

Charity Registration No. SCO03223

Company Registration No. 82531 (Scotland)

SCOTTISH SCULPTURE WORKSHOP
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2007

TUESDAY



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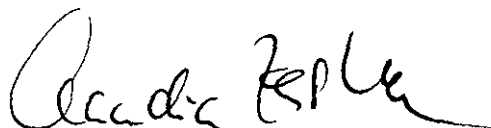
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SCOTTISH SCULPTURE WORKSHOP

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	Claudia Zerske (vice chair) George Beasley David Black Michael Forbes Cable Suzanne Grierson Ian Morrison Jonathan Young Tracy Mackenna David Blythe
Secretary	David Black
Charity number	SCO03223
Company number	82531
Registered office	1 Main Street Lumsden Huntly AB54 4JN
Auditors	Bothwell & Co R & A House Blackburn Business Park Woodburn Road Blackburn AB21 0PS
Bankers	Royal Bank of Scotland Main Street Alford AB33 8AA
Solicitors	James & George Collie 1 East Craibstone Street Aberdeen AB11 6YG



SCOTTISH SCULPTURE WORKSHOP

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SCOTTISH SCULPTURE WORKSHOP

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2007

The directors present their report and accounts for the year ended 31 March 2007

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000

Objects of the charity

The charity's objects 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 Scottish Sculpture Workshop 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.

Review of activities and future developments

During this financial year the charity has generated sufficient unrestricted funds to cover expenditure in relation to unrestricted activities, and there has been an increase in revenue funds to support an increased staffing base and overheads.

Restricted funds have been secured to progress organisational development and programme delivery. This funding is received in advance of delivery of specific objectives, is not tied into an annual funding cycle and therefore appears to represent a surplus.

During 2006/07 SSW completed objectives identified within the Advancement Programme of organisational development and the following has been achieved:

Summer Residency Programme, funding secured for the next 3 years
Significant programme of community focused residencies concluding in large scale public event
Revenue funding secure for 2008/09
Increased number of users and self generated income

SSW enters the next financial year in a stable position both financially and strategically. Priorities for the coming year are strengthening organisational infrastructure and focus on development options.

SCOTTISH SCULPTURE WORKSHOP

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2007

Directors

The Scottish Sculpture Workshop is administered by a board of directors who meet on a regular basis. The directors who served during the period were

Claudia Zeiske
Tracy Mackenna
George Beasley
Suzanne Grierson
Michael Forbes Cable
David Black
Ian Morrison

Jonathan Young
David Blythe (appointed November 2006)
Alison Simpson (resigned June 2007)
Edwin Janssen (resigned July 2006)
Claire Crawford (resigned December 2006)

The directors do not have an interest in the company as the company is limited by guarantee. The company's Articles of Association do not require the directors to retire by rotation.

Reserves policy

The charity operates two main funds (see note 12). The unrestricted funds have arisen from past operating results. The restricted funds are those received for specific purposes (see note 13).

The directors have examined the requirement for unrestricted funds and consider that there are adequate resources to allow the charity to maintain its operational capacity for the foreseeable future, given the circumstances in which we operate.

Risk management

The directors actively review the major risks that the SSW faces on a regular basis and have internal control policies and procedures in place which provide reasonable, but not absolute, assurance against material misstatement or loss.

Auditors

The auditors Bothwell & Co having been appointed have expressed their willingness to remain in office.

The report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board of directors

David Black

Secretary

Dated

20/9/07

SCOTTISH SCULPTURE WORKSHOP

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2007

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent
- prepare the financial statement on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

SCOTTISH SCULPTURE WORKSHOP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCOTTISH SCULPTURE WORKSHOP

We have audited the accounts of Scottish Sculpture Workshop for the year ended 31 March 2007 set out on the pages 6 to 15. These accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page 3, the directors are responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 Directors' Report is not the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Directors' Report, and consider whether it is consistent with the audited accounts. We consider the implications of our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed 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 as to whether the accounts 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 accounts.

SCOTTISH SCULPTURE WORKSHOP

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF SCOTTISH SCULPTURE WORKSHOP

Opinion

In our opinion the accounts give a true and fair view of the charitable company's state of affairs as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985



Bothwell & Co
Chartered Accountants
Registered Auditors
R & A House
Blackburn Business Park
Woodburn Road
Blackburn
AB21 0PS

Dated 20/9/07

SCOTTISH SCULPTURE WORKSHOP

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR YEAR ENDED 31 MARCH 2007

	Notes	Unrestricted funds £	Restricted funds £	Total 2007 £	Total 2006 £
Incoming resources					
Grants, donations and legacies	2	118,524	55,866	174,390	186,086
Activities in furtherance of the charity's objects	3	66,109		66,109	37,857
Investment income	4	381		381	389
Other incoming resources	5	185		185	7,226
		185,199	55,866	241,065	231,558
Resources expended					
Cost of generating funds					
Fundraising and publicity costs		3,193		3,193	4,631
Financing costs		4		4	22
		3,197		3,197	4,653
Net incoming resources available		182,002	55,866	237,868	226,905
Charitable expenditure					
Activities in furtherance of charity's objects					
Running costs & maintenance of premises		31,029		31,029	35,098
Direct costs of program		21,000	33,284	54,284	41,973
Wages & NI		80,009		80,009	83,192
Office/miscellaneous expenses		26,316		26,316	18,873
Travel, entertaining and board expenses & training		9,315		9,315	9,628
Audit and professional fees		12,522		12,522	13,989
Depreciation		7,020	1,872	8,892	8,892
Total charitable expenditure		187,211	35,156	222,367	211,645
Total resources expended	6	190,408	35,156	225,564	216,298
Net income for the year/ Net movement in funds		5,209	20,710	15,501	15,260
Fund balances at 1 April 2006		61,411	15,843	77,254	61,994
Funds balances at 31 March 2007		56,202	36,553	92,755	77,254

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 1985

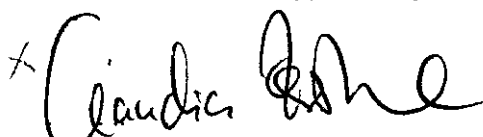
SCOTTISH SCULPTURE WORKSHOP

BALANCE SHEET AS AT 31 MARCH 2007

	Notes	£	2007 £	£	2006 £
Fixed assets					
Tangible assets	9			26,201	35,093
Current assets					
Stock			6,608		4,055
Debtors	10		24,011		19,558
Cash at bank and in hand			68,967		29,332
			<u>99,586</u>		<u>52,945</u>
Creditors: amounts falling due within one year	11		<u>(33,032)</u>		<u>(10,784)</u>
Net current assets				66,554	42,161
Total assets less current liabilities			<u>92,755</u>		<u>77,254</u>
Income funds					
Restricted funds	12/13			36,553	15,843
Unrestricted funds	12			56,202	61,411
			<u>92,755</u>		<u>77,254</u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002)

The accounts were approved by the Board on 20 September 2007


 Claudia Zeiske
 Director

SCOTTISH SCULPTURE WORKSHOP

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 MARCH 2007

1 Accounting policies

1.1 Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002)

The accounts have been prepared in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000

1.2 Incoming resources

All income is included when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy

Grants received are credited to the statement of financial activities in the year for which they are received. Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received

1.3 Resources expended

All expenditure is included on an accruals basis. Management and administration expenses reflect central establishment costs and do not include the costs of managing charitable projects

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Permanent foundry	5% straight line
Furnishings and equipment	20% straight line
Buildings improvements	5% straight line

1.5 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease

1.6 Stock

Stock is valued at the lower of cost and net realisable value. Cost comprises the invoiced price of goods and materials purchased

1.7 Accumulated funds

Restricted funds are funds which are subject to specific conditions by donors as to how they may be used, or which have been raised by the charity for particular purposes

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes

1.8 Going Concern

The financial statements have been prepared on the going concern basis. The company relies on grant funding from the Scottish Arts Council and Aberdeenshire Council. The directors are confident that further funding will be made available. The directors are also confident that other funding and sponsorship which the company relies upon will continue to be received, although at this stage, this is not guaranteed

SCOTTISH SCULPTURE WORKSHOP

NOTES TO THE ACCOUNTS (CONTINUED) FOR YEAR ENDED 31 MARCH 2007

2 Grants, donations and legacies

	2007 £	2006 £
Unrestricted funds		
Donations and gifts	7,961	805
Scottish Arts Council	97,563	95,100
Aberdeenshire Council	13,000	13,000
	<u>118,524</u>	<u>108,905</u>
 Restricted funds		
SAC Partners 2007		22,500
SAC other grants		31,896
Advancement	500	
Esme Fairbairn Summer residency 2006	20,000	19,785
Esme Fairbairn Summer residency 2007	26,000	
SAC Lottery	3,260	
Local Authority Grant Partners Project		1,750
Gordon Forum		1,250
Polish Institute	1,000	
Ian Fowle Production of Signs	5,106	
	<u>55,866</u>	<u>77,181</u>

SCOTTISH SCULPTURE WORKSHOP

NOTES TO THE ACCOUNTS (CONTINUED) FOR YEAR ENDED 31 MARCH 2007

3 Activities in furtherance of the charity's objects

	Total 2007 £	Total 2006 £
Other funding for charitable activities	14,287	4,296
Accommodation and workshop fees	28,210	13,144
Commissions/services	2,206	8,079
Re-salable stock	21,406	11,978
Education/Tuition fees		360
	<u>66,109</u>	<u>37,857</u>

Other funding for charitable activities

Marr Area Partnership Grant	-	1,000
Local Authority Grant Marketing	2,659	3,296
Pippy Houldsworth Armour Boys Production	6,383	
SAC Lottery	5,245	
	<u>14,287</u>	<u>4,296</u>

4 Investment income

	2007 £	2006 £
Interest receivable	<u>381</u>	<u>389</u>

SCOTTISH SCULPTURE WORKSHOP

NOTES TO THE ACCOUNTS (CONTINUED) FOR YEAR ENDED 31 MARCH 2007

5	Other incoming resources	Total 2007 £	Total 2006 £
	Hire of meeting room		88
	Pay phone/fax/photocopying	172	145
	Insurance claim re fire		3008
	Amerada Hess		3985
	Interest on PAYE/Ni refund	13	
		<u>185</u>	<u>7226</u>
6	Total resources expended	Total 2007 £	Total 2006 £
	Publicity and Marketing		
	Fundraising and publicity	3,193	4,631
	Financing costs	4	22
		<u>3,197</u>	<u>4,653</u>
	Charitable expenditure		
	Running costs & maintenance of premises	31,029	35,098
	Direct costs of program	54,284	41,973
	Wages & Ni	80,009	83,192
	Office/miscellaneous expenses	26,316	18,873
	Travel, entertaining and board expenses & training	9,315	9,628
	Audit and professional fees	12,522	13,989
	Depreciation	8,892	8,892
		<u>222,367</u>	<u>211,645</u>
		<u>225,564</u>	<u>216,298</u>

Charitable expenditure costs includes payments to the auditors of £1,300
(2006 £1,300) for audit fees and £NIL (2006 £NIL) for other services

7 Directors

None of the directors (or any persons connected with them) received any remuneration from the charity during the year

SCOTTISH SCULPTURE WORKSHOP

NOTES TO THE ACCOUNTS (CONTINUED) FOR YEAR ENDED 31 MARCH 2007

8 Employees

Number of employees

The average monthly number of employees during the year was

	2007 Number	2006 Number
Charitable activities	5	4
Administration	1	1
	<u>6</u>	<u>5</u>

Employment costs

	2007 £	2006 £
Wages and salaries	72,361	76,121
Pension contributions	2,238	1,229
Social Security costs	5,410	5,842
	<u>80,009</u>	<u>83,192</u>

There were no employees whose annual emoluments were £50,000 or more

9 Tangible fixed assets

	Permanent foundry £	Furnishings and equipment £	Buildings improvements £	Total £
Cost				
At 1 April 2006	37,449	62,762	53,629	153,840
Additions				
At 31 March 2007	37,449	62,762	53,629	153,840
Depreciation				
At 1 April 2006	21,606	52,565	44,576	118,747
Charge for the year	1,872	4,339	2,681	8,892
At 31 March 2007	23,478	56,904	47,257	127,639
Net book value				
At 31 March 2007	13,971	5,858	6,372	26,201
At 31 March 2006	15,843	10,197	9,053	35,093

SCOTTISH SCULPTURE WORKSHOP

NOTES TO THE ACCOUNTS (CONTINUED) FOR YEAR ENDED 31 MARCH 2007

10	Debtors	2007 £	2006 £
	Trade debtors	21,176	16,660
	Other debtors	2,835	2,898
		<u>24,011</u>	<u>19,558</u>

11	Creditors, amounts falling due within one year	2007 £	2006 £
	Trade creditors	3,346	8,065
	Taxes and social security costs	1,348	552
	Accruals and deferred income	28,338	2,167
		<u>33,032</u>	<u>10,784</u>

12	Funds	Unrestricted funds £	Restricted funds £	Total £
	As at 1 April 2006	61,411	15,843	77,254
	Movement in funds for the year	(5,209)	20,710	15,501
	At 31 March 2007	<u>56,202</u>	<u>36,553</u>	<u>92,755</u>

SCOTTISH SCULPTURE WORKSHOP

NOTES TO THE ACCOUNTS (CONTINUED) FOR YEAR ENDED 31 MARCH 2007

13 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

	Balance at 1 April 2006	Movement in funds		Balance at 31 March 2007
	£	Incoming Resources	Resources expended	£
Advancement		500	3,918	(3,418)
Grant for cost of permanent foundry	15,843		1,872	13,971
Ian Fowie Production of Signs		5,108	5,108	
Polish Institute		1,000	1,000	
Esme Fairbairn Summer Residency Project 2006		20,000	20,000	
Esme Fairbairn Summer Residency Project 2007		26,000		26,000
SAC Lottery		3,260	3,260	
	15,843	55,866	35,156	36,553

The Advancement fund is to be used to implement a Plan for Change which will help to develop the Scottish Sculpture Workshop as an organisation

The Grant for the permanent foundry was received to finance the purchase of the foundry and is being released over its useful life

14 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2007 are represented by			
Tangible fixed assets	12,230	13,971	26,201
Current assets	77,004	22,582	99,586
Creditors amounts falling due within one year	(33,032)		(33,032)
	56,202	36,553	92,755

SCOTTISH SCULPTURE WORKSHOP

NOTES TO THE ACCOUNTS (CONTINUED) FOR YEAR ENDED 31 MARCH 2007

15 Commitments under operating leases

At 31 March 2007 the company had annual commitments under non cancellable operating leases as follows

	Land and buildings	
	2007	2006
	£	£
Expiry date:		
In over five years	<u>3,500</u>	<u>3,500</u>

16 Legal status of the charity

The charity is a company limited by guarantee and had no share capital. The liability of each member on the event of winding up is limited to £1.