

**Charity number SC 037822**

**KIRKCALDY ART CLUB**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2021**

**BROWN, SCOTT & MAIN**

**Chartered Accountants**

# **KIRKCALDY ART CLUB**

## **REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

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**KIRKCALDY ART CLUB**

**TRUSTEES AND OFFICERS**

<b>PRESIDENT</b>	Martine Greig
<b>VICE PRESIDENT</b>	-
<b>SECRETARY</b>	Liz Mitchell
<b>TREASURER</b>	Louise Doherty
<b>OTHER TRUSTEES</b>	Elma MacIntyre Morag Allan Keith Avery Bill Brown Kathy Butcher Maureen Butcher Betty Roy Cheryl Stewart Vera Lethbridge Irene Hamilton Jayne Bally Isha Harris Lynn Robertson

<b>SCOTTISH CHARITY NUMBER</b>	SC 037822
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<b>REGISTERED OFFICE</b>	Hot Pot Wynd Dysart Kirkcaldy
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<b>INDEPENDENT EXAMINER</b>	William Main MA CA 31 Townsend Place Kirkcaldy
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<b>BANKERS</b>	TSB Bank plc High Street Kirkcaldy
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## **KIRKCALDY ART CLUB**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021**

The trustees present their annual report and financial statements of the charity for the year ended 31 March 2021. The financial statements have been prepared in accordance with the accounting policies set out on pages 9 and 10.

#### **CURRENT TRUSTEES**

The trustees currently holding office are listed on page 2.

#### **RECRUITMENT AND APPOINTMENT OF TRUSTEES**

All of the Club's trustees are appointed by the members at the Club's annual general meeting. Changes in trustees holding office took place on 6 August 2020 (via zoom) as follows:

Isha Harris – appointed;  
Lynn Robertson – appointed;  
Bill Bruce – resigned.

At the AGM in August 2020 Martine Greig took over as President from Elma MacIntyre and in January 2021 Liz Mitchell took over as secretary from Jayne Bally.

#### **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 President. Other office bearers comprise Vice President, Secretary and Treasurer.

#### **ACTIVITIES AND ACHIEVEMENTS**

2020 was a year like no other for all of us. Kirkcaldy Art Club had to close its doors due to the Coronavirus pandemic and the subsequent lockdown. We had hoped to start 'spring into summer' classes but these were cancelled and it wasn't until September that we felt there was something we could offer our members.

Our AGM was postponed until 6<sup>th</sup> August and was held online via zoom. Members who do not have email received voting ballots by post, with return stamped addressed envelopes. Members who are connected to the internet were able to vote online. At the AGM we welcomed 2 new committee members, Lynn Robertson and Isha Harris.

Before we planned anything we asked members to pay their membership fees voluntarily. The committee was pleased with how many members offered to contribute. It made a big difference to our financial situation with no added pressure to raise money in a time that has been difficult for many.

We opened the pottery for appointments to collect clay and drop off finished work to be bisque fired. Pottery members were also able to drop in for longer sessions to glaze their bisque work, socially distanced and with all protective measures in place. The club was open for these appointments only when government restrictions allowed it.

## **KIRKCALDY ART CLUB**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021 (continued)**

In June we organised an online lockdown exhibition for our website, with members sending photos (and some videos) of what they got up to in lockdown, which produced a varied exhibition of work. A second exhibition during lockdown 2 followed just before Christmas. Members enjoyed seeing what others had been up to and we also received positive feedback from outside of the club.

In October we started a trial online painting class of 4 weeks, tutored by Dot Black. This was something new for both us and for Dot. The class went very well and new blocks of 8 classes were organised, with Dot teaching on Monday and Tuesday afternoons and May Snaddon teaching on Thursday afternoons. The classes were well attended and also attracted some new members. Members and tutors had to get accustomed to the technical side of zoom, but any issues were soon overcome and members enjoyed painting and drawing. For some the online classes helped to get their creative juices flowing again. Lockdown proved difficult for some to feel creative.

In December Lynn Robertson and Cheryl Stewart organised a Christmas Zoom quiz. This was well attended and enjoyed by all who participated, and on March 26<sup>th</sup> they organised another online quiz via zoom, which again was enjoyed by those who attended. In February we started the Art Club social. These online gatherings via zoom were organised to keep members connected.

The impact of the Coronavirus pandemic has been devastating and the last year has proved difficult to plan anything. However, the committee continually reviews the situation and, given the early positive results of the vaccination rollout and the recent easing of restrictions, remain hopeful: plans are in full swing for our 60<sup>th</sup> Anniversary exhibition later in 2021.

### **RESULTS**

There was a net deficit on unrestricted funds for the year of £292 (2020: surplus of £8,873) and no movement on restricted funds (2020: a surplus of £55 being the balance of a grant received). Overall there was a net decrease in funds of £292 in 2021. These results reflect the closure of the club since March 2020 due to the Coronavirus pandemic lockdown.

### **TRUSTEE REMUNERATION AND EXPENSES**

No remuneration was paid to the trustees for services as trustees. Martine Greig received fees of £120 for pottery technician services (2020 £760) and £nil for cleaning services (2020 £300). A total of £649 (2020 £2,321) expenses were reimbursed to trustees as set out in note 1 on page 10.

### **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.

### **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 and any successful applications for grants.

## **KIRKCALDY ART CLUB**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021 (continued)**

#### **RESERVES POLICY (continued)**

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.

At the year end the Club held total funds of £96,525 (2020 £96,817) made up of unrestricted funds of £96,470 (2020 £96,762) and restricted funds of £55 (2020 £55).

#### **GOING CONCERN**

Since December 2019, the consequences of the COVID-19 outbreak and the subsequent lockdown have materially affected the Club's activities. However, the Club has cash funds at bank in excess of £27,000 and the vast majority of members continued to pay their subscriptions during lockdown. Although it is uncertain when the Club will return to normal operations, the current easing of restrictions and the positive results regarding vaccinations is promising. These financial statements have been prepared on the going concern basis as the trustees consider the Club has sufficient funds to provide its facilities for the foreseeable future, despite the consequences of the COVID-19 outbreak.

#### **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.

**MARTINE GREIG**  
**PRESIDENT**

11 May 2021

## **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 2021 which are set out on pages 7 to 11.

#### **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**

12 May 2021

## KIRKCALDY ART CLUB

### STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

	2021 Unrestricted funds £	2021 Restricted funds £	2021 Total funds £	2020 Unrestricted funds £	2020 Restricted funds £	2020 Total funds £
<b>Income and endowments</b>						
Donations received	49	-	49	547	-	547
Bequests	-	-	-	10,000	-	10,000
<b>Charitable activities with members</b>						
Membership subscriptions	3,288	-	3,288	4,398	-	4,398
Income tax receivable on subscriptions	608	-	608	1,154	-	1,154
Tuition	1,511	-	1,511	9,557	-	9,557
<b>Charitable activities from events</b>						
Annual exhibitions	4	-	4	2,895	-	2,895
Fundraising events	-	-	-	355	-	355
Summer classes & workshops	21	-	21	5,291	-	5,291
Social events	-	-	-	320	-	320
Pottery & clay	156	-	156	1,713	-	1,713
Grants received	-	-	-	-	-	-
<b>Investment income</b>						
Interest	-	-	-	5	-	5
<b>Other income</b>						
Other income	-	-	-	571	-	571
<b>Total income</b>	<u>5,637</u>	<u>-</u>	<u>5,637</u>	<u>36,806</u>	<u>-</u>	<u>36,806</u>
<b>Charitable activities</b>						
Tutors' fees	1,845	-	1,845	13,373	-	13,373
Demonstrations & workshops	-	-	-	2,193	-	2,193
Materials	-	-	-	1,906	-	1,906
Annual exhibitions	-	-	-	2,332	-	2,332
Social events and outings	-	-	-	341	-	341
Administration and office costs:						
Rates and insurance	737	-	737	786	-	786
Heat and light	549	-	549	1,680	-	1,680
Telephone & internet	1,175	-	1,175	855	-	855
Repairs and renewals	366	-	366	2,106	184	2,290
Advertising, printing and stationery	120	-	120	303	-	303
Cleaning and sundry	49	-	49	771	-	771
Independent examiner's fees	480	-	480	540	-	540
Bank charges	26	-	26	82	-	82
Depreciation	582	-	582	665	-	665
<b>Total expenditure</b>	<u>5,929</u>	<u>-</u>	<u>5,929</u>	<u>27,933</u>	<u>184</u>	<u>28,117</u>
Net (expenditure)/income for the year	(292)	-	(292)	8,873	(184)	8,689
Total funds brought forward	<u>96,762</u>	<u>55</u>	<u>96,817</u>	<u>87,889</u>	<u>239</u>	<u>88,128</u>
Total funds carried forward	£ <u>96,470</u>	£ <u>55</u>	£ <u>96,525</u>	£ <u>96,762</u>	£ <u>55</u>	£ <u>96,817</u>

**KIRKCALDY ART CLUB****BALANCE SHEET AS AT 31 MARCH 2021**

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>	2	<u>68,533</u>	<u>69,115</u>
<b>CURRENT ASSETS</b>			
Stock		50	50
Income tax recoverable		550	765
Prepayments		566	349
Bank balance		27,333	27,018
Cash in hand		<u>174</u>	<u>-</u>
		<u>28,673</u>	<u>28,182</u>
<b>CURRENT LIABILITIES</b>			
Receipts in advance		174	-
Accruals		<u>507</u>	<u>480</u>
		<u>681</u>	<u>480</u>
<b>NET CURRENT ASSETS</b>		<u>27,992</u>	<u>27,702</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	3	£ <u>96,525</u>	£ <u>96,817</u>
<b>RESERVES</b>			
Unrestricted general funds	3	96,470	96,762
Restricted funds	3	<u>55</u>	<u>55</u>
		£ <u>96,525</u>	£ <u>96,817</u>

The notes on pages 9 to 11 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 11 May 2021 and signed on their behalf by:

**MARTINE GREIG**                      **PRESIDENT**

**LOUISE DOHERTY**                **TREASURER**

## **KIRKCALDY ART CLUB**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

#### **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. The club retains a percentage of the selling price as commission. In the Statement of Financial Activities income and related expenditure from exhibitions 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 2021

#### 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 £120 for pottery technician services (2020 £760) and £nil for cleaning services (2020 £300). A total of £649 (2020 £2,321) expenses were reimbursed to trustees as follows:

	2021	2020
	£	£
Martine Greig	375	1,233
Lou Doherty	250	384
Jayne Waring	18	75
Liz Mitchell	6	-
Cheryl Stewart	-	300
Elma MacIntyre	-	60
Morag Allan	-	120
Maureen Butcher	-	82
Bill Brown	-	7
Kathy Butcher	-	40
Betty Roy	-	20
	<u>£ 649</u>	<u>£ 2,321</u>

#### 2 FIXED ASSETS

	Central heating £	Equipment £	Heritable property £	Total £
<b>Cost or valuation</b>				
At 1 April 2020	6,656	10,892	65,000	82,548
Additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2021	<u>6,656</u>	<u>10,892</u>	<u>65,000</u>	<u>82,548</u>
<b>Depreciation</b>				
At 1 April 2020	3,080	10,353	-	13,433
Charge for year	<u>439</u>	<u>143</u>	<u>-</u>	<u>582</u>
At 31 March 2021	<u>3,519</u>	<u>10,496</u>	<u>-</u>	<u>14,015</u>
<b>Net Book Value</b>				
At 31 March 2021	<u>£ 3,137</u>	<u>£ 396</u>	<u>£ 65,000</u>	<u>£ 68,533</u>
At 31 March 2020	<u>£ 3,576</u>	<u>£ 539</u>	<u>£ 65,000</u>	<u>£ 69,115</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 2021

#### 3 RESERVES

	Unrestricted general fund £	Restricted fund £	Total funds £
At 1 April 2020	96,762	55	96,817
Net (expenditure)/income for year	<u>(292)</u>	<u>-</u>	<u>(292)</u>
At 31 March 2021	£ <u>96,470</u>	£ <u>55</u>	£ <u>96,525</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 1.4.2020 £	Incoming Resources £	Outgoing Resources £	Net movement £	At 31.3.2021 £
<b>Restricted Funds:</b>					
Grants	<u>55</u>	<u>—</u>	<u>-</u>	<u>-</u>	<u>55</u>
<b>Unrestricted Funds:</b>					
General fund	<u>96,762</u>	<u>5,637</u>	<u>(5,929)</u>	<u>(292)</u>	<u>96,470</u>
TOTAL FUNDS	£ <u>96,817</u>	£ <u>5,637</u>	£ <u>(5,929)</u>	£ <u>(292)</u>	£ <u>96,525</u>