

Edinburgh Sculpture Workshop Limited
Financial Statements
31 March 2005

Charity Number SC002404



CONDIE & CO
Chartered Accountants & Registered Auditors
49 Manor Place
Edinburgh
EH3 7EG

Edinburgh Sculpture Workshop Limited

Financial Statements

Year Ended 31 March 2005

Contents	Page
Members of the Board and Professional Advisers	1
Trustees Annual Report	2
Independent Auditors' Report	5
Statement of Financial Activities	7
Income and Expenditure Account	8
Balance Sheet	9
Notes to the Financial Statements	10
The following pages do not form part of the financial statements	
Detailed Statement of Financial Activities	18

Edinburgh Sculpture Workshop Limited

Members of the Board and Professional Advisers

The Members of the Committee

Professor B Scott
E Allison
S Beeson
A Bergstrom
N Fraser
J Rutherford
J Walker
S Dale

Company Secretary

James Rutherford

Registered Office

25 Hawthornvale
Edinburgh
EH6 5JT

Auditors

Condie & Co
Chartered Accountants
& Registered Auditors
49 Manor Place
Edinburgh
EH3 7EG

Bankers

The Royal Bank of Scotland plc
2 Blenheim Place
Edinburgh
EH7 5JH

Edinburgh Sculpture Workshop Limited

Trustees Annual Report

Year Ended 31 March 2005

The trustees, who are also Directors for the purposes of the Companies Act, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2005.

Introduction

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000 in preparing the annual report and financial statements of the charity.

Legal Status

The charity is governed by its Memorandum and Articles of Association.

Objectives of the Charity

The charities principal activities are the provision of the workshop and studio facilities for sculptors and artists at a reasonable cost; the organisation and co-ordination of educational programmes, community outreach projects, international exchange and residency programmes.

Organisation

The company is limited by guarantee and therefore the directors have no interest in it.

Investment Powers and Restrictions

The trustees of the charity have the power to invest the funds available as they see fit in the furtherance of the charity's objectives.

The charity's funds consist of both unrestricted funds, to be used for the charity's objectives at the discretion of the trustees, and restricted funds which have been received to assist with particular projects.

Edinburgh Sculpture Workshop Limited

Trustees Annual Report *(continued)*

Year Ended 31 March 2005

Review of Developments, Activities and Achievements

The achievements of the charity during 2004/05 include:

New Members Exhibition

This formed part of the Leith Festival programme which showcases the work of the new members of the workshop.

Magazine Launch

This was the charity's main event which runs during the Edinburgh Festival period. It aims to showcase the widest range of contemporary and traditional sculptural practice from artists all over Scotland. Collaboration with other artist groups is an important element of this event.

Dusshera Festival

Over 600 children across the city participated in artist-led workshops in schools and at Edinburgh Zoo.

Big Things On The Beach

A collaboration with a group of local residents in Portobello which aims to present contemporary public art in the local setting in Portobello.

Granny's Green Project

A collaboration with City of Edinburgh Council based around a city centre programme which will see a garden being created in Grassmarket to mark the life and achievements of Sir Patrick Geddes. Children's workshop sponsored by Craignish Trust.

Professional Development Programme Launch

Over 50 artists participated in targeted workshops and introductory seminars to support their professional development.

The education programme for children and adults continued to run successfully.

The charity also began a collaboration with two other technical facility providers in Edinburgh, Stills Gallery and Edinburgh Printmakers on the RE:CREATE initiative which is aimed at building audiences, sharing resources and providing professional development opportunities across the three organisations.

The charity was successful in its application to the Scottish Arts Council National Lottery Capital Development awards and received 50% of the total costs required to develop a new, purpose built sculpture facility on its current site. The building will be the first of its kind in Britain and also has considerable levels of support from City of Edinburgh Council. The timescale for the project is 3-4 years to completion and fundraising has begun to raise the remaining funds.

Edinburgh Sculpture Workshop Limited

Trustees Annual Report *(continued)*

Year Ended 31 March 2005

The Trustees

The trustees who served the charity during the period were as follows:

Professor B Scott
E Allison
S Beeson
A Bergstrom
P Carter
N Fraser
H Murdoch
J Rutherford
J Walker

S Dale was appointed as a member of the committee on 11 August 2005.

P Carter retired as a member of the committee on 25 May 2005.

H Murdoch retired as a member of the committee on 25 May 2005.

Responsibilities of the Trustees

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the year and of the incoming and outgoing resources for the year then ended.

In preparing those financial statements, the trustees are required to select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent. The trustees must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed by order of the trustees



James Rutherford
Company Secretary

Approved by the trustees on 27 October 2005

Edinburgh Sculpture Workshop Limited

Independent Auditors' Report to the Members of Edinburgh Sculpture Workshop Limited

Year Ended 31 March 2005

We have audited the financial statements on pages 7 to 16 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 to 11.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditors' 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Trustees and the Auditors

The responsibilities of the trustees (who also act as Directors for the charitable activities of the company) of the charity for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read the Trustees Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Edinburgh Sculpture Workshop Limited

Independent Auditors' Report to the Members of
Edinburgh Sculpture Workshop Limited *(continued)*

Year Ended 31 March 2005

Qualified Opinion Arising From Limitation Of Audit Scope

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31st March 2005 and, except for any adjustments that might have been necessary had the opening balances been audited, of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



CONDIE & CO
Chartered Accountants
& Registered Auditors

49 Manor Place
Edinburgh
EH3 7EG

28 October 2005

Edinburgh Sculpture Workshop Limited

Statement of Financial Activities

Year Ended 31 March 2005

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Incoming Resources					
Donations	2	45	–	45	–
Income from charitable trading activities:					
Grants receivable	3	82,830	44,156	126,986	107,967
Charitable trading income	4	19,248	–	19,248	21,681
Investment income	5	16,532	–	16,532	15,267
Interest receivable	6	2	–	2	12
Other income		3,460	–	3,460	5,726
Total Incoming Resources		<u>122,117</u>	<u>44,156</u>	<u>166,273</u>	<u>150,653</u>
Resources Expended					
Costs of generating funds:					
Fundraising and publicity	7	2,093	4,378	6,471	13,092
Charitable expenditure:					
Costs in furtherance of charitable objects	8	19,770	11,858	31,628	29,324
Management and administration	9	107,655	9,903	117,558	100,874
Total Resources Expended	10	<u>129,518</u>	<u>26,139</u>	<u>155,657</u>	<u>143,290</u>
Net (Outgoing)/Incoming Resources for the Year	11	(7,401)	18,017	10,616	7,363
Balances brought forward		54,413	–	54,413	47,050
Balances carried forward		<u>47,012</u>	<u>18,017</u>	<u>65,029</u>	<u>54,413</u>

The charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the charity are classed as continuing.

The notes on pages 10 to 16 form part of these financial statements.

Edinburgh Sculpture Workshop Limited

Income and Expenditure Account

Year Ended 31 March 2005

	Note	2005 £	2004 £
Income		149,739	135,374
 Total Expenditure	 10	 155,657	 143,290
Operating Deficiency	11	(5,918)	(7,916)
 Other Income			
Investment property income	5	16,532	15,267
Interest receivable and similar income	6	2	12
 Net Retained Surplus for the Financial Year		 <u>10,616</u>	 <u>7,363</u>

All of the activities of the charity are classed as continuing.

The notes on pages 10 to 16 form part of these financial statements.

Edinburgh Sculpture Workshop Limited

Balance Sheet

31 March 2005

	Note	2005 £	£	2004 £
Fixed Assets				
Tangible assets	12		68,614	68,262
Current Assets				
Debtors	13	8,349		-
Cash at bank and in hand		685		19,235
		9,034		19,235
Creditors: Amounts Falling due Within One Year	14	(12,619)		(33,084)
Net Current Liabilities			(3,585)	(13,849)
Total Assets Less Current Liabilities			65,029	54,413
Net Assets			65,029	54,413
Funds				
Restricted	16		12,082	-
Unrestricted		17,071		18,537
Unrestricted revaluation reserves:				
Revaluation Reserve	17	35,876		35,876
			52,947	54,413
TOTAL FUNDS	18		65,029	54,413

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the members of the committee on the 27 October 2005 and are signed on their behalf by:

Bill Scott

Professor Bill Scott
Chairperson

The notes on pages 10 to 16 form part of these financial statements.

Edinburgh Sculpture Workshop Limited

Notes to the Financial Statements

Year Ended 31 March 2005

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2000) and the Companies Act 1985.

Cash Flow Statement

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

Donations

Donations and similar incoming resources are included in the year in which they are receivable.

Grants

Grants are recorded in the accounts when they are receivable by the charity, This being when the charity is entitled to the income.

Fund Accounting

Funds held by the charity are:

Unrestricted funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Resources Expended

Expenditure

All expenditure is included within the accounts on an accruals basis and is recognised when there is a legal or constructive obligation to pay. The charity is not registered for VAT and accordingly all expenditure is shown gross of irrecoverable VAT.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment, fixtures & fittings - 25% Straight Line

Depreciation is charged on tangible fixed assets on a straight line basis to write the cost of the assets off over their expected useful economic lives

Edinburgh Sculpture Workshop Limited

Notes to the Financial Statements

Year Ended 31 March 2005

1. Accounting Policies *(continued)*

Investment Properties

The investment property is shown in the balance sheet at cost. The trustees are of the opinion that the cost of the property is consistent with its market value at the year end.

This is in accordance with the FRSE which, unlike Schedule 4 to the Companies Act 1985, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

2. Donations

	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Sponsorship/donations	<u>45</u>	<u>-</u>	<u>45</u>	<u>-</u>

3. Grants Receivable

	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Grants receivable - SAC	76,000	-	76,000	75,000
Grants receivable - CEC	-	13,453	13,453	10,903
Grants receivable - Project grants	6,830	13,768	20,598	14,119
Grants receivable - National Lottery Funding	-	5,935	5,935	-
Grants receivable - other	-	-	-	7,945
Grants receivable - Audience Development	-	11,000	11,000	-
	<u>82,830</u>	<u>44,156</u>	<u>126,986</u>	<u>107,967</u>

4. Charitable Trading Income

	2005 £	2004 £
Charitable trading activities - Educational & professional development programmes	<u>19,248</u>	<u>21,681</u>

Edinburgh Sculpture Workshop Limited

Notes to the Financial Statements

Year Ended 31 March 2005

5. Investment Income

	Income 2005 £	Income 2004 £
UK investment property	<u>16,532</u>	<u>15,267</u>

6. Interest Receivable

	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Bank interest receivable	<u>2</u>	<u>-</u>	<u>2</u>	<u>12</u>

7. Fundraising and Publicity

	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Events	1,906	-	1,906	1,624
Publications costs	-	4,378	4,378	-
Advertising costs	<u>187</u>	<u>-</u>	<u>187</u>	<u>11,468</u>
	<u>2,093</u>	<u>4,378</u>	<u>6,471</u>	<u>13,092</u>

8. Costs in Furtherance of Charitable Objects

	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Provision of charitable services:				
Educational and professional development programmes	<u>19,770</u>	<u>11,858</u>	<u>31,628</u>	<u>29,324</u>

9. Management and Administration

	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £	Total Funds 2004 £
Salaries	58,051	9,303	67,354	62,090
Office costs	44,174	-	44,174	34,542
Accountancy fees	2,090	-	2,090	1,653
Audit fees	1,203	-	1,203	-
Legal and professional	982	-	982	-
Interest payable and similar charges	195	-	195	523
Other	<u>960</u>	<u>600</u>	<u>1,560</u>	<u>2,066</u>
	<u>107,655</u>	<u>9,903</u>	<u>117,558</u>	<u>100,874</u>

Edinburgh Sculpture Workshop Limited

Notes to the Financial Statements

Year Ended 31 March 2005

10. Total Resources Expended

	Staff costs £	Depreciation £	Other costs £	Total Funds 2005 £	Total Funds 2004 £
Direct charitable expenditure	-	-	31,628	31,628	29,324
Fundraising and publicity	-	-	6,471	6,471	13,092
Management and administration	67,354	7,595	42,608	117,557	100,874
	<u>67,354</u>	<u>7,595</u>	<u>80,707</u>	<u>155,656</u>	<u>143,290</u>

The aggregate payroll costs were:

	2005 £	2004 £
Wages and salaries	61,759	62,090
Social security costs	5,595	-
	<u>67,354</u>	<u>62,090</u>

Particulars of employees:

The average number of staff employed by the charity during the financial year amounted to:

	2005 No	2004 No
Number of administrative staff	<u>4</u>	<u>4</u>

	2005 £	2004 £
Other costs:		
Project costs	16,529	10,151
Education fees and costs	5,924	10,564
Other direct charitable expenditure	6,921	773
Fundraising and publicity costs	6,471	13,092
Telephone	3,588	3,414
Capital development fundraising costs	6,540	2,527
Cleaning costs	2,492	2,082
Other management and administration costs	2,506	6,572
Legal and professional	4,275	1,653
Premises	25,461	27,849
	<u>80,707</u>	<u>78,677</u>

Edinburgh Sculpture Workshop Limited

Notes to the Financial Statements

Year Ended 31 March 2005

11. Operating Deficit

Operating deficit is stated after charging:

	2005 £	2004 £
Depreciation	7,595	2,523
Auditors' fees	<u>1,203</u>	<u>-</u>

12. Tangible Fixed Assets

	Investment property £	Equipment, fixtures & fittings £	Total £
Cost			
At 1 April 2004	62,654	82,842	145,496
Additions	<u>-</u>	<u>7,947</u>	<u>7,947</u>
At 31 March 2005	<u>62,654</u>	<u>90,789</u>	<u>153,443</u>
Depreciation			
At 1 April 2004	-	77,234	77,234
Charge for the year	<u>-</u>	<u>7,595</u>	<u>7,595</u>
At 31 March 2005	<u>-</u>	<u>84,829</u>	<u>84,829</u>
Net Book Value			
At 31 March 2005	<u>62,654</u>	<u>5,960</u>	<u>68,614</u>
At 31 March 2004	<u>62,654</u>	<u>5,608</u>	<u>68,262</u>

The investment property being at 25, Hawthornvale, Edinburgh, EH6 5JT is included within the accounts at cost. The trustees are of the opinion that this value is consistent with the market value of the property at the year end.

13. Debtors

	2005 £	2004 £
Trade debtors	1,957	-
Other debtors	4,392	-
Prepayments	<u>2,000</u>	<u>-</u>
	<u>8,349</u>	<u>-</u>

14. Creditors: Amounts falling due within one year

	2005 £	2004 £
Bank loans and overdrafts	-	631
Trade creditors	3,063	7,138
PAYE and social security	4,543	4,182
Accruals	<u>5,013</u>	<u>21,133</u>
	<u>12,619</u>	<u>33,084</u>

Edinburgh Sculpture Workshop Limited

Notes to the Financial Statements

Year Ended 31 March 2005

15. Commitments under Operating Leases

At 31 March 2005 the charity had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	2005 £	2004 £
Operating leases which expire: After more than 5 years	<u>7,637</u>	<u>7,637</u>

16. Restricted Funds

	Movement in resources:		Balance at
	Incoming	Outgoing	31 Mar 2005
	£	£	£
SAC - National Lottery Funding	5,935	(5,935)	-
LDC Community Grants Fund	2,550	-	2,550
CEC - Culture and Leisure Funding	10,903	(10,903)	-
Audience Development	11,000	(4,378)	6,622
Special Projects	13,768	(10,858)	2,910
	<u>44,156</u>	<u>(32,074)</u>	<u>12,082</u>

Scottish Arts Council National Lottery Funding

These funds are from a grant received by the charity towards the purchase of new digital and IT equipment.

Local Development Committee Community Grants Fund

These funds were received from North and Leith Local Development Committee towards the purchase of new equipment to enhance the experience for participants in the workshop programme.

City of Edinburgh Council- Culture and Leisure Funding

This is annual funding received from the council to assist the charity in specific areas stipulated by the funding agreement to meet its objectives.

Special Projects

This fund relates to the projects undertaken by the charity as detailed in the trustees report. The income is from various donors to assist the charity in achieving success in each individual project.

Audience Development

This income was received from the Scottish Arts Council for an audience development project to assist the charity with marketing, print and design costs and also the development of a website.

The distinction between restricted and unrestricted funds has only been made for income received from 1st April 2004.

Edinburgh Sculpture Workshop Limited

Notes to the Financial Statements

Year Ended 31 March 2005

17. Revaluation Reserve

The revaluation reserve of £35,876 has arisen as a result of a revaluation of the equipment, fixtures and fittings of the company within the financial statements.

18. Analysis of Net Assets (between restricted and unrestricted funds)

	Tangible fixed assets	Other net assets	Total
	£	£	£
LDC Community Grants Fund	–	2,550	2,550
Special Projects	–	2,910	2,910
Audience Development	–	6,622	6,622
	–	12,082	12,082
Unrestricted funds	68,614	(15,667)	52,947
	<u>68,614</u>	<u>(3,585)</u>	<u>65,029</u>