

THE SCOTTISH SCULPTURE WORKSHOP

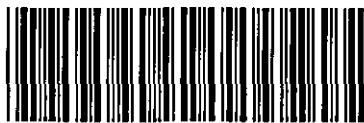
(Company limited by guarantee No. SC82531)

(Scottish charity number SCO03223)

**REPORT OF THE DIRECTORS
and
FINANCIAL STATEMENTS**

for the year ended
31 March 2009

MONDAY



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COMPANIES HOUSE

BOTHWELL & CO

R & A House
Woodburn Road
Blackburn
Aberdeenshire
AB21 0PS

THE SCOTTISH SCULPTURE WORKSHOP
Financial statements for the year ended 31 March 2009

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THE SCOTTISH SCULPTURE WORKSHOP

Legal and administrative information

Constitution

The Scottish Sculpture Workshop is a company limited by guarantee, governed by its memorandum and articles of association.

The company is a registered charity (number SCO03223) and is regulated by the Office of the Scottish Charities Regulator (OSCR).

Directors

George Beasley	(resigned 1 July 2008)
David Black	
David Blyth	(resigned 1 September 2008)
Jenny Brownrigg	(appointed 1 December 2008)
Lucy Byatt	
Lois Carson	(appointed 5 September 2008)
Michael Forbes Cable	(resigned 30 September 2008)
Suzanne Grierson	(resigned 1 July 2008)
Stuart Macdonald	
Tracy Mackenna	(resigned 19 September 2008)
Ian Morrison	
Jonathan Rose	(appointed 5 September 2008)
Judith Ward	(appointed 1 December 2008)
Claudia Zeiske	(resigned 5 September 2008)

Company Secretary

David Black

Registered Office

1 Main Street
Lumsden
Huntly
AB54 4JN

Auditors

Bothwell & Co
R & A House
Blackburn Business Park
Woodburn Road
Blackburn
Aberdeenshire
AB21 0PS

THE SCOTTISH SCULPTURE WORKSHOP

Report of the directors

The directors are pleased to present their report, together with the financial statements of the charity for the year ended 31 March 2009.

Legal and administrative information set out on page 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities and applicable law.

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.

Organisation

The directors as set out on page 2 administer the charity. The directors hold the legal and financial responsibility for the charity as a whole. They do not have an interest in the company as it is a company limited by guarantee. The company's Articles of Association do not require the directors to retire by rotation.

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 has secured revenue funds to support staffing costs and overheads.

A new purpose built project space, constructed as part of the Ganghuth Project, was launched with its own programme of events. This is a milestone for SSW; adding to the range of facilities by providing a space for artists and audiences to participate in the presentation of new work.

SSW continues to forge partnerships with other organisations and was awarded funding to deliver a major exhibition of new commissioned work in the gardens of Leith Hall, a local National Trust Property. SSW has also formed a new strategic alliance with Hospitalfield House, another visual arts residency provider in the east of Scotland. This new model for partnership working will provide SSW with scope to develop a broader range of artist's professional development opportunities and will open up new avenues of support.

Several new board members were appointed during the year bringing new expertise and perspectives to the development of SSW.

The main focus for SSW this year has been to drive forward the Capital Development plan. Plans to re-develop the Lumsden site have been completed, and bids for capital funding have been highly successful with 80% of funding allocated. The new financial year will be an exciting time with building work taking place during the latter half of the year and a re-launch of the organisation in summer 2010.

SSW enters the next financial year in a position of financial stability, having received increased revenue funding until March 2011. This has enabled the organisation to employ a much needed additional member of staff with the post of Development Manager. This post is central to the current process of organisational change and development.

This provides a strong position from which to plan for long-term security and sustainability.

THE SCOTTISH SCULPTURE WORKSHOP

Report of the directors (continued)

Reserves

The charity operates two main funds (see note 14). The unrestricted funds have arisen from past operating results. The restricted funds are those received for specific purposes.

Risk Management

The directors have assessed the major risks to which the charity is exposed, in particular those related to the operations and services of the charity and are satisfied that systems are in place to mitigate the charity's exposure to major risks.

Auditors

Bothwell & Co were appointed auditors of the charity and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

Basis of preparation

This report has been prepared in accordance with the special provisions relating to small companies under section 246 of the Companies Act 1985.

Statement of director's responsibilities

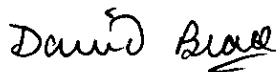
We are required under company law to prepare financial statements for each financial accounting period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statement we are required to:

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

We are also responsible for:

- keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

On behalf of the directors



David Black
Company Secretary

28 September 2009

THE SCOTTISH SCULPTURE WORKSHOP

Independent auditors' report to the directors

We have audited the financial statements of The Scottish Sculpture Workshop for the year ended 31 March 2009 set out on pages 7 to 16. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Small Entities (effective January 2007).

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of the directors and auditors

The members' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) are set out in statement of director's 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 whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 members' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. 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 by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

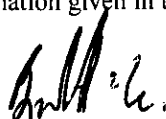
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

THE SCOTTISH SCULPTURE WORKSHOP
Independent auditors' report to the directors

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2009 and of its deficit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.



Bothwell & Co
Chartered Accountants
Registered Auditors

R & A House
Woodburn Road
Blackburn
Aberdeenshire
AB21 0PS

28 September 2009

THE SCOTTISH SCULPTURE WORKSHOP

Income and expenditure account (incorporating the statement of financial activities) for the year ended 31 March 2009

	Note	Unrestricted funds 2009 £	Restricted funds 2009 £	Total 2009 £	Total 2008 £
Incoming resources					
Donations		1,550	366	1,916	40
Grants	5	133,000	50,880	183,880	205,612
Incoming resources from charitable activities	6	28,088	-	28,088	29,237
Investment income		386	-	386	644
Other incoming resources		1,210	-	1,210	274
Total incoming resources	7	164,234	51,246	215,480	235,807
Resources expended					
Cost of generating funds	8	1,537	-	1,537	3,461
Charitable activities	9	150,277	61,027	211,304	238,209
Governance costs - audit fees		1,810	-	1,810	1,400
Total resources expended	10	153,624	61,027	214,651	243,070
Surplus / (deficit) for the year	2	10,610	(9,781)	829	(7,263)
Balances brought forward		64,017	21,475	85,492	92,755
Transfer of funds		(36,738)	36,738	-	-
Balances carried forward	14	<u>37,889</u>	<u>48,432</u>	<u>86,321</u>	<u>85,492</u>

All of the charity's income and expenditure was derived from continuing operations.

There were no unrealised gains or losses.

Due to the special nature of the charity's business the arrangements, headings and sub-headings in the Income and Expenditure account incorporating Statement of Financial Activities have been adapted under Section 3(3) of Schedule 4 of the Companies Act 1985. To comply with the Charities SORP, the Income and Expenditure account has been combined with the Statement of Financial Activities because of the similar nature of incoming resources and income, together with their use.

THE SCOTTISH SCULPTURE WORKSHOP

Balance sheet

as at 31 March 2009

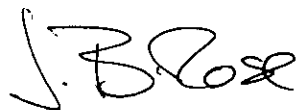
	Note	£	2009 £	£	2008 £
Fixed assets					
Tangible assets	11		33,002		17,309
Current assets					
Stock		6,005		6,636	
Debtors	12	19,154		17,228	
Cash at bank and in hand		37,231		56,436	
		<u>62,390</u>		<u>80,300</u>	
Creditors: amounts falling due within one year	13	<u>(9,071)</u>		<u>(12,117)</u>	
Net current assets			<u>53,319</u>		<u>68,183</u>
Total assets less current liabilities			<u>86,321</u>		<u>85,492</u>
Capital and reserves					
Restricted funds	14		48,432		21,475
Unrestricted funds	14		<u>37,889</u>		<u>64,017</u>
			<u>86,321</u>		<u>85,492</u>

These financial statements have been 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 January 2007).

The financial statements were approved by the Council of Management on 31 July 2009 and were signed on its behalf by:

Jonathan Rose
Director

28 September 2009



Lucy Byatt
Director



THE SCOTTISH SCULPTURE WORKSHOP

Accounting policies

(a) Basis of accounting

The financial statements are prepared in accordance with Financial Reporting Standard for Smaller Entities (effective January 2007), applicable accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (the Charities SORP), and the Companies Act 1985.

The financial statements have been prepared under the historical cost convention.

(b) 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.

(c) Resources expended

All expenditure is included on an accruals basis.

(d) Direct charitable expenditure

Direct charitable expenditure includes all expenditure directly related to the objects of the charity. This specifically comprises the costs of providing support to those in need of financial support and is accounted for when payable, together with the costs of running and maintaining the school.

(c) Management and administration costs

Management and administration costs represent expenditure incurred in the management of the charity's assets, organisational administration and compliance with constitutional and statutory requirements.

(e) 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.

(f) 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:

Foundry – 5% straight line
Furnishings & equipment – 20% straight line
Building improvements – 5% straight line

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Accounting policies

(g) 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.

(h) Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis.

(i) Going concern

The charity relies on grant funding from Aberdeenshire Council and the Scottish Arts Council. The directors are confident that further funding will be made available by these awarding agencies. They are also confident that other income streams will continue into the future. Although income is not guaranteed the directors believe that it is prudent to prepare the financial statements on a going concern basis.

THE SCOTTISH SCULPTURE WORKSHOP

Notes to the financial statements

1. Resources arising - income

All income is recognised in the statement of financial activities when the conditions for receipt have been met and there is reasonable assurance of receipt.

Contributions received, which arise in the United Kingdom, are attributable to the charity's principal activity.

2. Surplus / (deficit) on ordinary activities for the year

	2009 £	2008 £
The surplus / (deficit) for the year arose after charging:		
Remuneration paid to directors	-	-
Auditors' remuneration	1,500	1,400
Depreciation of tangible fixed assets (note 11)		
- owned assets	<u>6,520</u>	<u>8,892</u>

3. Employee remuneration

During the year the following employee costs were incurred:

Salaries and wages	70,015	67,993
Employer's NI	5,499	4,978
Employer's pension contributions	1,941	2,015
	<u>77,455</u>	<u>74,986</u>

The average number of full-time equivalent employees during the year was 4 (2008: 6). No employee was paid more than £50,000 per annum.

4. Taxation

The charity is exempt from paying corporation tax due to its charitable status.

Figures within the accounts are shown inclusive of irrecoverable VAT, which generally equates to 50% of total VAT charged.

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Notes to the financial statements (continued)

5. Grants	2009	2008
	£	£
<i>Unrestricted funds:</i>		
Scottish Arts Council	120,000	120,000
Aberdeenshire Council	13,000	16,000
	-----	-----
	133,000	136,000
	-----	-----
<i>Restricted funds:</i>		
Esmee Fairbairn / Summer Residency Programme	26,000	1,750
Scottish Arts Council / Capital Development	9,000	-
Aberdeenshire Council / Capital Development	7,130	5,964
Aberdeenshire Council / Ganghut Project	3,000	-
Riverbank School / Riverbank Project	3,000	-
Aberdeenshire Council / Leith Hall Project	2,000	5,000
Duncan of Jordanstone / Summer Residency Programme	500	-
University of Dundee / Summer Residency Programme	250	-
Scottish Arts Council / Partners	-	40,000
Scottish Arts Council / Leith Hall Project	-	9,000
Fred Bushe	-	3,898
Aberdeenshire Council / Partners	-	2,000
Gordon Forum	-	1,000
Turcan Connell/Hugh Fraser	-	1,000
	-----	-----
	50,880	69,612
	-----	-----
	<u>183,880</u>	<u>205,652</u>
6. Incoming resources from charitable activities	2009	2008
	£	£
<i>Unrestricted funds:</i>		
Accommodation and workshop fees	9,080	13,078
Commissions and services	1,703	963
Resaleable stock income	17,305	15,196
	-----	-----
	<u>28,088</u>	<u>29,237</u>

THE SCOTTISH SCULPTURE WORKSHOP
Notes to the financial statements (continued)

7. Total incoming resources	2009 £	2008 £
Self-generated		
Donations and gifts	1,550	40
Accommodation and workshop fees	9,080	13,078
Re-saleable stock	17,305	15,196
Commissions/services	1,597	963
Pay phone/fax/photocopying	106	129
Other income	1,210	-
	<u>30,848</u>	<u>29,406</u>
Unrestricted funds		
Grants (see note 5)	133,000	136,000
Wayleave - openreach BT	-	145
	<u>133,000</u>	<u>136,145</u>
Restricted funds		
Donations and gifts	366	-
Grants (see note 5)	50,880	69,612
	<u>51,246</u>	<u>69,612</u>
Bank interest received	386	644
	<u>215,480</u>	<u>235,807</u>
8. Cost of generating funds		
Fundraising and publicity	<u>1,537</u>	<u>3,461</u>
9. Charitable activities		
Running costs and maintenance of premises	47,444	34,793
Direct costs of running programme	60,812	94,436
Staff costs (see note 3)	77,455	74,986
Office expenses	8,956	6,956
Travel, entertaining, board expenses and training	4,628	5,485
Professional fees	1,931	12,661
Accountancy and book-keeping	3,558	-
Depreciation	6,520	8,892
	<u>211,304</u>	<u>238,209</u>

THE SCOTTISH SCULPTURE WORKSHOP
Notes to the financial statements (continued)

10. Total resources expended

	2009	2008
	£	£
Staff costs (see note 3)	<u>77,455</u>	<u>74,986</u>
Premises costs		
Rent	9,393	10,309
Rates	1,839	1,126
Insurance	6,453	6,843
Heat, light and power	6,589	8,058
Cleaning and laundry	2,654	3,129
Premises expenses and fittings	19,036	4,117
Waste disposal	1,480	1,211
	<u>47,444</u>	<u>34,793</u>
Office expenses		
Telephone and internet fees	2,462	2,102
Postage	351	437
Stationery	699	1,584
Administration	568	1,753
Bank charges	570	708
Board expenses	1,049	372
VAT assessment	2,860	-
Interest on VAT assessment	396	-
	<u>8,956</u>	<u>6,956</u>
Travel and entertaining etc		
Entertaining	1,040	1,285
Conference fees	45	115
Travelling	2,861	4,085
Staff development	682	-
	<u>4,628</u>	<u>5,485</u>
Direct programme costs		
Maintenance of machinery	2,102	999
Equipment hire/leasing	3,503	6,411
Protective clothing	-	753
Non-re-saleable stock	2,766	5,266
Re-saleable stock	10,184	11,618
Artists fees and reimbursements	41,586	68,296
Miscellaneous purchases	672	369
Software	-	718
Bad debts	-	6
Marketing, fundraising and development	1,537	3,461
Depreciation (see note 11)	6,519	8,892
	<u>68,868</u>	<u>106,789</u>
Audit, accounting and professional fees	<u>7,300</u>	<u>14,061</u>
	<u>214,651</u>	<u>243,070</u>

THE SCOTTISH SCULPTURE WORKSHOP
Notes to the financial statements (continued)

11. Fixed assets

	Foundry £	Fixtures & fittings £	Building improves £	New workshop £	Total £
Cost					
1 April 2008	37,449	62,762	53,629	-	153,840
Additions	-	2,230	-	19,982	21,111
	-----	-----	-----	-----	-----
31 March 2009	37,449	64,992	53,629	19,982	174,951
	-----	-----	-----	-----	-----
Depreciation					
1 April 2008	25,350	61,243	49,938	-	136,531
Charge for year	1,872	1,966	2,681	-	6,519
	-----	-----	-----	-----	-----
31 March 2009	27,222	63,209	52,619	-	143,050
	-----	-----	-----	-----	-----
Net book amount					
31 March 2009	<u>10,227</u>	<u>1,783</u>	<u>1,010</u>	<u>19,982</u>	<u>33,002</u>
1 April 2008	<u>12,099</u>	<u>1,519</u>	<u>3,691</u>	=	<u>17,309</u>

12. Debtors

Amounts falling due within one year	2009 £	2008 £
Trade debtors	13,943	11,586
Other debtors	5,211	5,642
	-----	-----
	<u>19,154</u>	<u>17,228</u>

13. Creditors: amounts falling due within one year

	2009 £	2008 £
Trade creditors	997	5,208
Other taxation and social security	1,481	1,528
Accruals and deferred income	6,111	5,381
Other creditors	482	-
	-----	-----
	<u>9,071</u>	<u>12,117</u>

THE SCOTTISH SCULPTURE WORKSHOP
Management information for the year ended 31 March 2009 (continued)

14. Reserves

	Funds at 1 April 2008 £	Incoming resources £	Outgoing funds £	Fund transfers £	Funds at 31 March 2009 £
<i>Unrestricted funds:</i>					
General	64,017	164,234	(153,624)	(36,738)	37,889
<i>Restricted funds:</i>					
Advancement	6,876	-	(3,319)	-	3,557
Permanent Foundry	12,099	-	(1,872)	-	10,227
Summery Residency 2007	2,500	-	(2,500)	-	-
Ganghut Project	-	3,000	(2,880)	-	120
Riverbank Project	-	3,000	-	-	3,000
Capital Development	-	16,496	(16,879)	17,738	17,355
Leith Hall Project	-	2,000	(9,500)	19,000	11,500
Summer Residency 2008	-	26,750	(24,077)	-	2,673
	<u>21,475</u>	<u>51,246</u>	<u>(61,027)</u>	<u>36,738</u>	<u>48,432</u>
TOTAL FUNDS	<u>85,492</u>	<u>215,480</u>	<u>(214,651)</u>	<u>=</u>	<u>86,321</u>

15. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Tangible fixed assets	22,776	10,226	33,002
Cash at bank	10,780	26,452	37,232
Other net current assets	4,333	11,754	16,840
	<u>37,889</u>	<u>48,432</u>	<u>87,074</u>

16. Limited liability

The charity is incorporated as a company limited by guarantee and accordingly has no share capital. The liability of each member in the event of the company being wound up is £1.

17. Financial commitments

At 31 March 2009 the charity had annual commitments under non – cancellable operating leases as follows:

	2009 £	2008 £
Expiry date: 2 – 5 years		
Due within one year	<u>3,500</u>	<u>3,500</u>

18. Related party transactions

There were no related party transactions to report.