

Scottish Artists Union

Financial Statements

For the year ended 31 March 2021

Scottish Artists Union

Financial Statements

For the year ended 31 March 2021

Contents	Page
Office Bearers and Executive Committee Members	1
Report of the Executive Committee	2 – 6
Independent Auditor's Report	6 – 8
Income and Expenditure Account	9
Balance Sheet	10
Notes to the Financial Statements	11 – 13

Scottish Artists Union

Office Bearers and Executive Committee Members For the year ended 31 March 2021

Office Bearers

Lynda Graham	President
BD Owens	Vice President (appointed 1 October 2020)
Helen de Main	Secretary
Karen Vaughan	Treasurer (resigned 16 July 2020)
Angela Batheja	Treasurer (appointed 16 July 2020, resigned 24 April 2021)
Olivier Julien	Treasurer (appointed 24 April 2021)

Executive Members

Fadzai Mwakutuya Hamburg

Janie Nicoll (resigned 21 March 2021)

Lilian Ptacek (resigned 18 June 2020)

Caitlin Merret King (resigned 18 June 2020)

Robert Singer (appointed 16 April 2020)

Saskia Singer (appointed 16 September 2020)

Sean Mallon (appointed 19 November 2020)

Olivier Julien (appointed 28 January 2021)

Rosa Moxham (appointed 28 January 2021)

Karen Vaughan (resigned 16 July 2020)

Scottish Artists Union

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

Overview

In March 2020 we held a 'Meet-up' event for our members at Edinburgh Printmakers. This was to be the last in person event we held before the impact of Covid-19 took effect. Throughout this period the landscape remained uncertain and all our engagement with members continued to be online. The staff team largely worked from home, working with increased demand due to the impact of the pandemic and the shift to digital and online delivery.

During this period, we received a small amount of funding from SCVO Third Sector Resilience Fund to offset increased demands, however the pandemic brought significant pressures on our finances. Several projects were postponed or delayed including the *Artists Run Spaces Mapping* survey; *Cove Park Residency*; *Banner Project* and the *Fair Work Contracts*. After an initial drop in membership numbers, we slowly recovered our numbers and on 31 March 2021 we had 1400 Full members: 192 Associate members and 43 Graduate members.

In June 2020 we worked with a PR consultant to highlight the impact of Covid-19 on our membership and gained widespread press coverage in national and local press in Scotland. Articles featured in *The National*; the *Herald*; *The Scotsman*; *The Morning Star*; *Arts Professional*; *Perthshire Courier*. *BBC Alba* followed up on the issues raised, with a focus on the impact in the Highlands and Islands.

In July 2020 SAU were invited to take part in the Scottish Green Party online event with Tom Freeman MSP and we also attended a Virtual Roundtable Discussion with Claire Baker MSP, Scottish Labour spokesperson on Culture. In August 2020, SAU and the Culture Affiliate unions held a meeting with Fiona Hyslop Cabinet Secretary for Economy, Fair Work and Culture.

We established a new campaign *Seeing Red* to highlight the ongoing precarity and lack of sustainability for freelancers working in the visual arts sector. The campaign engaged our membership and called for measures to address the issues, including support for the introduction of Universal Basic Income (UBI). At the union's online AGM in October 2020 the membership overwhelmingly passed a motion in support of UBI. We worked with Citizens Basic Income Network (CBIN) to explore UBI models and investigate implementation.

The shift to online delivery increased our engagement with members and we saw an increase in attendance at our online Learning Programme events. We also received additional funds from Scottish Union Learning to deliver new Covid-19 Recovery themed workshops.

Regular meetings with STUC Culture Affiliate Unions and Scottish Government representatives continued and the union group worked together to produce a promotional video and run a fringe event at the STUC Congress in November 2020. These meetings provided a forum for consultation on areas such as reviewing Health & Safety Guidelines for Safe Working Practices and the dissemination of Hardship Funds for Freelancers via Creative Scotland. This group also lobbied to gain union representation on the Scotland's National Partnership for Culture (NPC).

We continued to liaise with sector organisations Scottish Contemporary Art Network (SCAN) and Engage Scotland. Working with SCAN, in June 2020 we co-produced a video, to support the application process for CS Bridging Bursary and in January 2021 we published a joint workforce survey, working with independent researcher Ruth Stevenson. Internally, throughout this year we established a Covid-19 sub-group and ran several surveys to help identify member needs relating to the ongoing impact of Covid-19.

Artists Run Spaces Mapping survey: This project, run in collaboration with Creative Scotland, was put on pause due to the impact of Covid-19. The project will resume in June 2021.

Scottish Artists Union

Report of the Executive Committee to the Members of the Scottish Artists Union (continued)

Overview (continued)

Fair Work Contracts Project: During the pandemic we were able to progress some aspects of this project, completing some of the contract material and supporting documents. The launch of the project was rescheduled to take place in June or July 2021.

Power To the Key Workers: In June 2020 SAU supported four of our members who set up a new women's mural Cobalt Collective. COBOLT launched a poster campaign focusing on the crucial role that key workers played in fighting the Covid-19 pandemic. The series of posters that paid tribute to vital key workers were installed in six different prominent locations across Glasgow on Monday 1st of June 2020.

This campaign showed solidarity, support, and gratitude towards Glasgow's key workers during these particularly straining times, injecting Glasgow's streets with a strong, uplifting message of positivity, optimism, and encouragement, and served an antidote to the bleakness of many aspects of the coronavirus pandemic.

Black Lives Matter Mural Trail: In support of our member Sekai Machache, we donated to the BLM Mural Trail. Sekai's mural in Dundee had been vandalised and we wished to contribute to its restoration and provide solidarity to the project and its aims.

The union's first online Annual General Meeting was held on October 3rd 2020. The event was well attended and enabled more members to participate. We had a pre-AGM event with Philip Hannay of Cloch Solicitors who gave us an update on the progress of the Fair Work contracts and responded to questions from the membership.

Learning Programme: during this period the Learning Programme worked quickly and adapted to deliver the project online and respond to the challenges of Covid-19. There were 10 courses in the year made up of 26 online sessions covering topics from copyright, cyber security, benefit and finance, climate change, disability access and public speaking for women, as well as 10 online videos around how to build your own website using WordPress. In addition, we secured income from the Scottish Union Learning's Covid-19 Recovery Fund to run an online archives course and self-care advice session. In addition to the core programme, we were able to run a series of weekly solidarity sessions online where we discussed the impacts of Covid-19 and provided up to date advice on Government schemes. During this period, we had 800 participants in the Learning Programme.

In January 2021, using information from the joint SCAN and SAU workforce sector survey, SAU submitted and gave evidence to the *Culture, Tourism, Europe and External Affairs Committee* at the Scottish Parliament. We also continued to attend the Cross-Party Group on Culture (CPGC) meetings at the Scottish Parliament.

Sub-group Development: During this period, we began the process of developing two new sub-groups. The Sustainability and Climate group has been well attended and continues to develop links and plans for involvement in COP-26. The Intersectional sub-group continues to grow and is looking at a programme of events and speakers.

Finances

The Scottish Artists Union's principal source of funding is through membership subscriptions, which cover core overheads and salaries costs.

The coinciding of Covid-19 with membership renewals presented a financially precarious year. The initial loss of membership renewal income slowly regained an equilibrium as, throughout the year, we saw a return of some lapsed members and new members joining.

In May 2020 we received £1,097 from the *Third Sector Resilience Fund* to help towards office running costs.

Scottish Artists Union

Report of the Executive Committee to the Members of the Scottish Artists Union (continued)

Finances (continued)

An increase in demand for services led to increased staffing hours and costs and the union's cash reserves partly provided funding for this unforeseen expenditure. The President continues to be partially remunerated for duties and services including managing and supporting the staff team.

Delays due to Covid-19 meant that it was March 2021 before we heard that our December 2020 application to Scottish Union Learning was successful. We were awarded a third round of funding to cover an extended learning programme and increased hours for Learning staff for the period 2021 – 2023.

Scottish Artist Union's designated workplace pension scheme continues to be with *Now Pensions*.

Auditors *Geoghegans* were agreed again for another year with accountancy services provided by *Alterledger*.

The finance sub-committee, (Treasurer, President and Finance Manager) continue to provide regular scrutiny of the day-to-day finances, reporting to the executive committee each month.

Scottish Artist's Union Executive Members recognise their responsibility to ensure that the union has sufficient reserves to fund present and future liabilities. The union's policy is to aim to hold a minimum of three months' operating costs in reserves in unrestricted income. The Executive Members agree to review this policy on an annual basis at the start of each financial year. Having depleted cash reserves of £9,040 at the end of March 2021, we move forward with the intention of building up the cash reserves incrementally over the next two years to meet our aim.

Staffing changes:

In July 2020, Membership Administrator Meg Held was welcomed back from Maternity Leave. We also thanked Gordon Dickson, Finance & Projects Manager, who left to take up employment in another post, for all his hard work and contribution to the modernisation of the union. The Finance & Projects Manager job was reconfigured into two temporary part-time posts, Finance & Operations Manager (permanent post) and Campaigns & Projects Manager (temporary post).

These roles were advertised internally and appointed successful candidates Karen Vaughan to Finance and Operation Manager and Janie Nicoll to Campaigns and Project Manager. The Learning Manager supported the union by delaying her original planned leaving date and stayed in post until the worst impacts of the pandemic were over and the new funding bid was submitted. The funding bid was successful. In March 2021, we started the recruitment process for a new Learning Co-ordinator for LUPS after saying goodbye to Learning Manager Lauren Printy Currie.

Our expenditure on Executive remuneration has increased this year due to the increased demand for support from the membership during Covid-19 and to accommodate the shift to remote working. The Executive Committee made the decision to increase the paid Presidency post from 1 to 2 days per week. EC members were also remunerated for additional tasks and meetings the union were involved in during the pandemic. This included a fortnightly meeting between the STUC and Scottish Government civil servants within the Culture Department and increased meetings with Creative Scotland and sector-specific partners.

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, they should consider obtaining independent legal advice.



Lynda Graham
President

For and on behalf of the Scottish Artists Union

28 August 2021

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 2021 which comprise the income and expenditure account, balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 2021, and of its incoming resources and application of resources, including 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)) and applicable law. 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 charity 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

In auditing the financial statements, we have concluded that the executive committee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the union's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the executive committee's annual report⁴, other than the financial statements and our auditor's report thereon. The executive committee is responsible for the other information contained within the annual report⁴. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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, 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 are 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 have 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures to respond to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we consider the following:

- The nature of the industry, control environment and business performance of the charity
- The results of our enquires with management and the executive committee about their own identification and assessment of the risks of irregularities
- The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we consider the opportunities and incentives that may exist within the union for fraud. In common with all audits under ISAs (UK), we perform specific procedures to respond to the risk of management override and inappropriate income recognition.

We also obtain an understanding of the legal and regulatory environment in which the union operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements and those which may be fundamental to the union's ability to operate. The key laws and regulations we considered in this context included the Trade Union and Labour Relations (Consolidation) Act 1992.

Scottish Artists Union

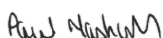
Independent Auditor's Report to the Members of the Scottish Artists Union

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available 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 our 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.



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

28 August 2021

Scottish Artists Union

Income and Expenditure Account For the year ended 31 March 2021

	Notes	2021 £	2020 £
Income			
Subscription received	1b	92,260	85,812
Grants received		44,841	53,750
Other income	1c	14	657
		<hr/>	<hr/>
Total income		137,115	140,219
		<hr/>	<hr/>
Expenditure			
<i>Development work/projects:</i>			
Annual conference costs		678	8,655
Publicity and marketing		3,640	3,139
Research and project expenses		10,780	12,176
		<hr/>	<hr/>
		15,098	23,970
<i>Administration:</i>			
Telephone, print, post and stationery		3,235	3,961
Rent, rates and insurance		18,631	19,445
Travelling expenses	1d	344	4,141
Executive Freelance fees	1e	25,478	5,720
Subscriptions		3,567	3,360
Accountancy fees		8,280	7,920
Administration fees		6,300	-
Audit fee		1,434	1,434
Legal and Professional fees		250	222
Bank charges		2,648	2,064
Wages and staff training		59,175	62,516
Website costs		755	984
Other expenses		1,082	558
Depreciation		689	557
		<hr/>	<hr/>
		131,868	112,879
		<hr/>	<hr/>
Total expenditure		146,966	136,849
		<hr/>	<hr/>
(Deficit)/surplus for the year		(9,851)	3,370
		<hr/>	<hr/>

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 2021

	Notes	£	2021 £	2020 £
Tangible Fixed Assets	2		1,711	2,400
Current assets				
Debtors	3	26,387		17,572
Cash at bank and in hand		<u>39,763</u>		<u>58,155</u>
		66,150		75,727
Creditors: falling due within one year	4	<u>(37,100)</u>		<u>(37,515)</u>
			<u>29,050</u>	<u>38,212</u>
Net current assets			<u>29,050</u>	<u>38,212</u>
Net assets			<u>30,761</u>	<u>40,612</u>
Funds				
General fund	5		<u>30,761</u>	<u>40,612</u>

Approved on behalf of the Board and authorised for issue on 28 August 2021.



Lynda Graham
President



Olivier Julian
Treasurer

Scottish Artists Union

Notes to the Financial Statements

For the year ended to 31 March 2021

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. Subscription 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 3 Executive Members were reimbursed expenses totalling £128 (2020: 6 Executive Members reimbursed expenses totalling £1,729).

e. Executive Freelance fees

Executive Committee members are remunerated for duties out with their remit i.e. line management of staff, recruitment interviews, attending conferences. During COVID-19 an increased demand on the union meant that it was agreed to partially remunerate Executive Committee Members for all the additional time they contributed to the union during these extraordinary times. Additional work included COVID-19 related meetings with the Scottish Government, the STUC and sector bodies e.g. Creative Scotland. Executive Members also covered operational duties during staff changes and recruitment period.

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
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Scottish Artists Union

Notes to the Financial Statements For the year ended to 31 March 2021

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 charged in the income and expenditure account represent contributions made during the financial year.

2 Tangible Fixed Assets

**Computer
Equipment
£**

Cost:

At 1 April 2020 3,446

Additions -

At 31 March 2021 3,446

Accumulated depreciation:

At 1 April 2020 1,046

Charge for the year 689

At 31 March 2021 1,735

Net book value at 31 March 2021 1,711

Net book value at 31 March 2020 2,400

Scottish Artists Union

Notes to the Financial Statements For the year ended to 31 March 2021

3. Debtors	2021	2020
	£	£
Trade debtors	13,816	5,616
Prepayments	12,344	11,729
Other debtors	227	227
	<u>26,387</u>	<u>17,572</u>
4. Creditors falling due within one year	2021	2020
	£	£
Trade creditors	5,666	18,659
Accruals	29,642	13,986
Other creditors	527	2,620
Subscriptions received in advance	1,080	2,166
Pension	185	84
	<u>37,100</u>	<u>37,515</u>
5. General funds	2021	2020
	£	£
At 1 April 2020	40,612	37,242
(Deficit)/surplus for the year	<u>(9,851)</u>	<u>3,370</u>
At 31 March 2021	<u>30,761</u>	<u>40,612</u>

6. Employees

The average number of employees in the year was 5 (2020: 5).

7. Related party transactions

During the year, 6 (2020:5) Executive Members received freelance fees and expenses amounting to £25,478 (2020: £7,449).