



Item	Description	Report	Item taken by	ACTION
1	Welcome, apologies, and declarations of interest		Chair	Note
2	Minutes 22 February 2018		Chair	Approval
3	Finance Management Accounts	Attached	KE	Note
4	General Manager's Report Budget 2018-19 Estates Operations Programming Numbers Funding	Attached	GH	Approval Note Note Note Note Note
5	Board Recruitment & Training		Chair	Note
6	Any Other Business as agreed by the Chair at the start of the meeting		Chair	
7	Date/time of future meetings			Note
7a	Future SADA Board Meetings: To be discussed at meeting		Chair	

The Board may decide that on grounds of confidentiality particular items should be considered in private. Any such items will be noted in separate "closed" minutes for approval at the next Board meeting



Supported by



Minute of Meeting of Shetland Arts Development Agency Board of Trustees, Thursday 22 February 2018, held at 5.30pm at Mareel Meeting Room, Lerwick

Present:

Lorraine Hall (LH), Chair, Shetland Arts
 Robin Sandison (RS), Trustee, Shetland Arts
 Olive Macleod (OM), Trustee, Shetland Arts
 Lynne McHattie (LM) Trustee, Shetland Arts (Skype)

In Attendance:

Graeme Howell (GH), General Manager, Shetland Arts
 Kerry Eunson (KE), Head of Organisational Support, Shetland Arts
 Lois Sutherland (LS), Trainee Administrator, Shetland Arts (Minute Taker)

Apologies:

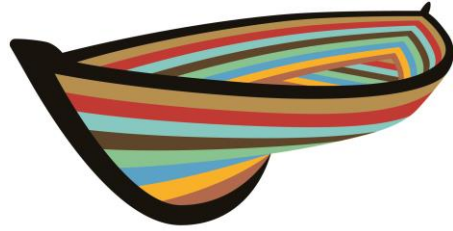
Louise Garriock (LG), Trustee, Shetland Arts
 David Ramsay (DR) Trustee, Shetland Arts
 Ryan Stevenson (RSt), Vice Chair, Shetland Arts
 Alan Skinner (AS), Trustee, Shetland Arts

Item	Topic	Action
1	<p>Welcome, Apologies & Declaration of Interest</p> <p>The Chair welcomed everyone to the meeting.</p> <p>There were no declarations of interest expressed.</p>	
2.	<p>Matters Arising</p> <p>The minutes of the last meeting were read and approved by RS and seconded by OM</p>	
3.	<p>Finance</p> <p>KE went through the Management Accounts report.</p>	
4.	<p>General Managers Report</p> <p>GH took the board through the GM report providing further details noted below.</p> <p>GH provided information about the changes in charges when booking at Mareel</p> <p>GH updated the board on the success of the Hogmanay event, board members commented that they had heard good comment about the event.</p> <p>GH explained that he was going to meet Creative Scotland in February to discuss the work programme going forward following the funding decision from CS. A further update will be provided to the board to the March meeting.</p>	

Item	Topic	Action
5.	Board Recruitment and Training LH, RSt and OM to be nomination committee. Advertisement for new trustees to go out in April/May.	GH
6.	AOB No items.	
	Next meeting to be held on 29/03/2018 at 5.30pm	

Minute approved:

Lorraine Hall
 Chair, Shetland Arts Development Agency



Shetland *arts*
MANAGEMENT ACCOUNTS
REPORT

JANUARY 2018

INTRODUCTION

This report includes details the following:

- Management accounts for January 2018 together with the year to date.

MANAGEMENT ACCOUNTS

The management accounts for January 2018 are included as Appendix 1. This report shows the results for January as well as the year to date compared to the same period in the prior year.

The key points from January 2018 are:

- Food and beverage income was £6k below budget for the month. The Mareel café/bar had a quieter January than the year before. This was partly due to less events being held but also consumers seemed to be spending less in January 18.
- The hire of rooms and equipment was below budget for the month due to less hires taking place in January 2018 compared to January 2017. For example The UHA civic reception was not held in Mareel this year and the UHA evening hire was also not as much as the prior year due to reduced security charges.
- Screen advertising was higher than expected in January by £3,682 as after a long period of chasing we received documentation to back up the payments from Pearl & Dean showing that we have been accruing too little through the year.
- Retail purchases are £4,608 behind budget mainly due invoicing sale or return stock for November and December. An improvement has been made to the system for recording this from the start of February 2018 which should allow these costs to be recorded in the appropriate months.
- Repairs and maintenance is significantly under budget for the month as January 18 was when we expected to undertake snagging works but these works were not undertaken.

Appendix 1

Date: 20/03/2018

Shetland Arts Development Agency

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Prior Year Report

From: Month 10, January 2018
To: Month 10, January 2018

Chart of Accounts:

SADA Default Layout of Accounts

	<u>Period</u>				<u>Year to Date</u>			
	<u>Actual</u>	<u>Ratio</u>	<u>Prior Yr</u>	<u>Variance</u>	<u>Actual</u>	<u>Ratio</u>	<u>Prior Yr</u>	<u>Variance</u>
Sales								
Ticket Sales	40,922.49	20.53	45,050.92	(4,128.43)	445,981.95	20.82	420,454.21	25,527.74
Education and Training	7,666.67	3.85	7,642.50	24.17	82,594.17	3.86	75,840.00	6,754.17
Retail	2,257.11	1.13	1,211.68	1,045.43	74,694.51	3.49	66,234.07	8,460.44
Food and Beverage	35,138.68	17.63	37,493.45	(2,354.77)	464,760.36	21.69	443,301.32	21,459.04
Foyer	8,259.95	4.14	8,308.66	(48.71)	92,735.83	4.33	100,744.74	(8,008.91)
Box Office Commission	335.83	0.17	277.08	58.75	6,961.01	0.32	3,147.53	3,813.48
Gallery Commission	2,289.00	1.15	0.00	2,289.00	5,675.11	0.26	4,633.65	1,041.46
Hire of Rooms and Equipment	2,714.09	1.36	9,298.22	(6,584.13)	55,370.52	2.58	60,254.52	(4,884.00)
Screen Advertising Income	4,682.83	2.35	1,135.33	3,547.50	16,466.94	0.77	11,122.30	5,344.64
Gift Vouchers	(1,085.45)	(0.54)	(776.10)	(309.35)	3,981.20	0.19	3,364.96	616.24
Sponsorship	1,550.00	0.78	0.00	1,550.00	2,050.00	0.10	27,725.75	(25,675.75)
Donations	0.00	0.00	419.39	(419.39)	1,513.66	0.07	1,386.31	127.35
Grant Funding - SIC	0.00	0.00	0.00	0.00	3,000.00	0.14	0.00	3,000.00
Grant Funding - SCT	55,368.83	27.78	57,906.50	(2,537.67)	553,688.33	25.84	579,065.00	(25,376.67)
Grant Funding - Creative Scotland	20,666.67	10.37	20,833.33	(166.66)	213,721.67	9.98	212,076.87	1,644.80
Other Grants - Trusts and Foundations	7,220.00	3.62	0.00	7,220.00	26,239.09	1.22	77,195.00	(50,955.91)
Operating Lease Income - SIC	7,500.00	3.76	7,500.00	0.00	75,000.00	3.50	75,000.00	0.00
Other Income	764.62	0.38	247.61	517.01	6,283.80	0.29	12,697.71	(6,413.91)
Memberships Received	3,076.25	1.54	3,120.00	(43.75)	11,783.75	0.55	11,730.00	53.75
	<u>199,327.57</u>	<u>100.00</u>	<u>199,668.57</u>	<u>(341.00)</u>	<u>2,142,501.90</u>	<u>100.00</u>	<u>2,185,973.94</u>	<u>(43,472.04)</u>
Purchases								
Food and Beverage Purchases	11,802.79	5.92	13,223.64	(1,420.85)	166,136.56	7.75	183,914.33	(17,777.77)
Foyer Purchases	5,246.99	2.63	5,774.97	(527.98)	44,442.80	2.07	48,152.55	(3,709.75)
Retail Purchases	5,729.89	2.87	3,081.18	2,648.71	43,834.87	2.05	37,425.76	6,409.11
Direct Costs	750.33	0.38	693.29	57.04	8,556.76	0.40	4,471.17	4,085.59
	<u>23,530.00</u>	<u>11.80</u>	<u>22,773.08</u>	<u>756.92</u>	<u>262,970.99</u>	<u>12.27</u>	<u>273,963.81</u>	<u>(10,992.82)</u>
Direct Expenses								
Gross Salaries and Wages - Regular	63,242.77	31.73	70,892.48	(7,649.71)	659,042.36	30.76	666,891.47	(7,849.11)
Gross Wages - Casual	15,741.10	7.90	11,293.31	4,447.79	171,628.43	8.01	190,264.47	(18,636.04)
Employers NI	5,066.13	2.54	5,834.49	(768.36)	51,850.18	2.42	54,813.61	(2,963.43)
Employers Pensions	11,624.75	5.83	7,318.27	4,306.48	110,659.50	5.16	75,470.94	35,188.56
Recruitment Expenses	178.00	0.09	248.00	(70.00)	2,162.50	0.10	3,105.80	(943.30)
Employee Expenses	112.50	0.06	180.00	(67.50)	3,565.64	0.17	1,675.92	1,889.72
Training and Protective Clothing	128.00	0.06	440.00	(312.00)	14,095.64	0.66	9,869.82	4,225.82
Trustee Expenses	0.00	0.00	21.54	(21.54)	0.00	0.00	81.54	(81.54)
Programme Costs - Project	29,190.09	14.64	30,709.13	(1,519.04)	336,926.15	15.73	348,231.17	(11,305.02)
Marketing Costs - Project	1,410.51	0.71	1,700.75	(290.24)	21,345.63	1.00	23,463.47	(2,117.84)
Licences	3,691.10	1.85	3,218.79	472.31	31,086.24	1.45	37,164.41	(6,078.17)
Film Transport	157.24	0.08	207.24	(50.00)	1,103.85	0.05	2,151.20	(1,047.35)
Hire of Equipment	2,101.67	1.05	0.00	2,101.67	3,641.71	0.17	1,387.48	2,254.23
	<u>132,643.86</u>	<u>66.55</u>	<u>132,064.00</u>	<u>579.86</u>	<u>1,407,107.83</u>	<u>65.68</u>	<u>1,414,571.30</u>	<u>(7,463.47)</u>
Gross Profit/(Loss):	<u>43,153.71</u>	<u>21.65</u>	<u>44,831.49</u>	<u>(1,677.78)</u>	<u>472,423.08</u>	<u>22.05</u>	<u>497,438.83</u>	<u>(25,015.75)</u>
Overheads								

Time: 10:52:03

Prior Year Report

From: Month 10, January 2018

To: Month 10, January 2018

Chart of Accounts:

SADA Default Layout of Accounts

	<u>Period</u>				<u>Year to Date</u>			
	<u>Actual</u>	<u>Ratio</u>	<u>Prior Yr</u>	<u>Variance</u>	<u>Actual</u>	<u>Ratio</u>	<u>Prior Yr</u>	<u>Variance</u>
Travel, Subsistence and Entertainment	2,521.94	1.27	1,533.77	988.17	46,870.95	2.19	45,041.74	1,829.21
Motor Expenses	0.00	0.00	0.00	0.00	0.00	0.00	401.67	(401.67)
Rent, Rates and Insurance	4,079.37	2.05	4,712.92	(633.55)	41,034.84	1.92	51,330.67	(10,295.83)
Heat and Light	9,452.64	4.74	8,187.51	1,265.13	73,740.18	3.44	68,873.37	4,866.81
Operating Leases - Rent and Equipment	8,647.38	4.34	8,832.86	(185.48)	87,983.70	4.11	93,581.17	(5,597.47)
Repairs and Maintenance and Cleaning	10,168.46	5.10	14,670.95	(4,502.49)	103,181.40	4.82	113,342.26	(10,160.86)
Print, Postage and Stationery	436.81	0.22	253.60	183.21	4,502.51	0.21	3,704.23	798.28
Telephone	824.34	0.41	418.44	405.90	7,877.41	0.37	6,988.59	888.82
Computer Costs	2,436.67	1.22	1,870.00	566.67	24,520.67	1.14	19,888.15	4,632.52
Marketing Costs - Strategic	786.75	0.39	529.99	256.76	8,934.41	0.42	7,467.01	1,467.40
Website Costs	250.00	0.13	4,538.50	(4,288.50)	4,856.79	0.23	8,503.75	(3,646.96)
Subscriptions	292.38	0.15	233.36	59.02	2,661.17	0.12	(592.61)	3,253.78
Consumables	136.42	0.07	28.75	107.67	7,684.79	0.36	15,245.19	(7,560.40)
Sundry	0.00	0.00	0.00	0.00	25.00	0.00	7,503.15	(7,478.15)
Legal and Professional Fees	1,630.83	0.82	4,306.47	(2,675.64)	19,252.83	0.90	14,435.61	4,817.22
Till Differences	(25.51)	(0.01)	21.65	(47.16)	(51.05)	0.00	342.69	(393.74)
Bank Charges and Interest	1,233.89	0.62	918.63	315.26	12,902.35	0.60	13,546.40	(644.05)
Loan Interest	479.12	0.24	326.36	152.76	4,419.03	0.21	3,374.04	1,044.99
Bad Debt Written Off	0.00	0.00	0.00	0.00	0.00	0.00	(3.92)	3.92
	<u>43,351.49</u>	<u>21.75</u>	<u>51,383.76</u>	<u>(8,032.27)</u>	<u>450,396.98</u>	<u>21.02</u>	<u>472,973.16</u>	<u>(22,576.18)</u>
Net Profit/(Loss):	<u>(197.78)</u>	<u>(0.10)</u>	<u>(6,552.27)</u>	<u>6,354.49</u>	<u>22,026.10</u>	<u>1.03</u>	<u>24,465.67</u>	<u>(2,439.57)</u>

Date: 20/03/2018
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Shetland Arts Development Agency
Balance Sheet

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From: Month 10, January 2018
To: Month 10, January 2018

Chart of Accounts:

SADA Default Layout of Accounts

	<u>Period</u>	<u>Year to Date</u>	
Fixed Assets			
Property	0.00	11,069,725.80	
Office Equipment	0.00	296,977.09	
Furniture and Fixtures	0.00	156,218.31	
Investments	0.00	1.00	
Pianos	0.00	42,800.00	
Artwork	0.00	2,862.00	
		0.00	11,568,584.20
Current Assets			
Stock	904.16	42,486.14	
Debtors	10,956.65	108,667.57	
Deposits and Cash	3,406.38	5,144.68	
Bank Account	0.00	139,593.11	
VAT Liability	3,249.64	0.00	
		18,516.83	295,891.50
Current Liabilities			
Creditors : Short Term	(29,105.92)	418,377.01	
Payroll Taxation	(5,473.51)	15,398.86	
Wages	(771.71)	14,061.86	
Bank Account	57,409.67	0.00	
VAT Liability	0.00	18,845.65	
		22,058.53	466,683.38
Current Assets less Current Liabilities:	(3,541.70)		(170,791.88)
Total Assets less Current Liabilities:	(3,541.70)		11,397,792.32
Long Term Liabilities			
Creditors : Long Term	(3,343.92)	117,821.68	
Pension Liability	0.00	924,000.00	
		(3,343.92)	1,041,821.68
Total Assets less Total Liabilities:	(197.78)		10,355,970.64
Capital & Reserves			
Capital & Reserves	0.00	11,469,323.37	
Funds	0.00	(211,371.83)	
Defined benefit pension fund	0.00	(924,000.00)	
P & L Account	(197.78)	22,026.10	
Previous Year Adj		(7.00)	
		(197.78)	10,355,970.64

General Manager's Report

Date 26/10/2017

Board Decisions

Agree the 2018/19 Budget - See separate paper

For Information

Estates

- **Bonhoga**
 - Issues with heating throughout the building
- **Mareel**
 - New PDQ machines installed to reduce IP issues
 - CCTV monitors to be relocated to FOH and cafe/bar
 - Two additional CCTV cameras to be installed (Upper Cafe, Cinema Foyer)
- **The Garrison**
- **The Booth**
 - Still awaiting condition survey from WASPs
- **Other**

Operations

- Initial meetings held for Cafe Revamp
 - Agreed work
 - Sand and reseal floor
 - Replace Steriliser Unit
 - Relocate 1 till to front counter
 - Depending on budget
 - Replace all furniture
 - Install Sonos upstairs
 - Replace Back Bar Shelving
 - Lighting
- GDPR Preparation
 - Data Audit underway
 - External data stores/users GDPR statements being requested
- Change of Venue Management system 1/4/2018

Key Dates for Trustees

- Mathew Bourne's Highland Fling, Clickimin, 21-22 april
- Student Night, Mareel, 29 March
- 1st ShetlandMade Showcase, Bonhoga, 31 March - 20 May

Numbers

	Feb 18	Jan 18	Dec 17	Nov 17
Concerts / Screenings / Exhibition days	298	327	353	349
Audience attendances	9,778	12,951	17,555	16,154
Development Sessions	187	157	87	222
Participations	1207	871	682	1,598

Funding

- **Creative Scotland**
 - Scottish Parliament are probably going to launch an enquiry into Cultural Funding
- **Shetland Charitable Trust**
- **Highlands and Islands Enterprise**
- **Shetland Islands Council**
- **Other**
 - Bid being prepared for the Robertson Trust

**Shetland Arts Development Agency
Budget Report
Year Ended 31 March 2019**

Introduction

This paper will provide details on the draft budget for SADA for the year to 31 March 2019 attached as Appendix 1. The budgeted surplus for the year is £25,252.

The detail of the budget was presented to the board at an information session in January 2018. Following the receipt of the decision from Creative Scotland the budgets were reviewed, other income and expenditure lines have also been updated in the light of new information.

Analysis – Key changes to Budget

Cruise Ship Offer

The predicted income from the Cruise Ship offer which was put together has been removed from the budgets. So far no bookings have come through Island Vista and we are working with Lerwick Port Authority and Visit Scotland as to why this is as they were involved in the design of the offer.

Bonhoga Investment

We have removed a proposed investment of £5,000 in improvements at Bonhoga, this was reliant on finding grant income to meet part of the expenditure which we have not been successful in doing as yet. We will continue to research investment opportunities for the site.

Emerging Creatives

The new emerging creatives project which was proposed as part of the business plan has been removed from the budgets. We will explore other ways of supporting creative talent in Shetland.

Music Programme

A reduction has been made in the number of music events which will be held by the organisation during the year.

Lighting Investment

The original budget proposed investment of £20,000 in new lighting for the auditorium, this has been reduced to £10,000 with the aim of spreading it over two years.

Shetland Arts Development Agency					Appendix 1
Detailed Budgets					
Year ended 31 March 2019					
	Budget	Budget			
	2018/19	2017/18	Change		
Income					
Ticket Sales	503,998.35	544,922.51	(40,924.16)	-7.51%	
Education and training income	106,710.00	91,710.00	15,000.00	16.36%	
Retail income	121,748.00	82,275.00	39,473.00	47.98%	
Food and beverage income	593,095.77	561,000.00	32,095.77	5.72%	
Foyer income	121,800.00	129,000.00	(7,200.00)	-5.58%	
Box office commission income	9,000.00	8,000.00	1,000.00	12.50%	
Gallery commission income	400.00	8,860.00	(8,460.00)	-95.49%	
Hire of rooms and equipment income	91,447.50	97,277.50	(5,830.00)	-5.99%	
Screen advertising income	15,000.00	12,000.00	3,000.00	25.00%	
Sponsorship income	18,500.00	38,550.00	(20,050.00)	-52.01%	
Donations received	0.00	200.00	(200.00)	-100.00%	
Grant Funding - SIC	9,369.00	7,044.00	2,325.00	33.01%	
Grant Funding - SCT	633,974.00	664,426.00	(30,452.00)	-4.58%	
Grant Funding - Creative Scotland	258,000.00	262,000.00	(4,000.00)	-1.53%	
Other Grants - Trusts and foundations	60,000.00	71,000.00	(11,000.00)	-15.49%	
Operating lease income - SIC	90,000.00	90,000.00	0.00	0.00%	
Other income	37,830.00	7,150.00	30,680.00	429.09%	
Memberships received	10,000.00	15,000.00	(5,000.00)	-33.33%	
Internal recharges	0.00	0.69	(0.69)	-100.00%	
	2,680,872.62	2,690,415.70	(9,543.08)	-0.35%	
Purchases					
Food and beverage purchases	219,234.10	176,890.00	42,344.10	23.94%	
Foyer purchases	60,900.00	64,500.00	(3,600.00)	-5.58%	
Retail purchases	63,311.46	43,000.00	20,311.46	47.24%	
Direct costs	500.00	1,300.00	(800.00)	-61.54%	
	343,945.55	285,690.00	58,255.55	20.39%	
Direct Costs					
Gross wages and salaries - regular	838,078.79	836,667.84	1,410.95	0.17%	
Gross wages - casual	195,127.96	108,818.91	86,309.05	79.31%	
Employers NI	61,939.06	64,538.79	(2,599.73)	-4.03%	
Employers pension	154,125.65	111,701.62	42,424.03	37.98%	
Recruitment expenses	3,350.00	11,000.00	(7,650.00)	-69.55%	
Trustee expenses	1,000.00	500.00	500.00	100.00%	
Training costs	9,000.00	15,890.00	(6,890.00)	-43.36%	
Protective clothing	0.00	5,000.00	(5,000.00)	-100.00%	
Programme costs - project	369,132.50	473,133.50	(104,001.00)	-21.98%	
Marketing costs - project	37,572.50	24,870.00	12,702.50	51.08%	
Licences - PRS etc	37,786.47	31,856.49	5,929.98	18.61%	
Film transport	2,100.00	7,500.00	(5,400.00)	-72.00%	
Hire of equipment	2,150.00	4,300.00	(2,150.00)	-50.00%	
	1,711,362.94	1,695,777.15	15,585.79	0.92%	
Overheads					
Travel and subsistence	68,190.00	82,669.00	(14,479.00)	-17.51%	
Motor expenses	850.00	0.00	850.00	0.00%	
Rent	2,540.00	0.00	2,540.00	0.00%	

Shetland Arts Development Agency				Appendix 1	
Detailed Budgets					
Year ended 31 March 2019					
	Budget	Budget			
	2018/19	2017/18	Change		
<u>Income</u>					
Rates	18,600.00	17,329.79	1,270.21		7.33%
Insurance	33,288.58	40,362.61	(7,074.03)		-17.53%
Heat and Light	90,192.37	80,787.08	9,405.29		11.64%
Operating leases - Rent	90,000.00	90,000.00	0.00		0.00%
Operating leases - Equipment	15,267.32	18,267.32	(3,000.00)		-16.42%
Repairs and maintenance	54,021.95	77,787.25	(23,765.30)		-30.55%
Equipment purchases < £500	3,400.00	18,377.52	(14,977.52)		-81.50%
Equipment purchases > £500	30,754.97	30,826.00	(71.03)		-0.23%
Cleaning	59,850.00	49,800.00	10,050.00		20.18%
Print, postage and stationary	7,035.00	5,100.00	1,935.00		37.94%
Telephone and broadband	4,840.00	3,863.88	976.12		25.26%
Computer costs	32,416.00	23,113.20	9,302.80		40.25%
Marketing costs - strategic	4,940.00	21,680.00	(16,740.00)		-77.21%
Website costs	6,175.00	5,510.00	665.00		12.07%
Subscriptions	2,811.20	4,561.08	(1,749.88)		-38.37%
Consumables	12,250.00	13,900.00	(1,650.00)		-11.87%
Sundry	500.00	0.00	500.00		0.00%
Legal and professional fees	30,850.00	52,330.00	(21,480.00)		-41.05%
Accountancy Fees	0.00	2,000.00	(2,000.00)		-100.00%
Audit Fees	8,500.00	10,114.60	(1,614.60)		-15.96%
Bank charges	16,440.00	18,175.00	(1,735.00)		-9.55%
Loan interest	6,600.00	8,000.00	(1,400.00)		-17.50%
	600,312.39	674,554.33	(74,241.94)		-11.01%
SURPLUS/DEFICIT	25,251.74	34,394.22	(9,142.48)		-26.58%