

Charity number SC037822

KIRKCALDY ART CLUB

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2023

BROWN, SCOTT & MAIN

Chartered Accountants

KIRKCALDY ART CLUB

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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KIRKCALDY ART CLUB

TRUSTEES AND OFFICERS

CHAIR

Cheryl Stewart

VICE CHAIR

-

SECRETARY

Liz Mitchell

TREASURER

Lynn Robertson

OTHER TRUSTEES

Kathy Butcher
Maureen Butcher
June Cunningham
Louise Doherty
Martine Greig
Isha Harris
Dorothy Wyllie
Angela Marry
Simon Ward

SCOTTISH CHARITY NUMBER

SC 037822

REGISTERED OFFICE

Hot Pot Wynd
Dysart
Kirkcaldy

INDEPENDENT EXAMINER

William Main MA CA
31 Townsend Place
Kirkcaldy

BANKERS

TSB Bank plc
High Street
Kirkcaldy

KIRKCALDY ART CLUB

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report and financial statements of the charity for the year ended 31 March 2023. The financial statements have been prepared in accordance with the accounting policies set out on pages 10 and 11.

CURRENT TRUSTEES

The trustees currently holding office are listed on page 2.

RECRUITMENT AND APPOINTMENT OF TRUSTEES

The Club's annual general meeting took place on 19 May 2022 and the following changes in trustees holding office took place on that date:

Cheryl Stewart was appointed as Chairperson; Vice Chairperson office was left vacant as no members sought that role.

In addition, the following long-standing members of the committee stood down:

Bill Brown, Betty Roy, Keith Avery, Irene Hamilton, Morag Allan and Vera Lethbridge;

The following changes in trustees holding office also took place during the year:

Simon Ward joined the committee on 11th August 2022; and

Elma MacIntyre resigned from the committee on 14th November 2022.

GOVERNING DOCUMENT

The Club is an unincorporated charity and the purposes and administration arrangements are set out in its constitution.

CHARITABLE PURPOSES

The Club's purposes are to promote and fundraise in order to offer arts and crafts facilities in Kirkcaldy for public benefit.

ORGANISATIONAL STRUCTURE

The Club is supervised and managed by a committee of members presided over by a Chairperson. Other office bearers normally comprise Vice Chair, Secretary and Treasurer.

ACTIVITIES AND ACHIEVEMENTS

Spring into Summer classes 2022

By adhering to Scottish Government Guidelines on COVID-19, completing a full risk assessment and maintaining protocols for good ventilation and safe distancing and sanitation, we were able to offer members and non-members a range of pottery, craft and painting classes for 6 weeks in April and May; 4 pottery, 3 painting, 1 printing and Hot Pot Kids. In addition to the regular pottery classes at the club, we ran 2-day Raku Pottery firing sessions (held at Hilton Hill Farm in June), May Snaddon's 2-day evening painting sessions at the Harbour Master's café (May), and Iris Thomson's Outdoor Sketching and Painting Days (May and June). The craft group (untutored) continued to meet at the club on Wednesday afternoons.

Autumn and Winter classes 2022/23

We continued to follow Scottish Government Guidelines on COVID-19 and completed a full risk assessment of the club spaces. This allowed us to run a full 20-week programme comprising 4 painting, 1 printing and 4 pottery classes per week as well as hosting craft group sessions and untutored painting meetups, for 10 weeks before the New Year and 10 weeks after the New Year.

KIRKCALDY ART CLUB

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023 (continued)

ACTIVITIES AND ACHIEVEMENTS (continued)

Demonstrations and Workshops

Simon Ward's *Mastering the Potter's Wheel – Exploring Form and Technique* demonstration took place on 19th February 2023 and was well attended by aspiring and experienced potters alike. Throughout the demonstration Simon offered many tips and some new tricks to working with the wheel, showed attendees how to make an enclosed form and novel ways to add texture to the surface of a thrown pot. Members learned a range of techniques to expand their own creation of functional and sculptural pieces.

Rosalind Crawford's *Life Drawing Class* took place on Tuesday mornings for 4 weeks. Prompted by the donation of easels to the club, Rosalind led a group of artists through the process of drawing live models. She supported their observation, problem solving, creativity and drawing skills as they were developed throughout the short course and honed in the process of rendering the human form. Members felt it was a challenging yet enjoyable and satisfying endeavour.

Exhibitions

The Club participated in the Central Fife's Doors Open Day Festival on 11th September 2022 by opening its doors to the Hot Pot Wynd studios. Members' arts and crafts works were on display and Bill Bruce gave a live demonstration in watercolour painting. Also, children's activities were held in the pottery studio, refreshments were served and tombola was played by members and visitors. Footfall was limited this year due to inclement weather conditions but the club members participating enjoyed the opportunity to get together and appreciate the range of artistic talent within the club.

We would like to thank Viceroy Dental Practice for letting us continually exhibit artwork in its patient waiting room. It offers space for approximately 12 paintings (depending on size) updated twice a year, which enables the club to demonstrate a range of artistic styles. Staff and patients enjoy seeing the artwork and have purchased several pieces throughout the year. Members enjoy showing their work in the relatively intimate setting.

Mercat Shop

The Club extended the lease (rent free) for the shop in the Mercat Shopping Centre (opened October 2021) for another year with a 30-day option to quit. The shop is designed and operated by club member volunteers and managed by the Mercat shop subcommittee. All of the artwork for sale in the shop is created by club members. Opening hours are Fridays and Saturdays from 10 – 4pm. To improve accessibility for people with mobility issues, we've decided to trial opening the shop on the last Thursday of each month (disabled parking is available nearby on Thursdays). Leasing the retail unit in the Mercat Shopping Centre increased the club's liability for non-domestic rates, from £1,494 per year (for Hotpot Wynd studios) to £12,350 (£10,856 for the Mercat retail unit, alone). The club was successful in applying for Mandatory and Discretionary Relief to reduce the cost and increased member's commission rates to help cover the shortfall.

The benefits of the Mercat shop are substantial. The shop offers all members an opportunity to showcase artistic talent and creativity, to get to know other club members (particularly when volunteering at the shop) and to sell their own works of art. Volunteers develop skills in retail and share ideas with each other and with the broader community visiting the shop. Community members regularly ask questions about the Kirkcaldy Art Club: what classes are on offer and how to join, when visiting the shop. Finally, the Mercat shop has proven to be a significant fundraiser for the club. Initially, members paid a 15% commission for artwork sold. This was increased to 20% on 1st October 2022 to help cover the added costs associated with rate increases associated with the shop and inflationary increases for utilities and general running costs.

The main challenge for the club is ensuring there are enough volunteers every Friday and Saturday. We have reduced the staffing requirement from 3 volunteers per shift to 2, which has helped a bit. We have also made additional appeals to members, particularly those who sell their items in the shop. Regardless of the challenges, we have managed to remain open each weekend throughout the year. We are thankful to the Mercat Shopping Centre management for giving us this opportunity, to Fife Council for recognising our charitable status and to Mercat

KIRKCALDY ART CLUB

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023 (continued)

ACTIVITIES AND ACHIEVEMENTS (continued)

shoppers for visiting the shop and giving us positive feedback each week. Most of all, we appreciate the hard work and dedication of the members who volunteered their time and energy to keep the shop open and inviting.

MacMillan Cylinder Project

Simon Ward, one of our pottery tutors and a committee member, threw nearly 50 cylinders, which were then decorated and glazed by club potters, then displayed and sold in the Mercat shop. The project demonstrated a range of decorating techniques and highlighted endless possibilities in ceramics. The proceeds from the sale of the pots were donated to Macmillan Cancer Support, Fife.

Publicity and social media

Throughout the year we shared information about Kirkcaldy Art Club's upcoming activities and events and promoted classes on Instagram and Facebook. We used the facilities on our website to enable online booking of classes and workshops and keep members up to date about what's going on at the club through our members only section.

This year has been a reawakening of hidden talents and artistic flair. Our ability to keep the doors open at HotPot Wynd and the Mercat Shop has been due to the conscientious efforts of our members (including tutors) who volunteered their time to ensure the studios and shop were cleaned and prepped for classes, demonstrations and exhibitions, risk assessments were carried out, studio ventilation systems were operational and guidance on social distancing and sanitation were followed. It has been both challenging and rewarding and we look forward to stretching our wings wider in the coming year.

RESULTS

There was a net deficit on unrestricted funds for the year of £294 (2022 surplus of £2,313) and no movement on restricted funds (2022 £nil). Overall there was a net decrease in funds of £294 in 2023. Income increased by 30% but was offset by a 40% increase in expenditure.

At the year end the Club held total funds of £98,544 (2022 £98,838) made up of unrestricted funds of £98,489 (2022 £98,783) and restricted funds of £55 (2022 £55).

TRUSTEE REMUNERATION AND EXPENSES

No remuneration was paid to the trustees for services as trustees. Martine Greig received fees of £700 for pottery technician services (2022 £350) and £310 for cleaning services (2022 £210); Dorothy Wyllie received fees of £1,767 for tuition (2022 £3,500); and Simon Ward received fees of £1,796 for tuition (2022 £nil). A total of £2,102 (2022 £1,340) expenses were reimbursed to trustees as set out in note 1 on page 11.

FIXED ASSETS

Movement on fixed assets is shown in note 2 to the financial statements.

RISK ASSESSMENT

The principal risks faced by the Club lie in upholding its reputation, maintaining its membership and maintaining expert tuition and appropriate facilities in a safe environment. We, the trustees carry out risk assessments regularly to conform with health and safety regulations and keep abreast of any legal requirements in order to adhere to reporting regulations and to protect the Club from fraud.

KIRKCALDY ART CLUB

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023 (continued)

RESERVES POLICY

The Club's income from membership and tuition fees provides the necessary money to finance normal operational activities. This is supplemented by the income raised from the Annual Exhibition, fundraising activities, any successful applications for grants and, since 2021, sales from artwork displayed in a leased retail unit.

The Club's largest fixed asset is the Club premises, which is owned and managed by the Trustees. It is the Trustees' view that sufficient reserves must be held to finance both the routine upkeep and maintenance and any unexpected repair and maintenance work which arises during the year.

The Trustees believe that the cash reserve held at the bank is necessary both to maintain the Charitable activities in the event of a shortfall in income from membership and tuition fees in any given year, to provide the necessary funds for the repair and maintenance of the fixed assets and to protect against any unforeseen contingencies.

GOING CONCERN

Since 2020 the consequences of the Covid-19 outbreak and the subsequent lockdowns materially affected the Club's activities. However, the vast majority of members continued to pay their subscriptions during the lockdowns and since the easing of restrictions the Club has made good progress and has cash funds at bank in excess of £33,000. These financial statements have been prepared on the going concern basis as the trustees consider the Club has sufficient assets and liquid funds to provide its facilities for the foreseeable future.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the charity trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

We, the trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable us to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005; the Charities Accounts (Scotland) Regulations 2006 (as amended); and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). We are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CHERYL STEWART
CHAIR

May 2023

KIRKCALDY ART CLUB

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF KIRKCALDY ART CLUB

I report on the accounts of the charity for the year ended 31 March 2023 which are set out on pages 8 to 12.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) 2005 Act and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

BASIS OF INDEPENDENT EXAMINER'S STATEMENT

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, I do not express an audit opinion on the accounts.

INDEPENDENT EXAMINER'S STATEMENT

In the course of my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulationshave not been met, or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

WILLIAM MAIN MA CA
31 Townsend Place
Kirkcaldy

May 2023

KIRKCALDY ART CLUB

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

	2023 Unrestricted funds £	2023 Restricted funds £	2023 Total funds £	2022 Unrestricted funds £	2022 Restricted funds £	2022 Total funds £
Income and endowments						
Donations received	744	-	744	130	-	130
Bequests	-	-	-	-	-	-
Charitable activities with members						
Membership subscriptions	6,275	-	6,275	5,072	-	5,072
Income tax receivable on subscriptions	1,117	-	1,117	578	-	578
Tuition	10,752	-	10,752	8,707	-	8,707
Charitable activities from events						
Annual exhibitions	508	-	508	3,173	-	3,173
Mercat sales	17,429	-	17,429	10,932	-	10,932
Fundraising events	163	-	163	-	-	-
Summer classes & workshops	2,681	-	2,681	3,245	-	3,245
Social events	210	-	210	-	-	-
Pottery & clay	2,867	-	2,867	1,218	-	1,218
Grants received	-	-	-	-	-	-
Investment income						
Interest	2	-	2	-	-	-
Other income						
Other income	198	-	198	58	-	58
Total income	<u>42,946</u>	<u>-</u>	<u>42,946</u>	<u>33,113</u>	<u>-</u>	<u>33,113</u>
Charitable activities						
Tutors' fees	16,125	-	16,125	10,775	-	10,775
Demonstrations & workshops	264	-	264	208	-	208
Materials	2,334	-	2,334	757	-	757
Annual exhibitions	393	-	393	3,089	-	3,089
Mercat sales	12,882	-	12,882	9,274	-	9,274
Social events and outings	236	-	236	-	-	-
Administration and office costs:						
Rates and insurance	3,159	-	3,159	807	-	807
Heat and light	3,499	-	3,499	1,853	-	1,853
Telephone & internet	856	-	856	1,222	-	1,222
Repairs and renewals	940	-	940	625	-	625
Advertising, printing and stationery	152	-	152	179	-	179
Cleaning and sundry	1,113	-	1,113	784	-	784
Independent examiner's fees	480	-	480	480	-	480
Bank charges	248	-	248	160	-	160
Depreciation	559	-	559	587	-	587
Total expenditure	<u>43,240</u>	<u>-</u>	<u>43,240</u>	<u>30,800</u>	<u>-</u>	<u>30,800</u>
Net (expenditure) / income for the year	(294)	-	(294)	2,313	-	2,313
Total funds brought forward	98,783	55	98,838	96,470	55	96,525
Total funds carried forward	£ <u>98,489</u>	£ <u>55</u>	£ <u>98,544</u>	£ <u>98,783</u>	£ <u>55</u>	£ <u>98,838</u>

KIRKCALDY ART CLUB**BALANCE SHEET AS AT 31 MARCH 2023**

	Notes	2023 £	2022 £
FIXED ASSETS	2	<u>67,387</u>	<u>67,946</u>
CURRENT ASSETS			
Stock		50	50
Income tax recoverable		1,041	578
Bank balance		33,361	32,621
Cash in hand		<u>114</u>	<u>1,637</u>
		<u>34,566</u>	<u>34,886</u>
CURRENT LIABILITIES			
Receipts in advance		2,660	1,961
Accruals		<u>749</u>	<u>2,033</u>
		<u>3,409</u>	<u>3,994</u>
NET CURRENT ASSETS		<u>31,157</u>	<u>30,892</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	3	£ <u>98,544</u>	£ <u>98,838</u>
RESERVES			
Unrestricted general funds	3	98,489	98,783
Restricted funds	3	<u>55</u>	<u>55</u>
		£ <u>98,544</u>	£ <u>98,838</u>

The notes on pages 10 to 12 form part of these accounts.

The trustees consider that an audit is not required for this year under the Charities Accounts (Scotland) Regulations 2006, Regulation 10(1) (a) to (c).

Approved by the trustees on May 2023 and signed on their behalf by:

CHERYL STEWART CHAIR

LYNN ROBERTSON TREASURER

KIRKCALDY ART CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the historical cost convention, modified to include the valuation of heritable property, and to comply with the Charities and Trustee Investment (Scotland) Act 2005; the Charities Accounts (Scotland) Regulations 2006 (as amended); and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The Club received registered charity status on 30 March 2007.

INCOME AND EXPENDITURE

Income comprises fees from subscriptions, tuition, exhibitions, fundraising, social events and grants, all of which are accounted for on the accruals basis; and bequests and donations which are recorded on a receipts basis. All income of the Club has been derived wholly from activities within the UK.

As part of its normal activities the Club holds regular exhibitions at which members, who may include trustees, exhibit and sell their work. In October 2021 the Club obtained a lease (rent free) for centrally located premises in Kirkcaldy Mercat where artwork is displayed and sold. The club retains a percentage of the selling price of exhibition and Mercat sales as commission. In the Statement of Financial Activities income and related expenditure from exhibitions and Mercat sales are shown separately under 'Incoming resources from charitable activities' and 'Resources expended: charitable activities'.

FUND ACCOUNTING

Unrestricted funds represent donations and other incoming resources receivable to further the general objects of the charity without further restricted purpose or need for repayment, and are available as general funds. Restricted funds are funds which are to be used in accordance with the specific restrictions imposed by the relevant supporter, or which have been raised by the charity for a specific purpose.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets other than heritable property are stated at cost less accumulated depreciation and accumulated impairment losses. Heritable property is stated at valuation. Depreciation is calculated to write off the cost less residual value of the assets over their estimated useful lives at the following rates:

Central heating	10% per annum straight line
Equipment	20% per annum straight line

IMPAIRMENT OF ASSETS

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

KIRKCALDY ART CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

ACCOUNTING POLICIES (continued)

STOCK

Stock is stated at the lower of cost and net realisable value and comprises arts and crafts materials.

1 TRUSTEE REMUNERATION AND EXPENSES

No remuneration was paid to the trustees for services as trustees. Martine Greig received fees of £700 for pottery technician services (2022 £350) and £310 for cleaning services (2022 £210); Dorothy Wyllie received fees of £1,767 for tuition (2022 £3,500); and Simon Ward received fees of £1,796 for tuition (2022 £nil). A total of £2,102 (2022 £1,340) expenses were reimbursed to trustees as follows:

	2023	2022
	£	£
Martine Greig	867	616
Maureen Butcher	444	138
Cheryl Stewart	255	-
Lou Doherty	225	175
Lynn Robertson	223	297
Kathy Butcher	77	39
Liz Mitchell	11	47
Dorothy Wyllie	-	28
	<u>£ 2,102</u>	<u>£ 1,340</u>

2 FIXED ASSETS

	Central heating £	Equipment £	Heritable property £	Total £
Cost or valuation				
At 1 April 2022	6,656	10,892	65,000	82,548
Additions	-	-	-	-
At 31 March 2023	<u>6,656</u>	<u>10,892</u>	<u>65,000</u>	<u>82,548</u>
Depreciation				
At 1 April 2022	3,958	10,644	-	14,602
Charge for year	<u>439</u>	<u>120</u>	-	<u>559</u>
At 31 March 2023	<u>4,397</u>	<u>10,764</u>	-	<u>15,161</u>
Net Book Value				
At 31 March 2023	<u>£ 2,259</u>	<u>£ 128</u>	<u>£ 65,000</u>	<u>£ 67,387</u>
At 31 March 2022	<u>£ 2,698</u>	<u>£ 248</u>	<u>£ 65,000</u>	<u>£ 67,946</u>

The club's premises were valued in October 2016 by DM Hall, Chartered Surveyors at £65,000 on the basis of open market value.

KIRKCALDY ART CLUB

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

3 RESERVES

	Unrestricted general fund £	Restricted fund £	Total funds £
At 1 April 2022	98,783	55	98,838
Net (expenditure) for year	<u>(294)</u>	<u>-</u>	<u>(294)</u>
At 31 March 2023	£ <u>98,489</u>	£ <u>55</u>	£ <u>98,544</u>

The balance on the restricted fund comprises the residual balance of a grant received in 2018 for the purchase of craft materials for children's workshops.

4 MOVEMENT OF FUNDS

	At 1.4.2022 £	Incoming Resources £	Outgoing Resources £	Net movement £	At 31.3.2023 £
Restricted Funds:					
Grants	<u>55</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55</u>
Unrestricted Funds:					
General fund	<u>98,783</u>	<u>42,946</u>	<u>(43,240)</u>	<u>(294)</u>	<u>98,489</u>
TOTAL FUNDS	£ <u>98,838</u>	£ <u>42,946</u>	£ <u>(43,240)</u>	£ <u>(294)</u>	£ <u>98,544</u>