

Scottish Artists Union

Financial Statements

For the year ended 31 March 2019

Scottish Artists Union

Financial Statements

For the year ended 31 March 2019

Contents	Page
Office Bearers and Executive Committee Members	1
Report of the Executive Committee	2 – 4
Independent Auditor's Report	5 – 6
Income and Expenditure Account	7
Balance Sheet	8
Notes to the Financial Statements	9 – 11

Scottish Artists Union

Office Bearers and Executive Committee Members For the year ended 31 March 2019

Office Bearers

Sinead Dunn	President	(until 1 April 2019)
Lynda Graham	Acting President	(from 1 April 2019)
Lynda Graham	Secretary	(until 1 April 2019)
Helen de Main	Secretary	(from 1 April 2019)
Karen Vaughan	Treasurer	

Executive Members

Chris Biddlecombe

Sinead Dunn (from 1 April 2019)

Clara Ursitti (until 25 August 2018)

Helen de Main (until 1 April 2019)

Lorna Mitchell (until 25 August 2018)

Janie Nicoll

Fiona Pilgrim

BD Owens

James McLardy (until 25 August 2018)

Scottish Artists Union

Report of the Executive Committee to the Members of the Scottish Artists Union

Overview

- Membership numbers increased at the same time as the completion of the transition to payment by direct debit, the fee increase and the switch to annual subscriptions being taken on the 1st April each year. As of 31/3/2019 the Scottish Artists Union had 1379 members, its highest ever figure.
- This two-year process of modernisation and change had a huge impact on how members interacted with the union and how staff communicated with members. Although the effect has been greatly positive both financially and organisationally, the executive committee acknowledge the disruption this caused members and staff alike and thank all for their patience and sticking by the union during this unique period of change.
- At the 2018 AGM members voted to affiliate to the Scottish Trades Union Congress a significant step in our brief history and establishes the Scottish Artists Union as **the** trade union for visual and applied artists, and makers living and working in Scotland.
- Affiliation to the STUC builds upon the already successful working relationship the Scottish Artists Union has with the wider union movement in Scotland, and gives access for our staff and members to the various committees, expertise and support of the STUC and other unions including fellow creative industry unions like Equity, Musicians Union and National Union of Journalists.
- In summer 2018 we again invited members to contribute to our annual members survey, sadly this year only around 100 members took part. This was still a sample to be statistically valuable but will mean a review of how we take forward this activity in the future.

Finances

- The modernisation process to update the members database, switch payment method to direct debit and the membership fee increase alongside an increase in members contributed to an increase in income for the year.
- This meant that staff on short-term contracts could be retained on a permanent basis, expanding the team funded by membership fees alone to two part-time membership administrators and a part-time finance and projects manager.
- The move to an annual membership renewal on 1st April meant that those members renewing during the period paid only a part-year membership fee up to 31/3/2019, this had an impact on cash-flow, so the executive committee agreed to draw down £25,000 from the Triodos reserve account to mitigate any issues faced on the treasurer's cash account.
- The core budget agreed for this year was planned to operate with a deficit as part of the modernisation process for a second year in preparation for April 2019 - March 2020 having a full year's annual renewal from 1st April and a core budget based on a full year's membership income.
- Auditors Geoghegans were agreed again for another year with accountancy services provided by Alterledger.
- The finance sub-committee continue to provide regular scrutiny of the day-to-day finances, reporting to the executive committee each month.

Projects

- The new website continued to be developed providing a dynamic platform for members joining the union and interacting with our resources. It is how we maintain secure and compliant data on our members, communicate with members and supporters, as well as provide information on the union to a wider audience.
- Upon completion of this phase of our modernisation we were again successful in gaining funding from the STUC to develop a Fair Work contract template for our members, this exciting project will provide a much-needed level of protection to members who mostly do paid work without a formal agreement of contract.
- The Scottish Artists Union continues to work with SCAN and Engage Scotland on the Visual Arts Manifesto, this year it included the 'manifesta' event in December 2018 and the launch of a website www.visualartsmanifesto.scot hosted by the union.

Scottish Artists Union

Report of the Executive Committee to the Members of the Scottish Artists Union

Learning Programme

Activities undertaken in the Lowlands & Uplands and Highlands & Islands from April 2018-March 2019.

- The Learning Programme delivered another successful year of ambitious and innovative learning provision funded by Scottish Union Learning. The Union provided a number of free workshops and courses across the country in Dundee, Glasgow, Inverness, Skye, North Uist, and Orkney in a wide range of topics including professional writing, finance, legal rights, copyright, collaboration, organising, campaigning, negotiating contracts, rates of pay, pricing artwork, and more.
- We worked with many different specialists and expert learning providers including artists, writers, creative freelancers and other creative unions. In 2018, we expanded the reach of the programme to the Highlands & Islands for the first time and successfully secured additional funding to employ a Learning Organiser for the region and to continue the Lowlands & Uplands post.
- The project plans for 2019 are to continue and build on our previous work, deliver more free workshops and courses for members, and to build artist-led freelance networks across Scotland's rural and urban communities.
- The programme will offer an opportunity for those who work alone to be with like-minds, learning, sharing experiences, and combatting issues together on a larger scale. This project encourages self-organising and communications in a way that will create a more informed, collectivised culture of empowerment within the artistic community in Scotland.

Scottish Artists Union

Report of the Executive Committee to the Members of the Scottish Artists Union

Statement of Responsibilities

The Executive Committee are responsible for preparing the financial statements in accordance with applicable law and regulations. The Constitution requires the Executive Committee to prepare the financial statements for each year. The Executive Committee have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. The financial statements are required by law to give a true and fair view of the state of affairs of the Union and of the surplus or deficit of the Union for that period. In preparing those financial statements, the Executive Committee are required to:

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

The Executive Committee are responsible for keeping proper accounting records, for safeguarding the assets of the Association and for taking steps for the prevention and detection of fraud and other irregularities. So far as the Executive Committee is aware, there is no relevant audit information of which the Union's Auditor is unaware. Additionally, the Executive Committee have taken all necessary steps that they ought to have taken to make themselves aware of all relevant audit information and to establish that the Auditor is aware of that information.

Irregularity Statement

A Member who is concerned that some irregularity may be occurring, or have occurred, in the conduct of the financial affairs of the Union may take steps with a view to investigating further, obtaining clarification and, if necessary, securing regularisation of that conduct. The Member may raise such concern with such one or more of the following as it seems appropriate to raise it with; the Officials of the Union, the Trustees of the property of the Union, the Auditor or Auditors of the Union, the Certification Officer (who is an independent Officer appointed by the Secretary of State) and the police.

Where a member believes that the financial affairs of the Union have been or are being conducted in breach of the law or in breach of the rules of the Union and contemplates bringing civil proceedings against it the Union or responsible Officials or Trustees, he should consider obtaining independent legal advice.

Lynda Graham

President

For and on behalf of the Scottish Artists Union

2019

Scottish Artists Union

Independent Auditor's Report to the Members of the Scottish Artists Union

Opinion

We have audited the financial statements of the Scottish Artists Union for the year ended 31 March 2019 which comprise the income and expenditure account, balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the union's affairs as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992 (amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the union in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the executive committee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the executive committee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the union's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The executive committee is responsible for the other information. The other information comprises the information included in the report of the executive committee, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Scottish Artists Union

Independent Auditor's Report to the Members of the Scottish Artists Union

Responsibilities of the executive committee

As explained more fully in the executive committee's responsibilities statement set out on page 4, the executive committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the executive committee is responsible for assessing the union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the executive committee either intends to liquidate the union or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of the report

This report is made solely to the union's members, as a body, in accordance with the rules of the union. Our audit work has been undertaken so that we might state to the union'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 union and the union's members as a body, for our audit work, for this report, or for the opinions we have formed.

2019

Paul Marshall (Senior Statutory Auditor)
For and on behalf of Geoghegans
Chartered Accountants and Statutory Auditors
6 St Colme Street
Edinburgh
EH3 6AD

Scottish Artists Union

Income and Expenditure Account For the year ended 31 March 2019

	Notes	2019 £	2018 £
Income			
Subscription received	1b	67,915	48,647
Grants received		41,300	35,242
Other income	1c	1,093	297
		<u>110,308</u>	<u>84,186</u>
Total income			
Expenditure			
<i>Development work/projects:</i>			
Annual conference costs		948	1,062
Publicity and marketing		6,926	7,292
Research and project expenses		25,217	12,583
		<u>33,091</u>	<u>20,937</u>
<i>Administration:</i>			
Learning programme fees		15,294	-
Telephone, print, post and stationery		4,715	3,652
Rent, rates and insurance		15,143	12,597
Travelling expenses	1d	1,786	2,878
Administrator fees	1e	1,253	1,590
Subscriptions		753	1,618
Accountancy fees		12,552	6,895
Audit fee		1,442	1,354
Legal and Professional fees		6,435	2,629
Bank charges		1,650	438
Wages and staff training		52,805	37,771
Website costs		312	917
Other expenses		1,011	948
Depreciation		489	-
		<u>100,346</u>	<u>73,287</u>
Total expenditure			
		<u>133,437</u>	<u>94,224</u>
Deficit for the year			
		<u>(23,129)</u>	<u>(10,038)</u>

There are no recognised gains or losses other than the surplus for the year, and no acquisitions or discontinued operations in the year.

Scottish Artists Union

Balance Sheet

For the year ended to 31 March 2019

	Notes	£	2019 £	2018 £
Tangible Fixed Assets	2		1,958	-
Current assets				
Debtors	3	26,754		23,143
Cash at bank and in hand		<u>37,771</u>		<u>58,136</u>
		64,525		81,279
Creditors: falling due within one year	4	<u>(29,241)</u>		<u>(20,908)</u>
			<u>35,284</u>	<u>60,371</u>
Net current assets			<u>35,284</u>	<u>60,371</u>
Net assets			<u>37,242</u>	<u>60,371</u>
Funds				
General fund	5		<u>37,242</u>	<u>60,371</u>

Approved on behalf of the Board and authorised for issue on

2019.

Lynda Graham
President

Karen Vaughan
Treasurer

Scottish Artists Union

Notes to the Financial Statements For the year ended to 31 March 2019

1. Accounting policies

a. Accounting convention

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') as applicable to entities subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required and show a true and fair view.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

b. Subscriptions income

The majority of subscriptions are received in monthly instalments and most subscription income therefore relates to the year in which it was received. A proportion of subscription income – largely consisting of subscriptions paid annually rather than monthly – relates to future financial periods, and is therefore treated as deferred income and included in "Creditors falling due within one year".

c. Interest income

Interest income is recognised when it is probable that it will be received by the Union and the amount can be measured reliably.

d. Travel expenses

Executive Members are voluntary and do not receive any remuneration but are entitled to reimbursement of reasonable expenses incurred while travelling on behalf of the Union. During the year 6 Executive Members were reimbursed expenses totalling £2,616 (2018: 4 Executive Members reimbursed expenses totalling £4,105).

e. Administrator fees

The Executive engage the services of part-time administrator, on a fee paying basis, for approximately 40 hours per month to maintain the membership records and issue membership cards.

f. Fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated by the straight-line method to write off the cost of fixed assets over their estimated useful lives at the following rates:

Computer Equipment	20% per annum straight line
--------------------	-----------------------------

Scottish Artists Union

Notes to the Financial Statements For the year ended to 31 March 2019

1. Accounting policies (continued)

g. Debtors

Debtors are recognised at the settlement amount due.

h. Cash

Cash at bank and in hand indicates cash and highly liquid short term deposits with a maturing of these means or less.

i. Creditors and provisions

Creditors and provisions are recognised where the Union has a present obligation resulting when a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured reliably. Creditors and provisions are normally recognised at their settlement amounts.

j. Financial instruments

The Union only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

k. Pension

The Union contributes to employees' individual pension plans. The amounts charge in the income and expenditure account represent contributions made during the financial year.

2 Tangible Fixed Assets

**Computer
Equipment**
£

Cost:

At 1 April 2018	-
Additions	2,447
	<hr/>
At 31 March 2019	2,447
	<hr/>

Accumulated depreciation:

At 1 April 2018	-
Charge for the year	489
	<hr/>
At 31 March 2019	489
	<hr/>

Net book value at 31 March 2019	<hr/> <hr/> 1,958
---------------------------------	-------------------

Net book value at 31 March 2018	<hr/> <hr/> -
---------------------------------	---------------

Scottish Artists Union

Notes to the Financial Statements For the year ended to 31 March 2019

3. Debtors	2019	2018
	£	£
Trade debtors	18,449	17,056
Prepayments	8,078	2,588
Other debtors	227	3,499
	<u>26,754</u>	<u>23,143</u>
4. Creditors falling due within one year	2019	2018
	£	£
Trade creditors	23,551	2,060
Accruals	2,590	8,995
Other creditors	716	8,452
Subscriptions received in advance	2,340	759
PAYE	-	558
Pension	44	84
	<u>29,241</u>	<u>20,908</u>
5. General funds	2019	2018
	£	£
At 1 April 2018	60,371	70,409
Deficit for the year	<u>(23,129)</u>	<u>(10,038)</u>
At 31 March 2019	<u>37,242</u>	<u>60,371</u>

6. Employees

The average number of employees in the year was 4 (2018: 4).

7. Related party transactions

There were no transactions with related parties in the current or prior year, except as disclosed in note 1 (d).