCOTTISH SCULPTURE WORKSHOP

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Risk Management

Our organisational risk register is assessed and updated annually and reported to the Board as a standing item on the Board meeting agenda.

Priority areas of risk are currently identified as:

Staffing

Risk: Unable to offer salary increases due to restrictions on funding

Mitigation: Ensure staff receive other benefits e.g. more than industry holidays, staff gatherings and development opportunities. Strategic approach to fundraising to support this and plan for staff salary uplifts within the new business plan 2023-24 onwards. Benchmark salaries within our closest networks and commit to a minimum rate of the NLW.

Facilities

Risk: Inadequate facilities to deliver activity

Mitigation: Phased capital development programme and consistent assessment and maintenance of facilities including a modest ring fenced budget. Users' access is limited despite demand in order to lessen pressure on workshop areas. Phase 1 of the capital plan builds in resilience with additional space and capacity that will support continued activity and income during phase 2

Organisational Structure

HMRC recognised the company as a charity for tax purposes in line with Paragraph 1 of Schedule 6 Finance Act 2010 effective from 31 March 1983. The charity is also recognised as a registered charity by the Office of the Scottish Charities Regulator.

Trustees are recruited through open call. We aim for Trustees to undertake training within 6 months of joining the Board through Arts and Business Scotland's - Introduction to Being A Board Member. All Board members are given access to a shared Board File online which provides a range of information including SSW policies, business and action plans. In addition this includes guidance on being a trustee from OSCR and Creative Scotland - Working Together and other related documents required to inform and advise trustees in their roles and responsibilities.

Trustees are included in other training sessions alongside staff in areas including Equalities, Diversity and Inclusion, for recruitment practices, Gender and Identity expression and organisational development.

-How decisions are made, what types of decisions are delegated. Strategic decisions are made at Board level. Operational decisions are delegated to the Director.

Remuneration Policy

Scottish Sculpture Workshop (SSW) operates an annual review system that includes market review and benchmarking within our sector before being considered for approval, this process ends in March. Changes are implemented from 1st April contingent on individual performance, budget affordability and retention issues

As part of a wider sector group of Creative Scotland RFO funded organisations we benchmark salaries which helps provide comparative rates for similar roles and informs decisions and future ambitions for setting fair rates of remuneration across our staff team, including key management roles. It also provides a platform for peer review and joint advocacy in this area. SSW provides a minimum rate of the National Living Wage

Relationship with Related Parties

there have been no related party transactions in the reporting period

THE SCOTTISH SCULPTURE WORKSHOP

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees report was approved by the Board of Trustees.

Dr J Clarke

Trustee

29 September 2023

THE SCOTTISH SCULPTURE WORKSHOP

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE SCOTTISH SCULPTURE WORKSHOP

I report on the financial statements of the Charity for the year ended 31 March 2023, which are set out on pages 11 to 24.

Respective responsibilities of Trustees and examiner

The Charity's Trustees, who are also the directors of The Scottish Sculpture Workshop for the purposes of company law, are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investments (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The Trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the financial statements as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the financial statements.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - (ii) to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Martin R Watt FCCA
Thyme Accounting & Tax Ltd
36 Angusfield Avenue
Aberdeen
AB15 6AQ

Dated: 29 September 2023

THE SCOTTISH SCULPTURE WORKSHOP

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
		2023	2023	2023	2022	2022	2022
	Notes	£	£	£	£	£	£
Income from:							
Donations and legacies	3	204,317	33,368	237,685	217,563	395,124	612,687
Charitable activities	4	36,707	-	36,707	32,905	-	32,905
Investments	5	303	-	303	28	-	28
Total income		<u>241,327</u>	<u>33,368</u>	<u>274,695</u>	<u>250,496</u>	<u>395,124</u>	<u>645,620</u>
Expenditure on:							
Charitable activities	6	<u>291,498</u>	<u>73,821</u>	<u>365,319</u>	<u>227,881</u>	<u>61,317</u>	<u>289,198</u>
Gross transfers between funds		-	-	-	10,142	(10,142)	-
Net (expenditure)/income for the year/							
Net movement in funds		(50,171)	(40,453)	(90,624)	32,757	323,665	356,422
Fund balances at 1 April 2022		<u>495,928</u>	<u>390,606</u>	<u>886,534</u>	<u>463,171</u>	<u>66,941</u>	<u>530,112</u>
Fund balances at 31 March 2023		<u><u>445,757</u></u>	<u><u>350,153</u></u>	<u><u>795,910</u></u>	<u><u>495,928</u></u>	<u><u>390,606</u></u>	<u><u>886,534</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE SCOTTISH SCULPTURE WORKSHOP

BALANCE SHEET

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		497,993		257,159
Current assets					
Stocks	12	6,000		6,600	
Debtors	13	4,193		39,846	
Cash at bank and in hand		295,963		595,219	
		<u>306,156</u>		<u>641,665</u>	
Creditors: amounts falling due within one year					
	14	<u>(8,239)</u>		<u>(12,290)</u>	
Net current assets			297,917		629,375
Total assets less current liabilities			<u>795,910</u>		<u>886,534</u>
Income funds					
Restricted funds	17	350,153		390,606	
Unrestricted funds		445,757		495,928	
		<u>795,910</u>		<u>886,534</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to small companies regime

The financial statements were approved by the Trustees on 29 September 2023

Dr J Clarke

Trustee

Company registration number SC082531

THE SCOTTISH SCULPTURE WORKSHOP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

The Scottish Sculpture Workshop is a private company limited by guarantee incorporated in Scotland. The registered office is 1 Main Street, Lumsden, Huntly, Aberdeenshire, AB54 4JN, Scotland. 1 Main Street, Lumsden, AB54 6JN.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's constitution, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)'. The Charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

1.4 Income

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE SCOTTISH SCULPTURE WORKSHOP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	in accordance with the property
Leasehold improvements	5% on cost
Plant and equipment	20% on cost
Fixtures and fittings	20% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Capitalisation of Equipment

All tangible assets with a useful life of more than one year and a acquisition cost of £100 or more will be capitalised and depreciated over its useful life using the appropriate method of depreciation.

1.7 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THE SCOTTISH SCULPTURE WORKSHOP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.10 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

THE SCOTTISH SCULPTURE WORKSHOP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £
Donations and gifts	20	-	20	20	-	20
Grants	204,297	33,368	237,665	217,543	395,124	612,667
	<u>204,317</u>	<u>33,368</u>	<u>237,685</u>	<u>217,563</u>	<u>395,124</u>	<u>612,687</u>
Grants receivable for core activities						
Hugh Fraser	-	10,000	10,000	-	-	-
Marr Area Committee	-	5,000	5,000	-	5,000	5,000
Creative Scotland Grant	200,542	23,168	223,710	171,832	34,418	206,250
Bentley Foundation Grant	-	-	-	-	249,993	249,993
William Syson Grant	-	-	-	-	20,000	20,000
Recovery Fund	-	-	-	28,711	-	28,711
ACC Grant	2,000	-	2,000	-	7,000	7,000
Weston Jerwood Grant	1,755	-	1,755	-	16,046	16,046
William Grant	-	-	-	4,000	40,000	44,000
Creative Europe Grant	-	-	-	-	18,667	18,667
Radical care	-	(4,800)	(4,800)	-	-	-
PAG	-	5,000	-	-	-	-
	<u>204,297</u>	<u>33,368</u>	<u>237,665</u>	<u>217,543</u>	<u>395,124</u>	<u>612,667</u>

THE SCOTTISH SCULPTURE WORKSHOP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

4 Charitable activities

	Charitable Income	Charitable Income
	2023	2022
	£	£
Accommodation & workshop fees	26,001	15,563
Commission & services	3,090	9,534
Re-saleable stock items	6,318	3,358
Other income	1,298	4,450
	<u>36,707</u>	<u>32,905</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Interest receivable	<u>303</u>	<u>28</u>

THE SCOTTISH SCULPTURE WORKSHOP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6 Charitable activities

	Charitable Expenditure	Charitable Expenditure
	2023	2022
	£	£
Staff costs	157,995	162,471
Depreciation and impairment	45,820	30,370
Rates/Water & insurance	13,139	3,502
Telephone	2,978	3,858
Light & heat	14,568	10,186
Rent	14,399	12,615
Office costs & advertising	2,862	3,484
Sundries	2,184	1,735
Cleaning/laundry & waste disposal	3,973	4,492
Premises expenses	7,458	1,326
Travelling & conference fees	6,884	1,618
Artists fees & reimbursements	28,062	13,779
Purchases	4,824	3,569
Event/exhibition expenses	7,127	18,426
Staff development	5,524	1,592
Repairs & servicing	4,514	1,178
Currency differences	945	3,895
	<u>323,256</u>	<u>278,096</u>
Share of support costs (see note 7)	10,180	1,392
Share of governance costs (see note 7)	31,883	9,710
	<u>365,319</u>	<u>289,198</u>
Analysis by fund		
Unrestricted funds	291,498	227,881
Restricted funds	73,821	61,317
	<u>365,319</u>	<u>289,198</u>

The Trustees believe the charity has only one activity

THE SCOTTISH SCULPTURE WORKSHOP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Bank charges	913	-	913	932	-	932
Consultancy fees	9,267	-	9,267	460	-	460
Audit fees	-	-	-	-	5,400	5,400
Legal and professional	-	29,921	29,921	-	2,589	2,589
Independent examiners fee	-	1,571	1,571	-	1,504	1,504
Trustee expenses	-	391	391	-	217	217
	<u>10,180</u>	<u>31,883</u>	<u>42,063</u>	<u>1,392</u>	<u>9,710</u>	<u>11,102</u>
Analysed between						
Charitable activities	<u>10,180</u>	<u>31,883</u>	<u>42,063</u>	<u>1,392</u>	<u>9,710</u>	<u>11,102</u>

Governance costs includes payments to the auditors of £0 (2022- £5,400) for audit fees.

8 Trustees

Board expenses were £35 board meeting subsistence. S Murray received £107 travel and £75 gift (2022: £217)

9 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Project delivery	3	5
Administration	3	3
Total	<u>6</u>	<u>8</u>

Employment costs

	2023 £	2022 £
Wages and salaries	145,021	146,425
Social security costs	5,865	7,727
Other pension costs	7,109	8,319
	<u>157,995</u>	<u>162,471</u>

THE SCOTTISH SCULPTURE WORKSHOP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Employees

(Continued)

The charity considers its key management personnel comprise of Director and in 2022-23. The total employment benefits including employer pension contributions of the key management personnel was £37,800 (2022: £58,353). No employee had emoluments of more than £60,000 during either the current or previous year.

There were no employees whose annual remuneration was more than £60,000.

10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

11 Tangible fixed assets

	Freehold land and buildings	Leasehold improvements	Plant and fixtures and fittings equipment		Total
	£	£	£	£	£
Cost					
At 1 April 2022	53,629	620,326	106,920	-	780,875
Additions	-	270,484	6,717	9,454	286,655
	<u>53,629</u>	<u>890,810</u>	<u>113,637</u>	<u>9,454</u>	<u>1,067,530</u>
At 31 March 2023	53,629	890,810	113,637	9,454	1,067,530
Depreciation and impairment					
At 1 April 2022	53,629	366,144	103,943	-	523,716
Depreciation charged in the year	-	42,668	2,680	473	45,821
	<u>53,629</u>	<u>408,812</u>	<u>106,623</u>	<u>473</u>	<u>569,537</u>
At 31 March 2023	53,629	408,812	106,623	473	569,537
Carrying amount					
At 31 March 2023	-	481,998	7,014	8,981	497,993
	<u>-</u>	<u>481,998</u>	<u>7,014</u>	<u>8,981</u>	<u>497,993</u>
At 31 March 2022	-	254,182	2,977	-	257,159
	<u>-</u>	<u>254,182</u>	<u>2,977</u>	<u>-</u>	<u>257,159</u>

12 Stocks

	2023	2022
	£	£
Raw materials and consumables	6,000	6,600
	<u>6,000</u>	<u>6,600</u>

THE SCOTTISH SCULPTURE WORKSHOP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

13 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	294	5,281
Other debtors	3,899	854
Prepayments and accrued income	-	33,711
	<u>4,193</u>	<u>39,846</u>

14 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	5,903	4,994
Other creditors	1,071	504
Accruals and deferred income	1,265	6,792
	<u>8,239</u>	<u>12,290</u>

15 Capital Commitment

The charity has committed to a building contract with an expected cost in the region of £250,000.

16 Operating Lease Commitment

17 Main Street, Lumsden Huntley Aberdeenshire
Rolling Basis - 1 Month notice £500 per month

1 Main Street Lumsden Aberdeenshire
Lease period total of 91 years
Termination could take effect on every 15th anniversary from 31..03.2011 so commitment period up to 31.03.26 £8,000 plus vat
= £9,600 per annum

THE SCOTTISH SCULPTURE WORKSHOP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Movement in funds		Movement in funds		Movement in funds	
	Balance at 1 April 2021	Income resources	Resources expended	Transfers	Balance at 1 April 2022	Income resources	Resources expended	Balance at 31 March 2023
	£	£	£	£	£	£	£	£
Frontiers in Retreat Fund	1,130	-	-	(1,130)	-	-	-	-
Skills Biennale Fund	482	-	-	(482)	-	-	-	-
SSW Frontiers Fund	582	-	-	(582)	-	-	-	-
Forging Futures Fund	623	-	-	(623)	-	-	-	-
Graduate Award Programme Fund	47	-	-	(47)	-	-	-	-
Into the Mountain Fund	1,810	-	-	(1,810)	-	-	-	-
Counterflows Fund	5,317	18,250	(4,522)	-	19,045	(4,800)	(9,880)	4,365
Lumsden Weekender Fund	4,775	-	-	(4,775)	-	-	-	-
North Air Fund	350	-	-	(350)	-	-	-	-
Ukraine Exchange Fund	37	-	-	(37)	-	-	-	-
Be Part Fund	51,482	41,835	(40,749)	-	52,568	23,168	(41,625)	34,111
40 KLT Fund	225	-	-	(225)	-	-	-	-
Covid Recovery Fund	81	-	-	(81)	-	-	-	-
Phase 1 Capital Fund	-	318,993	-	-	318,993	10,000	(17,605)	311,388
PAG Fund	-	-	-	-	-	5,000	(4,711)	289
	66,941	387,226	(53,419)	(10,142)	390,606	33,368	(73,821)	350,153

THE SCOTTISH SCULPTURE WORKSHOP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Restricted funds

(continued)

Creative Europe - Be Part - a four year European collaborative programme that sets out to explore how artwork can be made collaboratively, by artists and citizens together.

Creative Scotland Strategic Fund - Radical Care - an action research project to try out new approaches to supporting those with caring responsibilities.
AC Projects - in support of Counterflows Caregiver Residency

Capital funding for Phase 1A of SSW site redevelopment

William Syson Foundation,
Bently Foundation,
Hugh Fraser Foundation,
William Grant Foundation,
Marr Area Large Grant from Aberdeenshire Council,

Kildrummy Wind Farm Community Benefit Fund and Foundation Scotland for flooring in the new Community Making Space

THE SCOTTISH SCULPTURE WORKSHOP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

18 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Fund balances at 31 March 2023 are represented by:						
Tangible assets	226,678	271,315	497,993	257,159	-	257,159
Current assets/(liabilities)	219,079	78,838	297,917	224,769	404,606	629,375
	<u>445,757</u>	<u>350,153</u>	<u>795,910</u>	<u>481,928</u>	<u>404,606</u>	<u>886,534</u>

19 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

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