

| Item | Description | Report | Item taken by | Action |
|------|--|--|----------------------|------------------------------|
| 1 | Welcome and apologies | | Chair | Note |
| 2 | Declarations of interest | | Chair | Note |
| 3 | Minutes 28 April 2022 | | Chair | Approval |
| 4 | Scrutiny 4.1 Management Accounts 4.2 Operational Issues 4.3 Performance Monitoring 4.4 Major Projects | Attached Attached Attached Attached | KE GH GH GH | Note Note Note Note |
| 5 | Governance 5.1 Policies 5.2 Annual Financial Statements 31 March 2022 | Attached Attached | KE KE | Approve Approve |
| 6 | Strategy 6.1 Update from Stakeholders | Attached | GH | Note |
| 7 | General 7.1 Key Upcoming Events | Attached | GH | Note |
| 8 | Any other business None | | | |
| 9 | Future SADA Board Meetings: AGM Thursday 25 August 2022 – 5.30pm Board Meeting Thursday 25 August 2022 – 6.00pm | | 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

**Minutes of Meeting of Shetland Arts Development Agency Board of Trustees,
Thursday 28th April 2022, held at 5.30pm at Mareel and by Video Conference**

Present:

Susan Mail (SM), Chair, Shetland Arts
 Michele Kerry (MK), Trustee, Shetland Arts
 Molly Williams (MW), Trustee, Shetland Arts
 Renzo Spiteri (RS), Trustee, Shetland Arts
 James Johnston (JJ), Trustee, Shetland Arts
 Lynn McHattie (LM), Trustee, Shetland Arts
 Malcolm Innes (MI), Trustee, Shetland Arts

In Attendance:

Graeme Howell (GH), Chief Executive, Shetland Arts
 Kerry Eunson (KE), Head of Organisational Support, Shetland Arts
 Sarah Carr (SC), Administrator, Shetland Arts (Minute taker)
 Irene Hambleton (IH) RSM UK Audit LLP

Apologies:

Kerry Larbalestier (KL), Trustee, Shetland Arts

| Item | Topic | Action |
|-------------|---|---------------|
| 1 | Welcome and Apologies The chair welcomed everyone to the meeting. Apologies were received from Kerry Larbalestier | |
| 2 | Declarations of Interest There were no declarations of interest. | |
| 3 | Minutes of Previous Meeting The minutes of the previous meeting (24 th February 2022) were approved by MK and seconded by JJ. | |
| 4.1 | Management Accounts KE talked through the management accounts. MI asked if the figures for the Culture Collective were geographically everywhere or just Shetland. KE confirmed that it was everywhere. | |
| 4.2 | Operational Issues GH took the board through this report and there were no questions raised. | |
| 4.3 | Performance Monitoring GH took the board through this report and there were no questions raised | |
| 4.4 | Major Projects GH took the board through this report and confirmed that the proposed plans were on schedule and going well. There were various comments regarding the review of staff perks: SM said that the success of staff perks is difficult to gauge but that it was good to offer something on top of wages. JJ said that the 'On Demand GP' service was an excellent idea. | |

| | | |
|-------------------|---|-----------|
| | <p>GH explained that not only does the 'On Demand GP' offer good service, but it also offers anonymity and privacy in a community where everyone knows everyone.</p> <p>GH went on further to explain that the full pack of staff perks will be offered to the Contracted Staff and some of those benefits will be offered to the Casual Staff.</p> <p>IH felt it was important to remind staff regularly about this benefits and services available to them because those not used frequently, can easily be forgotten.</p> <p>IH also asked if the Sage programme would show the usage and savings being made? GH confirmed that it would.</p> | |
| <p>4.5</p> | <p>Work Plan GH talked through the report with these additional comments:</p> <p>The Remembering Together contract has now been agreed following an issue over wording. The original contract asked practitioners to prioritise all Remembering Together work over any other projects. SADA is now satisfied with the contract and GH said that he is eager and interested to see how this project develops.</p> <p>MK queried a figure in the report and GH admitted that it was a typo which KE will amend.</p> <p>Regarding the areas highlighted in the EDI action plan, MK asked if other Shetland areas would be considered or just the areas as indicated? (Lerwick, Bressay, Unst, Yell, Fetlar, Whalsay, Skerries, Foula, Fair Isle, Papa Stour) GH explained that it is impossible to assess every area and community and the decision had been made to use what used to be the areas classed as fragile communities by HIE.</p> <p>MK also pointed out that with the rising cost of living and fuel costs increasing, travelling any distance is going to become a bigger issue and should be monitored regularly.</p> <p>GH said that when resources allow SADA plans to look at a Lift share scheme.</p> <p>MK felt that there may still be a reluctance by people to share cars and attend larger events following COVID.</p> <p>All agreed that this was a large and admiral piece of work.</p> <p>SM asked if larger board papers could be supplied a little earlier in future to allow the board to fully digest the information contained within them.</p> | <p>KE</p> |
| <p>5.1</p> | <p>Policies KE introduced the policies and those which had changes/new were discussed:</p> <p>Pay and Pension Policy JJ queried the wording of the 'appeal' and KE clarified the understanding.</p> | |

| | | |
|-----|---|--|
| | <p>Equality, Diversity and inclusivity Policy The board were happy with the policy and had no further questions</p> <p>Recruitment Policy JJ asked if a 3-month probationary period was long enough to fully assess someone?</p> <p>GH confirmed that he felt it was adequate and KE explained that it can be, and has been, extended when required.</p> <p>Appraisal Policy SM asked if this policy was followed by the management team. KE confirmed that it isn't strictly followed but that appraisals are done regularly.</p> <p>JJ queried how consistency is managed. GH explained that there is a review system and appeal system in place, should a member of staff get an unexpected or unrealistic score.</p> <p>GH also explained that that pay increases within grades are linked to performance and are not given automatically.</p> <p>All policies were approved by JJ and seconded by SM.</p> | |
| 5.2 | <p>Risk Register GH talked through the report and no questions were asked.</p> | |
| 6.1 | <p>Update from Stakeholders GH took the board through the report and no comments or questions were raised.</p> | |
| 7.1 | <p>Key Upcoming Events GH presented this report and no further questions were raised.</p> | |
| 8 | <p>Any Other Business None</p> | |
| 9 | <p>Date of Next Meeting Thursday 30th June 2022 at 5.30pm.</p> | |
| | <p>Meeting closed at: 18.37</p> | |

Minute approved:

Susan Mail

Chair, Shetland Arts Development Agency

4.1 Management Accounts

1 Month to April 2022

Profit and Loss Accounts



Shetland*arts*

| | Actual £ | Reforecast £ | Variance £ |
|---------------------------------------|----------------|-----------------|-----------------|
| <u>Income</u> | | | |
| Ticket Sales | 20,007 | 32,790 | - 12,783 |
| Education and training income | 11,672 | 10,833 | 839 |
| Retail income | 3,556 | 9,197 | - 5,642 |
| Food and beverage income | 28,454 | 32,917 | - 4,463 |
| Foyer income | 7,810 | 6,250 | 1,560 |
| Box office commission income | 160 | 146 | 14 |
| Gallery commission income | 84 | 199 | - 115 |
| Hire of rooms and equipment income | 9,583 | 3,738 | 5,845 |
| Screen advertising income | 221 | 833 | - 612 |
| Gift Vouchers | - 33 | - | - 33 |
| Sponsorship income | - | 117 | - 117 |
| Donations received | - | - | - |
| Grant Funding - Capital | - | - | - |
| Grant Funding - SIC | - | 1,125 | - 1,125 |
| Grant Funding - SCT | 56,875 | 64,542 | - 7,667 |
| Grant Funding - Creative Scotland | 20,833 | 26,364 | - 5,530 |
| Other Grants - Trusts and foundations | 613 | 4,083 | - 3,471 |
| Operating lease income - SIC | 7,500 | 7,500 | - |
| Other income | 2,650 | 1,600 | 1,050 |
| Memberships received | 379 | 469 | - 90 |
| | <u>170,364</u> | <u>202,701</u> | <u>- 32,337</u> |
| <u>Purchases</u> | | | |
| Food and beverage purchases | 11,720 | 11,625 | - 95 |
| Foyer purchases | 4,714 | 3,125 | - 1,589 |
| Retail purchases | 923 | 5,068 | 4,146 |
| Direct costs | - | 42 | 42 |
| | <u>17,357</u> | <u>19,860</u> | <u>2,503</u> |

Direct Costs

| | | | |
|------------------------------------|----------------|----------------|--------------|
| Gross wages and salaries - regular | 75,651 | 77,819 | 2,168 |
| Gross wages - casual | 9,967 | 5,094 | - 4,873 |
| Employers NI | 6,685 | 6,696 | 11 |
| Employers pension | 13,070 | 16,689 | 3,619 |
| Recruitment expenses | 597 | 417 | - 180 |
| Employee/Trustee expenses | - | 83 | 83 |
| Training and protective clothing | 120 | 1,250 | 1,130 |
| Programme costs - project | 23,784 | 24,503 | 719 |
| Marketing costs - project | - 120 | 1,830 | 1,950 |
| Licences - PRS etc | 2,656 | 3,728 | 1,072 |
| Film transport | - | 167 | 167 |
| Hire of equipment | 50 | - | - 50 |
| | <u>132,460</u> | <u>138,276</u> | <u>5,816</u> |

Overheads

| | | | |
|--|-----------------|----------------|-----------------|
| Travel and subsistence and Entertainment | 3,787 | 4,321 | 534 |
| Rent, Rates and Insurance | 5,022 | 4,854 | - 168 |
| Heat and Light | 7,701 | 7,797 | 96 |
| Operating leases - Rent and Equipment | 9,659 | 9,181 | - 478 |
| Repairs and maintenance and cleaning | 8,858 | 10,179 | 1,322 |
| Print, postage and stationary | 855 | 425 | - 430 |
| Telephone and broadband | 535 | 718 | 183 |
| Computer costs | 2,210 | 2,253 | 43 |
| Marketing costs - strategic | 701 | 108 | - 593 |
| Website costs | 57 | 125 | 68 |
| Subscriptions | 326 | 520 | 194 |
| Consumables | 619 | 823 | 204 |
| Sundry | - | - | - |
| Legal and professional fees | 1,563 | 2,798 | 1,235 |
| Till differences | - 139 | - | 139 |
| Bank charges | 1,391 | 1,639 | 248 |
| Loan interest | - | 500 | 500 |
| | <u>43,146</u> | <u>46,242</u> | <u>3,096</u> |
| SURPLUS/DEFICIT | - 22,598 | - 1,677 | - 20,921 |

1 Month to April 2022

Balance Sheet



Shetlandarts

| | £ | £ |
|------------------------------|------------------|-------------------------|
| Tangible Fixed Assets | | 8,544,173 |
| <i>Current Assets</i> | | |
| Stock | 21,334 | |
| Debtors | 294,392 | |
| Cash at Bank | 861,984 | |
| | <u>1,177,710</u> | |
| <i>Current Liabilities</i> | | |
| Creditors | <u>565,181</u> | |
| Net Current Assets | | 612,529 |
| <i>Long term liabilities</i> | | |
| Loans | 79,221 | |
| Pensions liability | <u>1,701,000</u> | |
| | | 1,780,221 |
| Net Assets | | <u><u>7,376,481</u></u> |
| Capital and Reserves: | | |
| Capital funds | | 8,470,201 |
| Revenue funds | | 607,280 |
| Pension liability | | <u>(1,701,000)</u> |
| | | <u><u>7,376,481</u></u> |

1 Month to April 2022

Movement on Selected Funds



Shetland*arts*

| Fund Name | Opening | | Closing | |
|--|----------------|----------|-----------------|----------------|
| | Balance | Income | Expenditure | Balance |
| Shetland Film Club | 1,705 | | | 1,705 |
| Trad Big Band | 2,435 | | | 2,435 |
| Culture Collective | 252,074 | | - 10,950 | 241,124 |
| Independent cinema recovery fund | 26,114 | | | 26,114 |
| Recovery fund for Cultural Organisations | 121,217 | | | 121,217 |
| Youth Arts | 55 | | | 55 |
| Corra Foundation | 4,146 | | | 4,146 |
| Robertson Trust | 11,719 | | - 2,191 | 9,528 |
| BFI FAN | 1,980 | | | 1,980 |
| Xchange | 16,509 | | | 16,509 |
| Summer of Play | 2,972 | | | 2,972 |
| Cultural Bridge | 5,733 | | | 5,733 |
| Bike Shed | 975 | | | 975 |
| Total | 447,634 | - | - 13,141 | 434,493 |

4.2 Operational Issues June 2022



INTRODUCTION

This report details the following

- Operational Issues
- Health and Safety Issues

OPERATIONAL ISSUES

| Date | Issue | Staff Involved | Outcome |
|---------|---------------------|---|---|
| Ongoing | Front Line Staffing | Customer Experience - Lead Support - Lead CEO | We continue to be in a challenging situation regarding the recruitment of front-line staff and the impact of COVID. Adverts now highlight additional perks of working for SADA. |
| Ongoing | Supply Chain Issues | Customer Experience - Lead Support - Lead CEO | Some key lines are no longer available through our regular suppliers. Alternatives being sought. |

HEALTH AND SAFETY ISSUES

| Date | Issue | Staff Involved | Outcome |
|----------|---|----------------------------------|---|
| May 2022 | Fencing bordering Mareel car park and path on Mitchells Road has been taken down. | Production and Facilities - Lead | Letter written to SIC as Landlords informing them of our decision to not replace the fence – awaiting response. |

4.3 Performance Monitoring June 2022



INTRODUCTION

This report details the following

- Key Performance Indicators

KEY PERFORMANCE INDICATORS

NB There will be a new KPI reporting format built around the social outcomes with targets tabled at the meeting for discussion.

| As Per SCT Funding 21/22 | Nov | Dec | Jan | Feb | March |
|---------------------------------------|--------|--------|-------|-------|--------|
| Concerts, Screenings, Exhibition Days | 227 | 489 | 207 | 196 | 248 |
| Audience attendances | 10,636 | 15,615 | 9,358 | 9,844 | 10,105 |
| Development Sessions | 125 | 111 | 93 | 110 | 145 |
| Participations | 626 | 642 | 451 | 442 | 754 |

| Formal Education Delivery | Applied to Study at Mareel 21/22 | | Taught Across the Network 21/22 |
|---------------------------|----------------------------------|-----------|---------------------------------|
| | Full Time | Part Time | |
| Vocational Pathway | - | 32 | - |
| NC | 7 | - | - |
| HNC | 7 | - | - |
| Degree | 11 | 1 | 29 |
| Masters | - | - | 16 |

4.4 Major Projects June 2022



INTRODUCTION

This report details the following

- Significant projects completed
- Updates on short term projects
- Listing of medium and long term projects

SIGNIFICANT PROJECTS COMPLETED

| Date | Title | Intention | Outcome |
|----------|--|---|--|
| May 2022 | Staff Perks Review | Review staff perks on offer to ensure they are appropriate and useful to the staff. | New staff perks launched to all staff and will be reviewed in 12 months. |
| May 2022 | Performing Arts Venue Relief Fund Rd2. CS Funded | To support creatives and reengage audiences as part of a COVID recovery strategy | Complete, Lessons learned being fed into planning for 2023. |
| May 2022 | Cultural Bridge | SADA invited to be one of three Scottish CS RFO's to take part in the Cultural Bridge project with partners in Germany. | Complete, larger project under consideration for 2023 |
| May 2022 | Business Plan | To develop a new business plan for SADA | Completed |

UPDATES ON ONGOING PROJECTS

| Title | Intention | Update |
|--|--|---|
| Good Governance Award | To work towards receiving the good governance award as recommended by OSCR. | The work is nearly complete. One final section is to be submitted for initial review and updates required on two others. Full submission and review hoped to be completed by the end of August. |
| Culture Collective. CS funded. | Support creative practitioners to deliver wellbeing projects in Shetland, Orkney and Western Isles through small grants. | Selection panel convened. Awardees to be announced soon |
| Youth Arts Small Grants. CS funded | Support practitioners to deliver youth arts projects through small grants. | A small number of projects still to complete |
| VACMA 21/22 round 1. CS, SIC, SADA funded. | Bursaries for Visual Artists and Craft makers. | Partners decided against 3 rd round of funding. Resources will be rolled forward |
| Islands Deal Knab Project Strand | To support the development of the Cultural Hub | Work on going, present at the consultation event mid June. |
| Competencies Review | To review existing competencies and behaviours to ensure they are fit for purpose. | Initial report has been received from Worknest and awaiting proposed new competencies. |
| Organisational Restructure | To ensure Shetland Arts is fit a proper for the next period of recovery | First phase completed, second phase underway |
| Remembering Together | To deliver phase 1 of the National Covid Memorial project. | Lead artist appointed for Phase 1 |
| Resonance | Partnership project with GSA funding by AHRC | Project underway |

SIGNIFICANT PROJECTS PLANNED

Medium = 3 Months - 1 Year; Long = 1 Year +

| Medium/Long Term | Title | Intention |
|------------------|---|---|
| Long | Paperless Purchase Ledger | To develop a new purchase ledger system which is paperless due to the move to working from home. |
| Medium | Yesplan Relaunch | Relaunch of Yesplan system to ensure used by all staff in the organisation to full potential. |
| Medium | Risk Assessment Review | To improve the quality of operational risk assessments, training delivered in September. |
| Short | Mareel Building Management System work | To arrange a maintenance visit for the the Mareel BMS. |
| Long | New Vocational Pathways course in Drama | Develop and deliver another strand of our popular Music and Film courses for S4 pupils as part of our UHI SLA. |
| Medium | SCT Capital Grant Scheme - Mareel | Planning underway for the implementation of the capital grants works under the SCT scheme. Work will be taking place for 3 years. |
| Medium | SCT Capital Grant Scheme – Bonhoga | Planning underway for the implementation of the capital grants works under the SCT scheme. Work planned for 2023. |
| Medium | Creative Scotland Place Partnership | To successfully apply and deliver a Place Partnership. |

5.1 Policies

June 2022



INTRODUCTION

This report details the following

- Policies for Approval
- Policy Register

POLICIES FOR APPROVAL

| Policy Name | Appendix | Changes |
|---------------------------------------|----------|--|
| Whistleblowing | 1 | Minor wording updates |
| Expenses | 2 | Job and department titles updated in line with the restructure. |
| Data Protection | 3 | No changes |
| Alcohol and Drugs | 4 | No changes |
| Children, Young and Vulnerable Adults | 5 | Updated by Bryan Peterson to be in line with the most up to date legislation and the recommendations of the PVG group. |

POLICY REGISTER

| Policy Name | Date for Review | Notes |
|--|-----------------|-------|
| Pay and Pension Policy | 28/04/2023 | |
| Sick Pay | 16/12/2024 | |
| Adoption, Maternity and Paternity | 16/12/2024 | |
| Statutory Right to Time Off | 16/12/2025 | |
| Training and Trips | 24/02/2025 | |
| Disciplinary | 24/02/2024 | |
| Capability | 24/02/2024 | |
| Anti- Harassment, Bullying and Victimisation | 28/04/2024 | |

| | | |
|---------------------------------------|----------------|---|
| Equality, Inclusion and Diversity | 28/04/2023 | |
| Absence Management | 16/12/2025 | |
| Communications | 28/04/2024 | |
| Whistleblowing | 14/01/2020 | Included in this report |
| Expenses | 14/01/2020 | Included in this report |
| Data Protection | 14/01/2020 | Included in this report |
| Alcohol and Drugs | 14/01/2020 | Included in this report |
| Social Media | 14/01/2020 | To be reviewed at the August 2022 board meeting |
| Environmental | 14/01/2020 | To be reviewed at the August 2022 board meeting |
| Health, Safety and Welfare | 28/10/2022 | |
| Children, Young and Vulnerable Adults | 14/01/2020 | Included in this report |
| Conflicts of Interest | 29/04/2023 | |
| Smoke Free Policy | 14/01/2020 | To be reviewed at the August 2022 board meeting |
| Volunteering Policy | 24/02/2024 | |
| Menopause Policy | 29/04/2024 | |
| Portable IT Policy | In development | |
| Procurement Policy | 24/02/2025 | |
| Recruitment Policy | 24/04/2025 | |
| Lone Working Policy | In development | |
| Appraisal Policy | 24/02/2024 | |

Appendix 1 Whistleblowing Policy

At some time during the course of their employment, Employees may have concerns about matters in work which are usually easily resolved. However, where an Employee has concerns about serious malpractice such as fraud, financial irregularities, corruption, bribery, dishonesty, or creating or ignoring a serious risk to health and safety, then it is important that the Employee is able to raise such concerns without fear of reprisal.

The Public Interest Disclosure Act 1998 allows individuals to disclose certain issues to particular external parties where there is good reason to believe that internal disclosure will not be taken seriously or will cause the individual making the disclosure to be penalised in some way. However, Shetland Arts is committed to dealing responsibly, openly and professionally with any genuine concern and encourages Employees to discuss concerns internally wherever possible.

The aim of this policy is to ensure that Employees are fully aware of the sorts of matters which they should report and the reporting procedure Employees should follow.

This policy should not be used for complaints relating to an Employee's own personal circumstances, such as the way they have been treated at work. In those cases the Employee should use the Grievance Procedure. If an Employee chooses to raise a concern under this policy, they must have a reasonable belief that to do so would be in the public interest.

The Policy in Operation

This policy applies to all staff. This includes staff directly employed, agency workers and other temporary staff.

The procedures outlined below enables staff to come forward in confidence with their concerns without fear of being punished for doing so and to have those concerns thoroughly investigated. Once an investigation has taken place, a decision will be made as to what action, if any, should be taken to address the problems.

It is the responsibility of everyone to ensure that appropriate, reasonable and timely action is taken in relation to any concerns of wrongdoing or malpractice raised that could expose Shetland Arts to loss or liability. Staff are encouraged to report any situation or matter which, they reasonably believe, might show that one or more of the following has occurred, is occurring or is likely to occur in the future:

- a criminal offence;
- a failure to comply with a legal obligation;
- a miscarriage of justice;
- a danger to the health and safety of any individual;
- a damage to the environment;
- a deliberate cover-up of any of the above matters;
- a serious act of misconduct;
- a serious breach of Shetland Arts' conduct rules

This reporting procedure should also be followed if staff feel that they have been asked to do something which they believe to be improper or unethical or would result in them being implicated in any of the matters listed above.

Procedures

How to Raise a Concern Internally

As soon as a member of staff becomes aware of any matter of the type listed above, or if they wish to confirm whether it is a matter which should be raised, they should speak informally with their line manager or if the matter involve this person their line manager.

If the member of staff decides to raise the matter under the policy, they should then report it immediately to their line manager ensuring to inform them they are doing so under this policy.

It is very important for Employees to report promptly any of the matters referred to above in order to assist Shetland Arts to uphold its high standards and to help prevent the concealment or destruction of evidence which might need to be reviewed.

Once a member of staff has informed their line manager of their concern, Shetland Arts will look into the matter and make an initial assessment of what action should be taken. This might involve an internal inquiry or a more formal investigation. The member of staff will be told who is handling the matter, how they can contact them and whether further assistance may be needed. Subject to any legal constraint, the member of staff will be kept informed of the progress of the investigation and its outcome. They will have an assurance that the matter will be dealt with promptly and within a reasonable time.

Although, for obvious reasons, Shetland Arts would not encourage matters to be raised on an anonymous basis, these will still be investigated. Anonymous disclosures are very rarely helpful since the reliability of the disclosure cannot always be readily tested.

How to Raise a Concern Externally

It should only be in exceptional circumstances that it should be necessary for a member of staff to raise a concern externally. It is accepted however that they may disclose information to a legal adviser in the course of obtaining legal advice. Provided the disclosure is made in the public interest and the member of staff believes it to be substantially true, they may also disclose information to one of a number of prescribed “supervisory persons” that protected disclosures may be made to under the Act – such as the Health & Safety Executive for health & safety matters.

Staff should seek independent advice before raising concerns externally so that they can be advised on whether the proposed disclosure may be protected under the Act. Such advice can be obtained from the charity Public Concern at Work. Further information can be found by looking at the website: <http://www.pcaaw.co.uk>

Staff can be assured that no one who reports any concern under this policy will suffer any detriment for coming forward, regardless of whether or not the concern is ultimately substantiated. Victimising staff for or deterring them from raising a concern under this policy is a disciplinary offence and will be dealt with under the disciplinary procedures.

Staff should be aware that disclosure to the media or to non-prescribed persons will not usually be protected unless there are extreme circumstances and that non-protected disclosures may lead to disciplinary action being taken.

How Shetland Arts Will Handle Alleged Detriment

If a member of staff believes that they are being victimised by or suffering any detriment from someone from within Shetland Arts as a result of reporting a concern or assisting in any investigation, they must inform their line manager immediately and appropriate action will be taken to protect that member of staff.

Disciplinary Action

Disciplinary action will be taken against anyone who:

- Deliberately makes false or malicious allegations;
- Makes disclosures for personal gain;
- Makes a non-protected disclosure without exhausting the internal procedure;
- Victimises anyone for raising a concern or making a disclosure under this policy;
- Inappropriately deters anyone from making a legitimate disclosure.

Such conduct will be treated as gross misconduct and may lead to dismissal.

Where, following investigation, a disclosure is substantiated, disciplinary action, or other appropriate sanction, may be taken against the person who is the subject of the disclosure.

Guidance on Specific Issues

This policy is designed to allow a channel for serious issues of a public interest (i.e. inappropriate or illegal use of public resources) to be raised. It should not be used for concerns of any other nature which staff feel have a particular negative impact on them and for which the normal grievance or other appropriate procedure should be used.

Additional Information

Any member of staff who would like further information about Shetland Arts' Whistleblowing policy should either contact their line manager or, for further information on the Public Interest Disclosure Act, refer to the Public Concern at Work website at <http://www.pcaw.co.uk>.

Appendix 2 Expenses Policy

This policy deals with claims for reimbursement of expenses, including travel, accommodation and hospitality.

This policy applies to all Employees. It does not apply to agency workers, consultants or self-employed contractors.

This policy does not form part of any Employee's contract of employment and Shetland Arts may amend it at any time.

The Policy in Operation

Shetland Arts will reimburse expenses properly incurred in accordance with this policy. Any attempt to claim expenses fraudulently or in breach of this policy may result in disciplinary action.

Expenses will only be reimbursed if they are:

- submitted to through the Breathe HR system;
- submitted within 3 months of being incurred;
- supported by relevant documents (for example, VAT receipts, tickets, and credit or debit card slips); and
- authorised by the employee's line manager.

Claims for authorised expenses submitted in accordance with this policy will be paid directly into the Employee's bank/building society account via payroll.

Any questions about the reimbursement of expenses should be put to the Employee's line manager before they incur the relevant costs.

Travel Expenses

Shetland Arts will reimburse the reasonable cost of necessary travel in connection with its business. The most economic means of travel should be chosen if practicable and the Employee should use existing Travelcards wherever possible. The following are not treated as travel in connection with Shetland Arts' business:

- travel between the Employee's home and usual place of work;
- travel which is mainly for the Employee's own purposes; and
- travel which, while undertaken on Shetland Arts' behalf, is similar or equivalent to travel between the Employee's home and usual place of work.

Trains

Shetland Arts will reimburse the cost of standard class travel on submission of a receipt with an expenses claim form.

Taxis

Shetland Arts does not expect an Employee to take a taxi when there is public transport available, unless it is cost effective due to a significant saving of journey time or the number of staff travelling together. A receipt should be obtained for submission with an expenses claim form.

Appendix 2 Expenses Policy

Car

Where it is cost effective for an Employee to use their own car for business travel, and they have been authorised to do so, an Employee can claim a mileage allowance on proof of mileage. Details of the current mileage rates can be obtained from the Support Section. The Employee can also claim for any necessary parking costs which must be supported by a receipt or the display ticket.

Shetland Arts will not reimburse penalty fares or fines for parking or driving offences, other than at its discretion in exceptional circumstances.

Air travel

If the Employee is required to travel by plane in the course of their duties they should discuss travel arrangements with their line manager in advance and should be booked directly by Shetland Arts. Flights will only be booked for an employee where they have a valid SADA Air Discount Scheme Card. Ideally flights should be booked at least one month in advance. To apply for a SADA Air Discount Scheme Card please contact a member of Support Section.

Shetland Arts will not reimburse penalty fares for missing flights if the employee is at fault.

Ferries

Inter Island Ferries

If the employee is required to travel using the Shetland Islands Council Inter Islands Ferries they must use one of the SADA ferry cards to pay for this. These can be signed out from a member of the Support Section.

Shetland Arts will not reimburse fares paid in cash due to the higher cost associated with this. This is at the discretion of the Chief Executive.

Other Ferries

If the employee is required to use other ferry services due to travelling with a vehicle this should be authorised by the Chief Executive in advance. This should then be booked by the Support Section.

Accommodation on any overnight ferry will be booked in the cheapest single occupancy room option.

Accommodation and other Overnight Expenses

If an Employee is required to stay away overnight in the course of their duties they should discuss accommodation arrangements with the Support Section in advance. Accommodation will usually be subject to an upper limit per night of £120 (London) or £85 (outside London).

All accommodation should be booked using the Shetland Arts Premier Inn business account where possible. Other hotels should only be used where reasonable and should be approved by the Support Lead in advance.

Shetland Arts will reimburse reasonable out-of-pocket expenses for overnight stays provided they are supported by receipts as follows:

Appendix 2 Expenses Policy

- breakfast up to a maximum of £10 a day;
- evening meal including non-alcoholic drinks up to £25 a day, and;
- up to £10 for each night spent away from home for incidental expenses eg WIFI access for work use.

Entertaining Customers, Suppliers or Artists

Employees may entertain customers, suppliers or artists only where a proposal and an appropriate budget has been agreed in advance with the Chief Executive. Receipts must be submitted in full with an expenses claim.

Appendix 3 Data Protection

This document sets out Shetland Arts' policy on the protection of information relating to staff members, workers, contractors, volunteers and interns (referred to as staff members). Protecting the confidentiality and integrity of personal data is a critical responsibility that Shetland Arts takes seriously at all times. Shetland Arts will ensure that data is always processed in accordance with the provisions of relevant data protection legislation, including the General Data Protection Regulation (GDPR).

Key Definitions

- **Data processing** is any activity that involves the use of personal data. It includes obtaining, recording or holding the data, or carrying out any operation or set of operations on the data including organising, amending, retrieving, using, disclosing, erasing or destroying it. Processing also includes transmitting or transferring personal data to third parties.
- **Personal data** is any information identifying a data subject (a living person to whom the data relates). It includes information relating to a data subject that can be identified (directly or indirectly) from that data alone or in combination with other identifiers Shetland Arts possesses or can reasonably access. Personal data can be factual (for example, a name, email address, location or date of birth) or an opinion about that person's actions or behaviour.
- **Sensitive personal data** is a special category of information which relates to a data subject's racial or ethnic origin, political opinions, religious or similar beliefs, trade union membership, physical or mental health conditions, sexual life, sexual orientation, biometric or genetic data. It also includes personal data relating to criminal offences and convictions.

Privacy Notice

This policy, together with the information contained in the table of staff member data appended to the policy, constitutes a privacy notice setting out the information Shetland Arts holds about staff members, the purpose for which this data is held and the lawful basis on which it is held. Shetland Arts may process personal information without staff members' knowledge or consent, in compliance with this policy, where this is required or permitted by law.

If the purpose for processing any piece of data about staff members should change, Shetland Arts will update the table of staff member data with the new purpose and the lawful basis for processing the data and will notify staff members.

Fair Processing of Data

Fair processing principles

In processing staff members' data the following principles will be adhered to. Personal data will be:

- Used lawfully, fairly and in a transparent way;
- Collected only for valid purposes that are clearly explained and not used in any way that is incompatible with those purposes;
- Relevant to specific purposes and limited only to those purposes;
- Accurate and kept up to date;
- Kept only as long as necessary for the specified purposes; and
- Kept securely.

Appendix 3 Data Protection

Lawful processing of personal data

Personal information will only be processed when there is a lawful basis for doing so. Most commonly, Shetland Arts will use personal information in the following circumstances:

- when it is needed to perform staff members' contracts of employment;
- when it is needed to comply with a legal obligation; or
- when it is necessary for Shetland Arts' legitimate interests (or those of a third party) and staff members' interests and fundamental rights do not override those interests.

Shetland Arts may also use personal information in the following situations, which are likely to be rare:

- when it is necessary to protect staff members' interests (or someone else's interests); or
- when it is necessary in the public interest [or for official purposes].

Lawful processing of sensitive personal data

Shetland Arts may process special categories of personal information in the following circumstances:

- In limited circumstances, with explicit written consent;
- in order to meet legal obligations;
- when it is needed in the public interest, such as for equal opportunities monitoring [or in relation to Shetland Arts' occupational pension scheme]; or
- when it is needed to assess working capacity on health grounds, subject to appropriate confidentiality safeguards.

Less commonly, Shetland Arts may process this type of information where it is needed in relation to legal claims or where it is needed to protect a staff member's interests (or someone else's interests) and the staff member is not capable of giving consent, or where a staff member has already made the information public. Shetland Arts may use particularly sensitive personal information in the following ways:

- information relating to leaves of absence, which may include sickness absence or family related leaves, may be used to comply with employment and other laws;
- information about staff members' physical or mental health, or disability status, may be used to ensure health and safety in the workplace and to assess fitness to work, to provide appropriate workplace adjustments, to monitor and manage sickness absence and to administer benefits;
- information about race or national or ethnic origin, religious, philosophical or moral beliefs, or sexual life or sexual orientation, may be used to ensure meaningful equal opportunity monitoring and reporting; and
- information about trade union membership may be used to pay trade union premiums, register the status of a protected staff member and to comply with employment law obligations.

Lawful processing of information about criminal convictions

Shetland Arts does not envisage that it will hold information about criminal convictions. If it becomes necessary to do so, Shetland Arts will only use this information where it has a legal basis for processing the information. This will usually be where such processing is necessary to carry out Shetland Arts' obligations. Less commonly, Shetland Arts may use information relating to criminal convictions where it is necessary in relation to legal claims, where it is necessary to protect a staff member's interests (or someone else's interests) and the staff member is not capable of giving consent, or where the staff member has already made the information public.

Appendix 3 Data Protection

Shetland Arts will only collect information about criminal convictions if it is appropriate given the nature of the role and where it is legally able to do so. Where appropriate, Shetland Arts will collect information about criminal convictions as part of the recruitment process or may require staff members to disclose information about criminal convictions during the course of employment.

Consent to data processing

Shetland Arts does not require consent from staff members to process most types of staff member data. In addition, Shetland Arts will not usually need consent to use special categories of personal information in order to carry out legal obligations or exercise specific rights in the field of employment law. If a staff member fails to provide certain information when requested, Shetland Arts may not be able to perform the contract entered into with the staff member (such as paying the staff member or providing a benefit). Shetland Arts may also be prevented from complying with legal obligations (such as to ensure the health and safety of staff members).

In limited circumstances, for example, if a medical report is sought for the purposes of managing sickness absence, staff members may be asked for written consent to process sensitive data. In those circumstances, staff members will be provided with full details of the information that sought and the reason it is needed, so that staff members can carefully consider whether to consent. It is not a condition of staff members' contracts that staff members agree to any request for consent.

Where staff members have provided consent to the collection, processing and transfer of personal information for a specific purpose, they have the right to withdraw consent for that specific processing at any time. Once Shetland Arts has received notification of withdrawal of consent it will no longer process information for the purpose or purposes originally agreed to, unless it has another legitimate basis for doing so in law.

Automated decision making

Automated decision-making takes place when an electronic system uses personal information to make a decision without human intervention.

Shetland Arts does not envisage that any decisions will be taken about staff members using automated means, however staff members will be notified if this position changes.

Collection and Retention of Data

Collection of data

Shetland Arts will collect personal information about staff members through the application and recruitment process, either directly from candidates or sometimes from an employment agency or background check provider. Shetland Arts may sometimes collect additional information from third parties including former employers, credit reference agencies or other background check agencies.

The table of staff member data appended to this policy relates to information which is collected at the outset of employment. From time to time, Shetland Arts may collect additional personal information in the course of job-related activities throughout the period of employment. If Shetland Arts requires to obtain additional personal information, this policy will be updated or staff members will receive a separate privacy notice setting out the purpose and lawful basis for processing the data.

Appendix 3 Data Protection

Retention of data

Shetland Arts will only retain staff members' personal information for as long as necessary to fulfil the purposes it was collected it for, including for the purposes of satisfying any legal, accounting, or reporting requirements. Details of retention periods for different aspects of personal information are set out in the table of staff member data appended to this policy.

When determining the appropriate retention period for personal data, Shetland Arts will consider the amount, nature, and sensitivity of the personal data, the potential risk of harm from unauthorised use or disclosure of personal data, the purposes for which the personal data is processed, whether Shetland Arts can achieve those purposes through other means, and the applicable legal requirements.

In some circumstances Shetland Arts may anonymise personal information so that it can no longer be associated with individual staff members, in which case Shetland Arts may use such information without further notice to staff members. After the data retention period has expired, Shetland Arts will securely destroy staff members' personal information.

Data Sharing and Security

Data security

Shetland Arts has put in place appropriate security measures to prevent personal information from being accidentally lost, used or accessed in an unauthorised way, altered or disclosed. Details of these measures are available upon request. Access to personal information is limited to those staff members, agents, contractors and other third parties who have a business need to know. They will only process personal information on Shetland Arts' instructions and are subject to a duty of confidentiality. Shetland Arts expects staff members handling personal data to take steps to safeguard personal data of staff members (or any other individual) in line with this policy.

Data sharing

Shetland Arts requires third parties to respect the security of staff member data and to treat it in accordance with the law. Shetland Arts may share personal information with third parties, for example in the context of the possible sale or restructuring of the business. Shetland Arts may also need to share personal information with a regulator or to otherwise comply with the law.

Shetland Arts may also share staff member data with third-party service providers where it is necessary to administer the working relationship with staff members or where Shetland Arts has a legitimate interest in doing so. The following activities are carried out by third-party service providers: pension administration, IT services and HR advice.

Staff Member Rights and Obligations

Accuracy of data

Shetland Arts will conduct regular reviews of the information held by it to ensure the relevancy of the information it holds. Staff members are under a duty to inform Shetland Arts of any changes to their current circumstances. Where a Staff member has concerns regarding the accuracy of personal data held by Shetland Arts, the Staff member should contact the Head of Organisational Support to request an amendment to the data.

Appendix 3 Data Protection

Staff member rights

Under certain circumstances, staff members have the right to:

- Request access to personal information (commonly known as a “data subject access request”).
- Request erasure of personal information.
- Object to processing of personal information where Shetland Arts is relying on a legitimate interest (or those of a third party) to lawfully process it.
- Request the restriction of processing of personal information.
- Request the transfer of personal information to another party.

If a staff member wishes to make a request on any of the above grounds, they should contact the Chief Executive in writing. Please note that, depending on the nature of the request, Shetland Arts may have good grounds for refusing to comply. If that is the case, the staff member will be given an explanation by Shetland Arts.

Data subject access requests

Staff members will not normally have to pay a fee to access personal information (or to exercise any of the other rights). However, Shetland Arts may charge a reasonable fee if the request for access is clearly unfounded or excessive. Alternatively, Shetland Arts may refuse to comply with the request in such circumstances.

Shetland Arts may need to request specific information from the staff member to help confirm their identity and ensure the right to access the information (or to exercise any of the other rights). This is another appropriate security measure to ensure that personal information is not disclosed to any person who has no right to receive it.

Compliance with this Policy

Shetland Arts’ responsibility for compliance

The Chief Executive is tasked with overseeing compliance with this policy. If staff members have any questions about this policy or how Shetland Arts handles personal information, they should contact the Chief Executive. Staff members have the right to make a complaint at any time to the Information Commissioner’s Office (ICO), the UK supervisory authority for data protection issues.

Data security breaches

Shetland Arts has put in place procedures to deal with any data security breach and will notify staff members and any applicable regulator of a suspected breach where legally required to do so. Details of these measures available upon request.

In certain circumstances, Shetland Arts will be required to notify regulators of a data security breach within 72 hours of the breach. Therefore, if a staff member becomes aware of a data security breach it is imperative that they report it to the Chief Executive immediately.

Privacy by design

Appendix 3 Data Protection

Shetland Arts will have regard to the principles of this policy and relevant legislation when designing or implementing new systems or processes (known as “privacy by design”).

Staff members’ responsibility for compliance

All staff members, particularly those tasked with regularly handling personal data of colleagues or third parties, have responsibility for ensuring that processing meets the standards set out in this policy. Staff members should observe, as a minimum, the following rules:

- Staff members must observe to the letter any instruction or guidelines issued by Shetland Arts in relation to data protection.
- Staff members should not disclose personal data about Shetland Arts, colleague or third parties unless that disclosure is fair and lawful, in line with this policy;
- Staff members must take confidentiality and security seriously, whether the staff member considers the information to be sensitive or not.
- Any personal data collected or recorded manually which is to be inputted to an electronic system should be inputted accurately and without delay.
- Staff members must not make any oral or written reference to personal data held by Shetland Arts about any individual except to staff members of Shetland Arts who need the information for their work or an authorised recipient.
- Great care should be taken to establish the identity of any person asking for personal information and to make sure that the person is entitled to receive the information.
- If a staff member is asked by an unauthorised individual to provide details of personal information held by Shetland Arts, the staff member should ask the individual to put their request in writing and send it to the Chief Executive. If the request is in writing the staff member should pass it immediately to their line manager.
- Staff members must not use personal information for any purpose other than their work for Shetland Arts.
- If a staff member is in doubt about any matter to do with data protection they must refer the matter to their line manager immediately.
- Passwords should not be disclosed and should be changed regularly;
- Staff member or third party personal data should not be left unsecured or unattended, e.g. on public transport;
- Unauthorised use of computer equipment issued by Shetland Arts is not permitted;
- Staff members must ensure that all confidential information, whether containing staff member or third party personal data or not, is secured when it is not in use or when the staff member is not at work;
- Staff members may use personal equipment to carry out work but must ensure that devices are password protected, locked when not in use and must not store any staff member or third party personal data locally on their device;
- As far as possible, staff member or third party personal data contained in emails and attachments should be anonymised before it is sent by email; and
- Documents containing sensitive information should be password protected and, if the document requires to be transmitted, the document and password should be transmitted separately.

Any breach of the above rules will be taken seriously and, depending on the severity of the matter, may constitute gross misconduct which could lead to summary termination of employment.

Appendix 3 Data Protection

| STAFF MEMBER DATA | | | | | | |
|-------------------------------------|-----------------|---------------------------------------|-------------------------------------|---|--|-------------------------|
| Type of personal data | Sensitive data? | Purpose of processing | Potential transfer to third parties | Lawful basis for processing | Grounds for processing sensitive personal data | Retention period |
| Contact details | No | Administering the employment contract | HMRC / Professional advisors | Legal obligation / Performance of contract / Legitimate interests | N/A | 6 years post-employment |
| Date of birth | No | Equal opportunities monitoring | Professional advisors | Legal obligation / Performance of contract / Legitimate interests | N/A | 6 years post-employment |
| Gender | Yes | Equal opportunities monitoring | Professional advisors | Legal obligation / Performance of contract / Legitimate interests | employment purposes / statistics / conduct of legal claims | 6 years post-employment |
| Marital status | Yes | Equal opportunities monitoring | Professional advisors | Legal obligation / Performance of contract / Legitimate interests | employment purposes / statistics / conduct of legal claims | 6 years post-employment |
| Information about race | Yes | Equal opportunities monitoring | Professional advisors | Legal obligation / Performance of contract / Legitimate interests | employment purposes / statistics / conduct of legal claims | 6 years post-employment |
| Information about ethnicity | Yes | Equal opportunities monitoring | Professional advisors | Legal obligation / Performance of contract / Legitimate interests | employment purposes / statistics / conduct of legal claims | 6 years post-employment |
| Information about religious beliefs | Yes | Equal opportunities monitoring | Professional advisors | Legal obligation / Performance of contract / Legitimate interests | employment purposes / statistics / conduct of legal claims | 6 years post-employment |

Appendix 3 Data Protection

| | | | | | | |
|--|-----|---|---|---|--|--------------------------|
| Information about sexual orientation | Yes | Equal opportunities monitoring | Professional advisors | Legal obligation / Performance of contract / Legitimate interests | employment purposes / statistics / conduct of legal claims | 6 years post-employment |
| Information about political affiliations | Yes | Equal opportunities monitoring | Professional advisors | Legal obligation / Performance of contract / Legitimate interests | employment purposes / statistics / conduct of legal claims | 6 years post-employment |
| Next of kin / emergency contact | No | Safety and security | N/A | Legal obligation / Performance of contract / Legitimate interests | N/A | During employment |
| NI number | No | Payroll | HMRC / Professional advisors | Legal obligation / Performance of contract / Legitimate interests | N/A | 6 years post-employment |
| Salary information | No | Payroll | HMRC / Professional advisors | Legal obligation / Performance of contract / Legitimate interests | N/A | 6 years post-employment |
| Bank details | No | Payroll | HMRC | Legal obligation / Performance of contract / Legitimate interests | N/A | 6 months post-employment |
| Tax details | No | Payroll | HMRC | Legal obligation / Performance of contract / Legitimate interests | N/A | 6 years post-employment |
| Pension details | No | Payroll / liaising with pension providers | HMRC / pension providers | Legal obligation / Performance of contract / Legitimate interests | N/A | 75 years post-employment |
| Benefits information | No | Providing benefits to staff members | Benefit providers / Professional advisors | Legal obligation / Performance of contract / Legitimate interests | N/A | 6 years post-employment |

Appendix 3 Data Protection

| | | | | | | |
|---------------------------------|-----|--|--------------------------|---|--|-----------------------------|
| Driving license | No | Making recruitment decisions / ascertaining ability to work | N/A | Legal obligation / Performance of contract / Legitimate interests | N/A | 6 years post- employment |
| CV | No | Making recruitment decisions / ascertaining ability to work | N/A | Legal obligation / Performance of contract / Legitimate interests | N/A | 6 years post- employment |
| Right to work documents | Yes | Checking right to work in the UK | Professional advisors | Legal obligation / Performance of contract / Legitimate interests | employment purposes / conduct of legal claims | 2 years post- employment |
| Sick leave details | No | Managing absence | Professional advisors | Legal obligation / Performance of contract / Legitimate interests | N/A | 6 years post- employment |
| Performance details | No | Managing performance | Professional advisors | Legal obligation / Performance of contract / Legitimate interests | N/A | 6 years post- employment |
| Qualifications | No | Making recruitment decisions / ascertaining ability to work | Professional advisors | Legal obligation / Performance of contract / Legitimate interests | N/A | 6 years post- employment |
| Employment history | No | Making recruitment decisions / ascertaining ability to work | N/A | Legal obligation / Performance of contract / Legitimate interests | N/A | 6 years post- employment |
| Information about disability | Yes | Managing staff / health and safety requirements / ascertaining fitness to work | Professional advisors | Legal obligation / Performance of contract / Legitimate interests | employment purposes / statistics / conduct of legal claims | 6 years post- employment |
| Training records | No | Education, training and development requirements | Professional advisors | Legal obligation / Performance of contract / Legitimate interests | N/A | 6 years post- employment |

Appendix 3 Data Protection

| | | | | | | |
|--|-----|--|-----------------------|---|---|-------------------------|
| Professional memberships | No | Education, training and development requirements | N/A | Legal obligation / Performance of contract / Legitimate interests | N/A | 6 years post-employment |
| Disciplinary and grievance information | No | Staff management | Professional advisors | Legal obligation / Performance of contract / Legitimate interests | N/A | 6 years post-employment |
| CCTV footage | No | Safety and security | Professional advisors | Legal obligation / Performance of contract / Legitimate interests | N/A | 6 years post-employment |
| Swipe card records | No | Managing timekeeping and absence / safety and security | Professional advisors | Legal obligation / Performance of contract / Legitimate interests | N/A | 6 years post-employment |
| Information about use of IT systems | No | Ensuring network and data security / staff management | Professional advisors | Legal obligation / Performance of contract / Legitimate interests | N/A | 6 years post-employment |
| Photographs | No | Safety and security | N/A | Legal obligation / Performance of contract / Legitimate interests | N/A | During employment |
| Trade union membership | Yes | Deducting trade union fees | Professional advisors | Legal obligation / Performance of contract / Legitimate interests | employment purposes / conduct of legal claims | 6 years post-employment |
| Health records | Yes | Managing absence / ascertaining fitness to work | Professional advisors | Legal obligation / Performance of contract / Legitimate interests | employment purposes / conduct of legal claims | 6 years post-employment |
| Genetic information and biometric data | Yes | Managing absence / ascertaining fitness to work | Professional advisors | Legal obligation / Performance of contract / Legitimate interests | employment purposes / conduct of legal claims | 6 years post-employment |

**Appendix 3
Data Protection**

| | | | | | | |
|-----------------------------------|-----|---|-----------------------|---|---|-------------------------|
| Criminal convictions and offences | Yes | Making decisions about recruitment / continued employment | Professional advisors | Legal obligation / Performance of contract / Legitimate interests | employment purposes / conduct of legal claims | 6 years post-employment |
|-----------------------------------|-----|---|-----------------------|---|---|-------------------------|

Appendix 4 Alcohol and Drugs Policy

This policy deals with difficulties at work caused as a result of an Employee's misuse or dependency upon alcohol or drugs. This policy aims to make clear Shetland Arts' disciplinary rules on these matters and to encourage those with a drugs or alcohol problem to seek help.

The abuse of alcohol or drugs may lead to or contribute to a number of problems at work including:

- an increased risk of accidents;
- poor timekeeping;
- poor absence record; and
- sub-standard quality/quantity of work

The Policy in Operation

This policy applies to all Employees.

The consumption or possession of drugs or alcohol at work, or reporting for duty under the influence of drugs or alcohol, are regarded by Shetland Arts as potential disciplinary offences. Employees suspected of these offences may be subject to suspension with pay while a proper investigation is carried out. Formal disciplinary action may be taken and, in serious cases, Employees may be dismissed without notice and reported to the police.

In some cases, Shetland Arts may refrain from commencing disciplinary proceedings against Employees who have a dependency on drugs or alcohol in order to allow them to seek medical help or counselling.

Procedures

Referrals

Shetland Arts recognises that dependency on alcohol or drugs should be treated sympathetically and fairly. Accordingly, Shetland Arts will encourage individuals with such problems to seek early, voluntary help and assistance, where such problems have been drawn to the attention of Shetland Arts.

As detailed above, Shetland Arts may hold off taking disciplinary proceedings against Employees who have a dependency on drugs or alcohol to allow them to seek medical help or counselling. Where medical help or counselling is obtained as an alternative to disciplinary proceedings, failure to make satisfactory progress in addressing the problem may result in the reinstatement of disciplinary proceedings.

Rules Relating to Alcohol

Notwithstanding the above, all Employees are expected to comply with the following rules, breach of which will be considered as gross misconduct by Shetland Arts and may result in summary dismissal.

- No alcohol is permitted to be drunk during working hours, including breaks.
- No alcohol is to be brought onto Shetland Arts' premises.
- Employees must not attend work whilst under the influence of alcohol. Any Employees who, in Shetland Arts' opinion are unfit to work due to alcohol will be sent home.
- Where alcohol is provided at a work party or function, Employees are expected to drink sensibly. Alcohol will not be viewed as a mitigating factor in any misconduct.

Appendix 4 Alcohol and Drugs Policy

- Where Employee's are at an event and are representing Shetland Arts at that event they should ideally refrain from drinking alcohol. However, if this is not possible, they should have no more than one alcoholic drink.
- Staff members who are in charge of buildings or are supervising other staff members, or are tasked with locking up buildings should be aware of their responsibilities from a health and safety perspective and should not, under any circumstances, drink alcohol.
- Failure to follow these rules may lead to disciplinary action, up to and including dismissal.

Drugs Misuse

The misuse of drugs includes the use of any illegal drugs and the misuse of any prescribed drugs or other substances such as glue or other solvents.

It is a criminal offence to use, possess or deal in any controlled substances and any Employee caught on Shetland Arts' premises or during working hours involved in these activities may be summarily dismissed for gross misconduct. Similarly, any Employee attending work whilst under the influence of drugs may be dismissed for gross misconduct.

Additional Information

Employees with any questions about Shetland Arts' Alcohol and Drugs Policy should contact their line manager in the first instance.

Further assistance is available from local agencies for Employees who feel they have a problem with drugs or alcohol. Employees are encouraged to make contact with these agencies. Requests for time off to attend meetings with these organisations will be treated sympathetically by management although please note that, unless the Employee intends to use annual leave to cover such appointments, any time off will be without pay.

Appendix 5 Children, Young People and Vulnerable Adults Policy

If you are concerned about someone's immediate welfare, however old they are, please inform your Shetland Arts supervisor, call the Duty Social Worker, or call the Police at the earliest opportunity.

Trust your instincts – if something 'feels' wrong, don't hesitate to report it.

Duty Social Work

Office hours (Mon to Fri, 9am to 5pm): Call 01595 744400

Outside office hours: Call 01595 695611

Police

Non-emergency: Call 101

Emergency: Call 999

1. Introduction and Statement of Principles

1.1. Shetland Arts Development Agency recognises that it is the right of everyone to participate freely in the arts and in cultural activity. The purpose of this policy is to ensure that these experiences should be safe, enjoyable and rewarding, and to promote the best possible environment in which children, young people and vulnerable adults can take part in arts activities. The key principles which underpin this policy are:

- The best interests of the child, young person or vulnerable adult must be the primary consideration
- All children, young people and vulnerable adults should be treated fairly and with dignity and respect, and none will be treated any less favourably than others in being able to access services which meet their particular needs
- All children, young people and vulnerable adults have the right to protection from all forms of harm, abuse, neglect or exploitation regardless of gender, ethnicity, disability, sexuality or beliefs
- All concerns, and allegations of abuse will be taken seriously by trustees, staff and volunteers and responded to appropriately - this may require a referral to Social Care Services, the independent Local Authority Designated Officer (LADO) for allegations against staff, trustees and other volunteers, and in emergencies, the police
- All children, young people and vulnerable adults have the right to express their views on matters that affect them

1.2 Shetland Arts Development Agency therefore recognises its responsibility to:

- Safeguard and promote the interests of children, young people and vulnerable adults who are involved in SADA's activities
- Create an enjoyable environment in our facilities and through our activities where children, young people and vulnerable adults can feel safe, secure, and free from threat
- Take all reasonable steps to protect children, young people and vulnerable

Appendix 5

Children, Young People and Vulnerable Adults Policy

adults from harm, discrimination or degrading treatment

- Acknowledge that children, young people and vulnerable adults may have particular needs with regard to disability, emotional or behavioural difficulties, gender, or cultural, religious or ethnic background
- Acknowledge that children, young people and vulnerable adults have the right to be treated with respect, and that their concerns should be listened to and acted upon
- Provide clear, comprehensive, easily understood procedures for dealing with abusive or potentially abusive situations

- 1.3 For the purposes of this document, a child is defined as anyone up to the age of 18, a young person is defined as anyone up to the age of 25, and a vulnerable adult is someone over 18 who by reason of mental or other disability, age or illness is, or may be, unable to take care of him or herself, or unable to protect him or herself against significant harm or exploitation.
- 1.4 This document and the policies contained within are supplementary to our legal responsibilities including access to age restricted products, in particular entry to films (as per guidance from the British Board of Film Classification - see www.bbfc.co.uk) and the sale of alcohol (see www.shetland.gov.uk/licences-permits/shetlands-licensing-board).
- 1.5 Shetland Arts Development Agency fully supports and agrees to be bound by the Shetland Inter Agency Child and Adult Protection Procedures. See www.safersheland.com. SADA is represented on the Shetland Protection in the Community Sub Committee.

2. Best Interests

- 2.1 SADA intends that all its activities with children, young people and vulnerable adults should be planned with their best interests in mind. This will include taking steps to minimise the opportunities for them to suffer from harm of any kind.
- 2.2 This includes issues relating to recruitment (see section 8) and supervision of staff and volunteers as well as health and safety and general good practice when working with children, young people and vulnerable adults.
- 2.3 Good practice incorporates our attitude to and behaviour with children, young people and vulnerable adults, the appropriateness or otherwise of physical contact, the language we use, etc. These issues will be addressed through training, discussion and staff supervision.

3. Fairness, dignity and respect

- 3.1 SADA recognises that we should treat children, young people and vulnerable adults in a way that is fair, and, just as importantly from their point of view, *seen* to be fair. We recognise, however, that the needs of a particular individual may require them to be treated differently, but this should be handled tactfully and sensitively. In order to allow these individuals equal access to participation in an activity we may need to make special arrangements for them.

Appendix 5

Children, Young People and Vulnerable Adults Policy

3.2 SADA understands that working with children, young people and vulnerable adults can be challenging, and that maintaining control of challenging situations is not always easy. It is important that individuals understand from the outset what the rules relating to acceptable and unacceptable behaviour are. Whenever possible, they should be involved in developing such rules. The rules should be implemented fairly and consistently, and it is of vital importance that the staff and volunteers involved should also agree to abide by those rules.

3.3 Physical punishment or chastisement of any kind is unacceptable.

4. Protection from harm and exploitation

4.1 The two major points for consideration here are firstly, reducing the risk of harm whilst working with children, young people and vulnerable adults and secondly, acting upon evidence of harm, and in particular, abuse (see Sections 5 and 6).

4.2 Implementing adequate health and safety arrangements will significantly reduce the risk of harm. As well as the kinds of risk covered in SADA's Health and Safety policy, issues such as having adequate levels of supervision during activities should be taken into account.

4.3 SADA recognises that children, young people and vulnerable adults can be at risk of harm from their peer group. There should be a clear message that bullying will not be tolerated. It should be borne in mind that individuals who are subject to bullying in one setting may be being bullied in other settings. It will be important to speak to the individual and suggest that they talk to their parent, teacher or carer about this if it is happening to them. (It is also important to note that a child can be sexually abused by another child - see Section 5).

4.4 SADA also recognises that children, young people and vulnerable adults need to be protected from information and material that might affect their well-being. Working in an arts environment, we understand the need to consider the appropriateness of the material we are working with. Context will be very important for the use of any artistic material that might be considered unsuitable. Allowing children, young people and vulnerable adults to view unsuitable material of a sexual nature can be considered a form of sexual abuse. Staff must consult SADA management if they are in any doubt about the suitability of material.

4.5 Taking part in artistic performances can greatly enhance children, young people and vulnerable adults enjoyment of the arts. There is legislation that sets out how many hours a week that children are allowed to undertake paid work in order to protect them from exploitation, and it is worth bearing this in mind when children are involved in voluntary performances too. SADA understands that children are willing to give extraordinary levels of commitment to ensure the success of a performance, but it is important that staff try and ensure that rehearsals and performances do not last too long, finish very late at night or involve activities that may be damaging to children's health or well-being.

4.6 SADA recognises that activities take place in a variety of locations and contexts including SADA facilities, community venues in Shetland and elsewhere, and online. Our policies and procedures apply no matter the location, whether physical or online.

Appendix 5

Children, Young People and Vulnerable Adults Policy

- 4.7 Steps should be taken to ensure that children, young people and vulnerable adults are unable to use SADA's internet facilities in unsuitable ways that could expose them to the risk of harm.
- 4.8 When using or publishing photographs of children, the name of the child should not be printed. If it is important to print a child's name, then it should not be directly supported by a photograph. Parents or carers should give permission for images to be used.

5. Recognising harm and abuse

- 5.1 It is important for staff and volunteers to know how to recognise potential abuse (see Appendix 1). It is equally important that they realise that it is not their responsibility to decide whether or not abuse has occurred, but only to report any suspicions and concerns they may have about a child, young person and vulnerable adult. At the earliest opportunity, staff and volunteers should:
- inform their manager or supervisor
 - call the Duty Social Worker: 01595 744400 (office hours) / 01595 695611 (out of office hours) or
 - call the Police: 101 (non-emergency) / 999 (emergency)
- 5.2 Abuse occurs when a person misuses their power over another person and causes him or her emotional and/or physical harm. This person could be a known to them or it could be a stranger. In most cases of abuse the victim knows the abuser. The abuser could also be a member of their peer group. The five recognised categories of abuse are detailed below.
- 5.3 *Physical injury.* This is any deliberate act of physical harm against a child, young person and vulnerable adult by the person having care or charge over the victim. This could include a deliberate failure to protect a person from physical danger.
- 5.4 *Emotional abuse.* Persistent and/or severe emotional ill-treatment or rejection of a children, young people and vulnerable adults; this may include degrading them, a complete absence of affection, placing unrealistic demands on them, intimidation and threats. It is difficult to recognise but can have a profound effect on their well-being.
- 5.5 *Neglect.* Failure to provide care or exposure of a child, young person or vulnerable adult to danger that seriously affects his or her health and/or development. This could include starvation and prolonged exposure to cold.
- 5.6 *Sexual abuse.* Where children, young people and vulnerable adults are forced or persuaded to participate in any form of sexual activity by another person. This may include activities that they do not fully understand and to which they cannot give their consent, or into which they have been coerced into participating against their will.
- 5.7 *Non-organic failure to thrive.* Children who significantly fail to reach normal growth and developmental milestones (that is, physical growth, weight gain, social and intellectual development) and there is no reasonable medical or organic explanation

Appendix 5

Children, Young People and Vulnerable Adults Policy

for this.

6. How to respond

- 6.1 The Children (Scotland) Act 1995 (section 5) states that an adult (over 16 years) who has care or control of a child under the age of 16 has the responsibility to “do what is reasonable in all circumstances to safeguard the child’s health, development and welfare.” In other words, anyone working with children and young people has a legal responsibility to safeguard children’s welfare.
- 6.2 Most adults who may be considered to be at risk of harm manage to live their lives safely with the assistance of caring partners, relatives, friends, family and with the support of medical and social services. However, some people will experience harm such as physical abuse, sexual abuse, psychological harm or exploitation of their finances or property. The Adult Support and Protection (Scotland) Act 2007 states that local authorities must make inquiries about a person's well-being, property or financial affairs if it knows or believe that the person is an adult at risk, and that it might need to intervene in order to protect the person's well-being, property or financial affairs.
- 6.3 SADA recognises that arts activities, by their very nature, encourage children, young people and vulnerable adults to express thoughts, feelings and emotions. These could be related to fears or concerns that they have and could lead to disclosures of abuse. It is important for staff and volunteers to be aware of how to respond to individuals who may be suffering or at risk of harm.
- 6.4 Responsibility for dealing with allegations or suspicions of abuse lies with the Head of Creative Opportunities. All staff and volunteers should be made aware of this and be given information as to how s/he can be contacted. It will be the Head of Creative Opportunities responsibility to ensure that any formal referrals are made to the correct bodies. In his or her absence this responsibility will pass to the relevant Project Manager or whoever is deputising. If staff or volunteers are uncertain of something related to the well-being of a child, young person or vulnerable adult, they should consult the Head of Creative Opportunities or his or her nominated deputy to determine the most appropriate course of action. They should also be made aware of the contact details of the Duty Social Worker and Police, should there be any reason why reporting a concern or an incident to someone inside the organisation would be problematic.
- 6.5 The Head of Creative Opportunities in consultation with the General Manager will take the decision whether to refer the suspicion/allegation to the appropriate authorities, as per the guidelines in the Shetland Inter-Agency Child Protection Procedures.
- 6.6 In the event of a disclosure of abuse (when an abused individual confides in someone else), it is very important that staff and volunteers *never* promise a child, young person or vulnerable adult that they will not tell anyone what has been disclosed. Staff must explain to the person that because of concern for his or her well-being, information will be passed on, but to as few people as possible. The child, young person or vulnerable adult must be told what, to the best knowledge of the worker, will happen next. Staff will obtain this information via approved training. A more detailed protocol is attached (Appendix 2).

Appendix 5

Children, Young People and Vulnerable Adults Policy

- 6.7 SADA recognises the fact that abuse could occur within its own organisation, or by someone staff know or work with. Such a disclosure should be treated as any other disclosure, as detailed earlier in this document. The information should be passed on to the Head of Creative Opportunities to ensure that allegations are handled in a fair and consistent manner.
- 6.8 If an allegation is made against a staff member or volunteer, consideration should be made of suspending that individual's work with SADA until the situation has been investigated. The well-being and best interests of the child will be of paramount importance.
- 6.9 In the event that staff members are concerned about a child or young person, but that child has not made any disclosure to them, they should discuss their concerns with the Head of Creative Opportunities. A list of possible indicators of concern is attached at Appendix 1. It is important for staff to remember that it is not their role to determine whether abuse has taken or is taking place – they should always err on the side of caution when considering what to do. Again, if in doubt, consult the Head of Creative Opportunities or his or her nominee.
- 6.10 SADA will fully support and protect any staff member or volunteer who, in good faith, reports his or her concern that someone is, or may be abusing a child.

7. Recording Information

- 7.1 It is vitally important that staff clearly record any information relating to concerns about children, young people and vulnerable adults, even if it is not to be passed on to any statutory authority. Staff and volunteers should be made aware of the form attached as Appendix 3. The information should be written down immediately, or within 24 hours of the concern being raised. The individual who has the concern, or to whom disclosure has been made, should be the one to record it, and the author and Head of Creative Opportunities should sign it. Should the matter be passed on to a statutory authority, this information should be forwarded.
- 7.2 Staff and volunteers must be made aware of the need for confidentiality with regard to this information, and that others will only see it on a strict 'need to know' basis.

8. Protection of Vulnerable Groups Membership Scheme, Recruitment and Supervision of Staff

- 8.1 All SADA staff, volunteers and self employed practitioners engaged in 'Regulated Work' as defined by Disclosure Scotland (such as having unsupervised contact with children or vulnerable groups) will be required to join the Protecting Vulnerable Groups (PVG) Membership Scheme. SADA will make enquiries with Disclosure Scotland, who operate the scheme, which will highlight crimes or other information relevant to working with children or protected adults, before allowing any Regulated Work to take place. See www.mygov.scot/pvg-scheme/
- 8.2 If any SADA staff, volunteers or self employed practitioners are involved in conduct that harms children or protected adults or places them at risk of harm, by law SADA may be required to make a referral to Disclosure Scotland.
- 8.2 SADA recognises that effective supervision is as important as careful recruitment in

Appendix 5

Children, Young People and Vulnerable Adults Policy

terms of child protection. Regular supervision provides opportunities for satisfying management that children and young people are safe, for staff and volunteers to raise issues about which they may be concerned, and to identify training and support needs. The Head of Creative Opportunities will therefore ensure that supervision of activities involving children and young people takes place on a regular basis, and that issues relating to children and young people are included in these discussions.

9. Review of policy and procedures

- 9.1 This policy and procedures are reviewed, approved and endorsed by the board of trustees annually or when legislation changes.

5.2 Annual Financial Statements 31 March 2022



INTRODUCTION

This report contains the annual financial statements to 31 March 2022 as an Appendix.

Irene Hambleton from RSM UK Audit LLP will be in attendance at the board meeting and give a presentation on the financial statements.

They are for final approval by the board.

**SHETLAND ARTS DEVELOPMENT
AGENCY**

TRUSTEES' REPORT & FINANCIAL STATEMENTS

for the year ended

31 March 2022

DRAFT

SHETLAND ARTS DEVELOPMENT AGENCY

CHAIRPERSON'S MESSAGE

31 MARCH 2022

My first year as Chair has seen Shetland Arts continue to rise to the challenge of running an arts and entertainment organisation whose activity has always been predicated on bringing people and communities together in a physical space through the worldwide pandemic.

We have managed to grow our education offering, building upon the experience we have of hybrid delivery. We now play host to twenty-five full-time students and thirty-three part-time students at Mareel under contract from Shetland UHI, as well as teaching to a further forty-five students across the UHI Network. Our formal education offering currently focusses on Film and Music from vocational pathways to masters modules, but we have spent the last year developing a drama strand that we will be launching for the 22/23 academic year.

The continually changing situation has encouraged Shetland Arts to take a flexible approach to how we continue to support the creative sector. From the start of the pandemic in March 2020 through to March 2022 we have supported, worked with, commissioned or invested in one hundred and ninety-seven different creatives who either live in, or can demonstrate a strong connection to, Shetland. This work has been supported by various strands of COVID relief funding and we are hugely grateful for the support we have been able to make available to the sector.

This report highlights the work the staff team have achieved, and I want to take this opportunity, on behalf of my fellow trustees, to thank them all for their effort, ingenuity and innovation.

I would like to thank Creative Scotland and Shetland Charitable Trust for their valued and ongoing support. I feel it is also important to take a moment to thank colleagues at Shetland Islands Council for the work they have done managing various coronavirus funds as well as Film Hub Scotland, Screen Scotland and Highlands and Islands Enterprise for their help, investment and guidance over the last year.

Finally, I would like to thank my fellow trustees, particularly Ryan Stevenson who stepped down last year after completing six years as a trustee, three of those as Chair. Our involvement across a range of local, regional, national and international opportunities gives me confidence that Shetland Arts will continue to go from strength to strength.

Susan Mail
Chair

SHETLAND ARTS DEVELOPMENT AGENCY

ANNUAL REPORT OF THE TRUSTEES

31 MARCH 2022

The Trustees are pleased to present their annual Trustees' Report together with the financial statements of the charity for the year ending 31 March 2022.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the trust deed 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 (as amended for accounting periods commencing 1 January 2019) (the SORP).

OBJECTIVES AND ACTIVITIES

During the year, Shetland Arts' Board of Trustees amended the charitable purposes of Shetland Arts Development Agency and these amendments were accepted by OSCR. Shetland Arts' principal objectives are laid out in the supplementary Deed of Trust registered on 30 October 2020.

The objects of the agency are to:

- (i) advance the education of the public resident in Shetland in the Arts, in particular the Arts of Dance, Drama, Theatre, Film, Literature, Music, Crafts, Visual Arts and any new form of Media;
- (ii) advance Arts and Culture for the benefit of the public in Shetland;
- (iii) advance Citizenship and Community Development for the benefit of the public in Shetland.

In furtherance of the objects the Trustees shall seek to:

- (i) encourage and assist in promoting and advancing the creation, practice, presentation and study of all forms of art – visual, performing and creative;
- (ii) support and encourage the continual development of all art forms;
- (iii) support existing, and encourage new, work;
- (iv) improve access to the arts and create opportunities for individuals, geographical communities and communities of interest, at all levels of experience and ability, to participate in and enjoy a diverse range of arts activity through performances, exhibitions and educational activities;
- (v) create opportunities for personal development through a community development approach within the arts;
- (vi) promote a culture of lifelong learning through a community development approach within the arts;
- (vii) support professional artists through residencies, workshops and performances;
- (viii) promote excellence in artistic quality;
- (ix) develop the skills and experience of artist practitioners and participants and encourage learning; and
- (x) provide facilities to support artistic activities.

Introduction

This year continued to be a challenge for Shetland Arts due to the ongoing impact of COVID-19. Our work continued to be delivered online and in-person depending on public health advice at the time of delivery. Despite the challenges, it was an opportunity to develop new delivery models that allow us to reach more people, and in different ways.

SHETLAND ARTS DEVELOPMENT AGENCY

ANNUAL REPORT OF THE TRUSTEES

31 MARCH 2022

We employ a robust process of evaluation for each element of every project we deliver. Every activity is submitted to the Senior Management Team on a Project Proposal Form (PPF) that contains a narrative statement and describes how the project relates to our Trust Deed, which programme area it is part of, which artforms it relates to and whether the work is contemporary, populist or traditional. This form also sets the Key Performance Indicators (KPIs) and the budget.

All elements of the activity are considered, particularly how the projects will deliver our Social Outcomes. The Senior Management Team sets key milestones and receives regular updates, with monitoring requirements being dictated by the scale of the project.

Once an activity is completed the PPF is reviewed against actuals and lessons are learned where appropriate.

Project Managers collate monthly KPIs for each active project and every quarter a report is produced which includes KPIs, a narrative for each Priority Area and several Case Studies which highlight particular projects. These reports are submitted to Shetland Charitable Trust, circulated to Shetland Arts' Board of Trustees and made available on the Shetland Arts website.

Three-Year Programme - Priority Areas

This programme of activity aligns with our current funding agreement and work plan submitted to Creative Scotland in 2021.

It builds on many years of quality arts programming providing opportunities for people of all ages to access enjoyable creative experiences as participants and as audience, across a wide range of artforms as per our Trust Deed.

1. Youth Arts

Shetland has a vibrant youth arts scene provided by a range of individuals and groups. We will support and contribute to this provision, create and sustain engagement, and nurture creativity and talent through an annual programme of access-level cross-artform workshops, artform-specific "intensives", high-quality music and drama productions and subsidised access to events and activities.

2. Education and Learning

Our education and learning programme is diverse and offers provision at all levels. From highly successful schools outreach work, through to our formal education programme delivered under contract and in partnership with Shetland College UHI, informal opportunities such as regular cross-artform workshops, business development, masterclasses and Creative Insight events.

3. Arts and Wellbeing

The value of arts to personal and community development is becoming increasingly recognised in Shetland. We will continue to develop our arts and wellbeing work through the support of groups which use the arts as a vehicle to wellbeing, providing activities for individuals in care settings and providing free access to events or activities for individuals who have been referred by medical, care or support professionals.

4. Development and Support

The development and support of individuals and groups, along with the promotion of excellence and experimentation, is integral to our work. This includes the provision of funding both directly and through signposting, access to equipment and facilities, paid work placements, volunteering opportunities, commissioning productions and providing support and training to allow creatives to access new markets. We will continue to provide numerous paid opportunities for freelance artists, education staff and performers.

5. Programme, Commissioning and Curation

We offer a varied and engaging programme of events, exhibitions, screenings and festivals across a range of artforms, including film, music, drama, literature, visual art, craft, dance and digital. We also provide spaces and support for other promoters and groups to stage their shows.

6. Broadcasting, Recording and Intellectual Property

Maximising Mareel's digital production facilities (principally for music and video recording and broadcast), we provide opportunities for musicians and producers to generate revenue and intellectual property.

SHETLAND ARTS DEVELOPMENT AGENCY

ANNUAL REPORT OF THE TRUSTEES

31 MARCH 2022

Achievements & Performance

| Priority Areas | Actual Key Performance Indicators - Full Year 21/22 | | | |
|--|---|----------------------|----------------------|----------------|
| | Concerts, Screenings and Exhibition Days | Audience Attendances | Development Sessions | Participations |
| 1. Youth Arts | 2 | 69 | 126 | 1,264 |
| 2. Education & Learning | 8 | 463 | 1,002 | 4,369 |
| 3. Arts & Wellbeing | - | - | 53 | 893 |
| 4. Development & Support | 501 | 21,002 | 77 | 829 |
| 5. Programme, Commissioning & Curation | 2,590 | 113,194 | 47 | 610 |
| 6. Broadcast, Recording & IP | - | - | 69 | 129 |
| Totals | 3,101 | 134,728 | 1,374 | 8,094 |

Notable variances between Target and Actual KPIs

| | Target | Actual | % Achieved |
|--|---------|---------|------------|
| Concerts, Screenings and Exhibition Days | 3,800 | 3,101 | 81.6% |
| Audience Attendances | 140,000 | 134,728 | 96.2% |
| Development Sessions | 1,800 | 1,374 | 76.3% |
| Participations | 14,000 | 8,094 | 57.8% |
| Practitioners Supported | 1,500 | 931 | 62% |
| Groups Supported | 150 | 95 | 63.3% |
| Micro Businesses Supported | 65 | 151 | 232.3% |
| Volunteer Hours | 1,200 | 704 | 58.6% |

The majority of Actual KPIs are lower than target KPIs due to COVID-19 pandemic restrictions impacting the year-end percentages achieved. We continued to deliver programming and development activity throughout the year and adapted to online and physical spaces as appropriate, hence the still strong KPIs. All actuals are an improvement on 20/21 KPIs due to the gradual easing of restrictions.

Much of our activity focussed on supporting the Creative Sector through this period of economic hardship through commissioning significant works, hence the strong numbers of micro businesses supported.

In summary, we continued to adapt to ever-changing public health advice to deliver all our Priority Area workstreams at a slightly reduced capacity.

Online figures are derived from data made available from the various distribution platforms. Care is taken to select the most meaningful data for reporting, for example, only including an individual as an audience member if they have engaged with a broadcast stream for a set number of minutes.

SHETLAND ARTS DEVELOPMENT AGENCY

ANNUAL REPORT OF THE TRUSTEES

31 MARCH 2022

Priority Area 1: Youth Arts

Highlights included:

- **Shetland Youth Theatre Company (SYTC)** with **Stephenie Pagulayan** had a very successful year. In May they were selected from among over 150 other youth drama companies across the UK to present their production *Tuesday* for the **National Theatre Festival**. The National Theatre sent a film crew up to Shetland in June to film their production live, ready for a national showcase in the online festival in September.
- **SYTC** were selected to partner with German youth theatre company **Das Letzte Kleinod** for a Cultural Bridges project funded by Fonds Soziokultur, Arts Council England, Arts Council Northern Ireland, Wales Arts International, Creative Scotland and the Goethe Institute.
- **SYTC** sessions continued regularly throughout the year, both online and in person at the **Garrison Theatre**, as they prepared to take part in **National Theatre Connections** at The Lowry in Salford in April 2022.
- **Film Crew Jnr and Snr** with **Keiba Clubb** continued to work on their film skills, developing their knowledge of cameras, sound, and storyboarding during their regular Saturday afternoon sessions in **Mareel**.
- After Covid rescheduling, the **Youth Trad Big Band** project supported by the **Royal Edinburgh Military Tattoo** fund culminated with a series of collaborative music performance videos. The project challenged tutors and participants to create new and exciting ways to approach traditional music. The project was led by pianist **Harris Playfair** and fiddle player **Margaret Robertson** together with local support tutors **Norman Wilmore** and **Eamonn Watt**, music editor and tutor **Renzo Spiteri** and film editor **Vaila Walterson**.
- Seven projects, involving twelve creative practitioners, were awarded **Creative Scotland Youth Arts Grant** funding. These projects ran throughout the year and encompassed an eclectic range of arts practice. **David Boyter** delivered music technology sessions online using BandLab. **Helen Robertson** offered a range of online sessions exploring textile arts, with the aim of pushing young people's skills and experimentation in these areas. **Margaret Robertson** continued the **Youth Trad Big Band** project. **Neila Nell** and **Katie Leask** worked with **The Bridges Project** on design-focused workshops with outcomes decided by the participants themselves. **Renzo Spiteri**, **Jenny Sturgeon** and **Gaby Giacchino** delivered collective music-making workshops in community venues all over Shetland. **Jane and Tom Cockayne** worked with young people at **Scalloway School** and **Eric Gray @ Seafield** to create interactive sensory touch boards that respond with sound when activated. **Keiba Clubb**, **Alex Purbrick** and **Jane Cockayne** created films inspired by local history, folklore and geology/landscape with the **Ability Shetland** group in Northmavine and schools in Unst.
- **Schools Out For Summer** with **Keiba Clubb** was funded by Creative Scotland and Youthlink Scotland as part of Summer of Play. It provided free film screenings and education activities in Mareel targeted at the pupils in Shetland who, due to Covid, missed out on the social, creative and educational activities that would usually accompany transition from Primary to Secondary school this summer.
- SADA created a new **Creative Assistant** role to support tutors and participants during the delivery of our youth arts and outreach projects. A key driver was to provide progression pathways for our staff, and we appointed three new Creative Assistants from our Front of House team.

Priority Area 2: Education & Learning

Highlights included:

- We continued our formal education partnership with Shetland College UHI through a service level agreement and delivered the following courses to local students and to BA and MA students across the UHI network:
 - Vocational Pathways Sound Engineering
 - Vocational Pathways Video Production
 - NC Music
 - NC Film
 - HNC Music
 - BA Applied Music
 - BA Film Making
 - MA Music and the Environment

SHETLAND ARTS DEVELOPMENT AGENCY

ANNUAL REPORT OF THE TRUSTEES

31 MARCH 2022

- At the start of the 2021/22 academic year, there was a student roll of 25 part-time Skills for Work; 8 full-time NC Creative Industry; and 7 full-time HNC Music students. In addition, 10 students from the networked UHI BA film and music courses enrolled to study from Mareel.
- Despite the ongoing COVID-19 restrictions Shetland students managed to produce encouraging results with a circa **90% pass rate** (many students applied for mitigating circumstances due to Covid-related issues)
- We continued to make use of hybrid online/in-person delivery methods and adjusted as per UHI health guidance
- Mareel hosted a **Student Showcase** concert. 21 Shetland College UHI music students took to the stage to deliver an end-of-term showcase. The student showcase is a regular event in Mareel, but this year it was the only live performance students were able to undertake due to COVID-19 restrictions. The event was also one of the first to take place after a prolonged period of closure for Mareel and the first time many of the students performed in a 'professional' context in front of a live audience.
- To aid social distancing the Education and Creative Opportunities team have been moved to the Level 2 office in Mareel. The added space creates a comfortable and safe environment for staff and students.
- With funding from Education Scotland's Creative Learning Network via SIC Creative Links we were able to initiate the **HIDE_OUT** project this quarter, working with artist **Ursula Cheng** and S1 pupils at Sandwick Junior High School to deliver a project supporting wellbeing through art and design

Priority Area 3: Arts & Wellbeing

Highlights included:

- **Mindful Makkin** with **Helen Robertson** continued via Zoom, proving ever popular with local, national and international participants alike.
- Shetland Arts led a year-long consortium project alongside Pier Arts Centre, Taigh Chearsabhagh and An Lanntair called **Culture Collective**. Eight artist-led projects were selected from 18 applications to the fund in Shetland and reached each area and each island of Shetland over the year.
 - **Berenice Carrington** worked with local folk to map the landscapes they walked, close to home, during lockdown. Maps of these landscapes will decorate Yell's bus shelters, inviting you to explore these worlds.
 - **Helen Robertson** travelled to every inhabited island in Shetland to explore lace knitting techniques together with participants.
 - Visiting care homes across the islands, **Christina Inkster** worked with participants to create individual handkerchiefs, embellished with their own positive messages and decorations.
 - In Bigton, **Alice Ritch** ran collective music and song-making sessions for people of all ages, culminating in a sharing event and the creation of a song book containing old and new material for continued use.
 - **Aimee Labourne** worked with heritage societies and schools to creatively explore the theme of connectivity in Shetland past and present.
 - Care-givers were provided with time and space to reflect on their experiences of the pandemic in **Heather Christie's** still lives workshops.
 - In Yell and Whalsay, **Alex Purbrick** and **Jane Cockayne** worked intergenerationally between care centres and primary school-age children, and with the primary school in Sandness, to share local folklore and stories and create new ones through written and visual arts.
 - Residents and staff at the Walter and Joan Gray Care Centre jetted off to new destinations to visit family and friends through creativity and imagination with **Kristi Tait** in her Aeropuerto project.
- At Christmas we sent out around 100 craft packs to 12 care settings across Shetland, designed and posted out by **Helen Robertson**. There was also a special online Facebook live Christmas singalong with **Suzanne Briggs**.

SHETLAND ARTS DEVELOPMENT AGENCY

ANNUAL REPORT OF THE TRUSTEES

31 MARCH 2022

Priority Area 4: Development & Support

Highlights included:

- Our **Upskilling** programme, funded through Creative Scotland covid relief support, continued with three strands designed to provide paid Continuing Professional Development to a range of creative practitioners. The strands were **Filming Live Performance** (delivered in conjunction with the Refresh Now programme), **Streaming Live Performance**, and **Community Arts Practice**.
- We continued to support local artists through the **Visual Arts and Crafts Makers Awards**, a scheme funded by Shetland Arts, **Shetland Islands Council** and **Creative Scotland**. Eleven awards of circa £750 were made in this financial year.
- Freelancers **Maya Darrell Hewins** (Project Manager), **Liz Musser** (Video and Instructional Design) and **JJ Jamieson** (Video) were recruited to develop eight e-learning upskilling modules focused on skills and knowledge to support creative practitioners in their careers.
- From January to March, **Blanket Coverage**, a touring exhibition of contemporary woven textiles, came to Bonhoga from Llantarnam Grange in South Wales. We also included work by three Shetland-based weavers: **Deborah Briggs**, **Emma Geddes (Aamos Designs)** and **The Shetland Tweed Company**.
- After the success of **Refresh Now Retail** in 2021 we launched a second open call for ideas for new retail commissions, with eight makers being awarded £500 commissions to develop their product.
- The **Refresh Now Retail** commissions resulted in orders for 6 of the 11 makers who received £500 development funding to create prototype products. The products include a replica broch egg cup, tea towels featuring collages of historic Shetland photographs and brightly coloured Fair Isle designs and a kit to knit your own bannocks and saat beef. All products are now on sale at Bonhoga, Mareel and ShetlandMade at Sumburgh.
- The Open Winners exhibition **Treasured** continued until the end of October, showcasing new work by Shetland-based makers: weaver **Deborah Briggs**, jeweller **Esme Wilcock**, textile artist **Marcia Galvin**, furniture maker **Eve Eunson** and multi-media artist **Lynn Ritch Bullough**
- We held an open call for photographs and illustrations to be featured on a limited edition run of Shetland Arts Christmas cards. From 14 entries we selected six designs that went on sale at Bonhoga and Mareel in November.
- **An Island Christmas** brought the work of five Orkney-based artists to Bonhoga: mother and daughter tapestry artists **Leila and Jo Thomson**, ceramic artist **Kerriane Flett** and jewellers **Zoe Davidson** and **Karen Duncan**. After a year of Shetland work in the gallery it was great to bring some work from our Orcadian neighbours.
- Artist **Morwenna Kearsley** visited Shetland in September and ran a free photography workshop in Mareel, exploring a range of photographs from the MacKinnon Collection in the National Library of Scotland.
- From July **Lerwick Brass Band** moved their Tuesday evening rehearsals to the Mareel Auditorium whilst their regular rehearsal venue at Gilbertson Park is unavailable.
- **Fragmented** was performed by **Islesburgh Drama Group**, written, directed and produced by **Stephenie Pagulayan** of **ALICE Theatre Project**, in partnership with Shetland Women's Aid, Shetland Rape Crisis and Shetland Arts as part of the United Nations 16 Days of Activism against Gender-Based Violence.
- The **Summer Craft Fair**, in partnership with Shetland Arts & Crafts Association was well attended and provided a welcome platform for four different sets of local artists and makers.
- **ShetlandMade at Sumburgh Airport** catered to the tourist and travel market, providing a range of snacks and drinks as well as the local craft and products from partnerships with the Shetland Times Bookshop and Shetland Soap Company.
- Shetland Arts invited film makers and musicians to submit collaborative applications for funding to produce narrative music videos. The £4,000 grants aimed to support the creative sector in Shetland to develop new cross-artform partnerships and produce new creative work. Awards were made to **May & Mackie** with **JJ Jamieson** and **Liz Musser**, **The Cha Band** with **Jonathon Bulter**, **Shipyards Riot** with **Keiba Clubb**, **The Fiction** with **Keiba Clubb**, and a collective of film makers and music groups from Bigton.

SHETLAND ARTS DEVELOPMENT AGENCY

ANNUAL REPORT OF THE TRUSTEES

31 MARCH 2022

Priority Area 5: Programme, Commissioning & Curation

Highlights included:

- Covid restrictions throughout March meant a quiet time for the public facing side of programming, however behind the scenes work was underway across all departments to get ready for the launch of **Refresh Now** in April. Sixteen new works were available online premiering throughout April, meaning new work was appearing each week. Further to this, works by **Vivian Ross-Smith** were performed in three locations around Shetland, and audiences could find **Renzo Spiteri's** work at the Northlink Terminal and Sumburgh Airport. A relaxation of restrictions and the reopening of Bonhoga and Shetland Museum meant that three works could be found showing in these locations.
- Four performance pieces were commissioned for the **Garrison Theatre**, with the original hope that they could be seen in situ. However as the Covid situation progressed, the decision was made to film these and show them online. A further five new live performances by contemporary Shetland bands were filmed, edited, recorded and released as EPs. These videos were also available online.
- May saw the return of the popular **Live@Lunch** series, bringing theatre, music and comedy to a daytime audience. We kicked off with a screening of **Shetland Youth Theatre's** production of **Tuesday**, their entry into the National Theatre's Connections programme.
- The end of June and the beginning of the summer holidays saw a visit from **The Swings** by **All or Nothing Aerial Dance Theatre**. Standing at 5m tall, **The Swings** offered four free shows, plus time for the public to have a turn in King George V playpark in Lerwick.
- This first quarter also saw the fabrication of all four sculptures for the **LOCUS Public Art Project** in partnership with local industry professionals **Lerwick Engineering & Fabrication Ltd., Garriock Bros Ltd. and Malakoff Ltd.** All the site works were carried out by Garriock Bros, including excavation and laying of foundations for the works at three of the four locations in Lerwick ahead of the installation at the end of June. The LOCUS trail map and guide was designed by **Chloe Keppie**.
- July saw a continuation of our **Live@Lunch** programme, encouraging audiences to reengage with performance through daytime events lasting no longer than an hour. **Claire White & Robbie Leask** performed their music to a delighted Saturday afternoon audience. **Marjolein Robertson** performed the following weekend, alongside three newcomers to stand-up comedy, her show providing an essential practice ground for their material.
- We were able to step in and aid **Ragged Wood** when their two performances by **Kris Drever** looked to be in trouble due to high ticket sales and a lack of space in their original venue, given Covid restrictions hadn't been eased by early July. Kris played to sell-out, socially distanced audiences in Mareel's auditorium for two consecutive nights, with support from **Scott Moncrieff** and **Adam Guest** respectively.
- At the beginning of August we had the last of the current Live@Lunch events with **Donald Lindsay's How've You Been?**, a show developed during his family's time on Ascension Island.
- August also saw a return to non-socially distanced evening performances, kicking off with a hugely well-received performance by **Aly Bain & Phil Cunningham**. This gig was followed a week later by a rescheduled performance by **Eddi Reader** and her band, celebrating her 40 years of making music.
- Throughout the summer holidays, **Playtime** and **Storytime** continued, alternating fortnightly, offering families with young children a free daytime event.
- September had an exciting and varied programme, with the return of **Wordplay** being a particular highlight. **Malachy Tallack** curated a weekend of 17 events, supported by a week of schools visits by author **Alan Windram**. The weekend kicked off with a celebration of local writers and the **Shetland Young Writer** prize-giving on the Thursday night. Visiting authors **Damian Barr, Cal Flynn, Gavin Francis** and **Mary Paulson-Ellis** held engaging author events and hosted well-attended workshops. Graphic illustration duo, **Metaphrog** joined us from Glasgow to host workshops for young people, alongside a **Big Bookbug** and children's workshop from Alan Windram. Wordplay also saw the inauguration of online programming, with Shetland-based author **Donald S. Murray** paired in an event with **Jennifer Lucy Allan**, and Shetland poets **Jen Hadfield** and **Christine De Luca** also sharing a double-bill. Online workshops were trialled this year with illustrator **Kathryn Briggs** and a sell-out audience for the poet **Alycia Pirmohamed**. Wordplay 2021 was made possible in part by funding from **Scottish Book Trust's Live Literature** fund and the education programme was supported massively in its organisation by Shetland Library.
- In a gig rescheduled from 2020, **Twelfth Day** played an intimate show at the end of September. A harp/violin duo who blend angular jazz and modern classical compositions with Scottish traditional idioms and pure pop sensibilities, they were joined on this occasion by double bass and drums.

SHETLAND ARTS DEVELOPMENT AGENCY

ANNUAL REPORT OF THE TRUSTEES

31 MARCH 2022

- As successful applicants to Creative Scotland's second round of the **Performing Art Venues Relief Fund**, SADA was able to offer more commissioning opportunities to Shetland-based and affiliated artists. **We Are Live** sought commissions from artists who wish to make a new piece of work to be performed by the end of 2021 and the opportunity was advertised in September. Fourteen applications were made and six were awarded the funds to realise their projects. The successful applicants were: **Ann Marie Anderson – Myrtle & Meenie Book Launch**; **Herkja – Caald Nights O Winter Rural Tour**; **Kathryn Spence & JJ Jamieson's dance installation Fuga**; **The Imposters' Musical Panto**; **Chris Stout, Christie Williamson & Catriona Mackay – Flitsang** and **Marjolein Robertson – Da Great Nort Gaff**.
- Due to Covid restrictions and fears around the rapid emergence of the Omicron variant, it was decided to postpone performances of both **The Imposters' Musical Panto** and **When Santa Got Stuck Up the Chimney...The Truth**. We hope both will be staged in 2022.
- Alongside the commissions, we were delighted to bring back some regular programming events, with an October visit from world-renowned percussionist **Evelyn Glennie** in her first outing since lockdown. This near sell-out performance was a unique and special event for all attendees.
- The **Eva Cassidy** tribute show **The Story** made it to our stage after several Covid-related reschedules, and we saw a return visit from the ever-popular wildlife photographer **Doug Allan** with his latest show **It's a Wrap**, both in November.
- We were also able to welcome the return of **Bookbug Storytime** with Shetland Library to the Upper Café Bar, much to the delight of many regular visiting young families.
- Two exhibitions of print work by local emerging artists went on show in the public spaces at Mareel: **Marcia Galvin, Memory: Series 1** in the Feature Space and **Joyce Davies, Does du See Dysel in Me?** on the Long Wall (Upper Café Bar). Marcia Galvin's monoprints represent a new exploratory stage of her practice which has focused on textiles to date while Joyce Davies's work is an extension to her prolific printmaking practice and consists of 16 large-scale screen prints created at Peacocks in Aberdeen during a residency funded through her **VACMA** award.
- Cinema films performed very well during this quarter, with particularly good audiences for the long-awaited Bond adventure **No Time To Die** and **Spider-Man: No Way Home** contributing to almost 14,000 attendances, an impressive 71% of the same quarter in 2019/20 and very much a cause for optimism. Also maintaining good numbers were family films, including **The Boss Baby 2**, **The Addams Family 2**, **Ron's Gone Wrong**, **Encanto**, **Clifford the Big Red Dog** and **PAW Patrol: The Movie**, though issues do remain with the amount of content available, with some distributors choosing to release films online instead of in cinemas. Our usual Christmas-themed programming proved popular as always, with old favourites **The Muppet Christmas Carol** and **It's a Wonderful Life** screening alongside new animation **A Boy Called Christmas** and a sumptuous production of **The Nutcracker** from the **Bolshoi Ballet**, as did the **Lord of the Rings** trilogy, which screened in Screen 1 in December to enthusiastic audiences. We've maintained the diversity in the programme which we see as essential, with our **Screen Horizons** strand this quarter showcasing films from Italy, Egypt, France, Poland, Germany, Turkey and Japan as well as Ireland, both Northern and Southern, and Scotland. We've also noted an increase in attendances for our Relaxed Screenings, which may demonstrate an increase in confidence among some of our more vulnerable audience members around returning to the cinema.
- And drama returned to the Garrison Theatre with rehearsals for **Islesburgh Drama Group's** Spring show, **Calendar Girls**, which showed to delighted sell-out audiences at the end of March and beginning of April.
- Exhibitions continued at Mareel with **Joyce Davies's** show **Does Du See Dysel in Me?** ongoing in the Café Bar and a new exhibition in the Feature Space of photographic work by **May Graham** called **Women of Shetland**.

Priority Area 6: Broadcast, Recording and Intellectual Property

Highlights included:

- Work resumed on a few long-term projects, notably **Freda Leask** and **Adam Guest**. There were some smaller sessions with local musicians **Ryan Couper**, **Peter Alec Kay** and pianist **Paul Nairn**, as well as TV soundtrack work for **NB Communications** and sessions to record content for the **Scottish Book Trust's** Bookbug app.
- At the end of June, Orkney group **FARA** travelled north for a week to record their new album, produced by **Seonaid Aitken**.
- In August, pioneering Highland piper **Donald Lindsay** recorded a session at Mareel whilst in Shetland touring his film *How've You Been?*

SHETLAND ARTS DEVELOPMENT AGENCY

ANNUAL REPORT OF THE TRUSTEES

31 MARCH 2022

- The audioguide for the **LOCUS** public art trail was recorded and assembled for dissemination as a podcast in September to tie in with the completion of the final artworks, and voiceover work was commissioned for Unst-based charity **Wild Skies Shetland**.
- The **Mareel Recording Studio** has also facilitated blocks of ADR (Automated Dialogue Replacement) for the **Shetland TV series**, where actors re-record their location dialogue in a studio environment.
- The sound effects for the **Myrtle & Meenie** book launch event were put together in the studio, and we had the pleasure of filming and recording the **Flitsang** performance in December. There were various in-house mix sessions, mainly on the **Shetland Arts TV** archive of single-camera performances in Mareel's Green Room which have been made available on the Shetland Arts YouTube channel.
- There were several music commissions, including the soundtrack to **Living Lerwick's** annual Christmas film and **Shetland News** requesting some original music for a podcast in December. These were entirely composed, recorded, mixed and mastered in the studio.
- Regular hirer **Karol Lynch** from Belfast booked studio time for some mixing sessions, and in January a block of activity was initiated with the **Moving On Employment Project**, constituting a weekly two-hour session with young people aged 14 - 26 years, helping them to build confidence in group activities.

Volunteers

Due to the impact of the pandemic, we have not had the opportunities to engage with volunteers in the ways we normally would. We are very grateful for the work of the Mareel Film Quiz team who have continued to offer monthly quizzes online.

Change Management

Building on the work done in 2020/21 we have continued to drive the necessary change to ensure that Shetland Arts is as well prepared as possible for the challenges that navigating living with Covid, Brexit and the cost-of-living crisis bring. We have authored a modular strategic framework that forms the route map for our financial and activity plans and enables us to take a flexible and responsive approach to business planning.

Organisationally we have undertaken a review of our management structures and processes and have recently completed the restructure of the Senior Management Team into a Leadership Team with a broader collection of skills and experience and more operational responsibility that this flatter structure affords.

FINANCIAL REVIEW

The 2022 financial year continued to be a challenge due to the ongoing effects of COVID-19. The opening of SADA venues was affected in the first quarter of the year and even after re-opening was allowed, due to reduced demand opening hours were reduced compared to pre-COVID levels. Tight control of expenditure was maintained through the financial year. SADA was fortunate to continue to qualify for a number of COVID-19 relief funds which resulted in an operating surplus being generated in the year.

The organisation continues to produce detailed financial projections on a monthly basis as the recovery from COVID-19 continues. The trustees are confident that the organisation will remain solvent as projections to 31 July 2023 show the organisation in a suitable financial position. The Senior Management Team will also review results monthly and will act quickly if cost savings are required.

The surplus on the Unrestricted Funds for the year was £107,023 (2021 - £242,156). This surplus of £107,023 in Unrestricted Funds comes after the deduction of depreciation in the year of £650,879. This depreciation is partly offset by a transfer made from the Restricted Capital Fund to Unrestricted Funds of £628,172. This transfer is done to recognise the fact that capital grants received in this year and during earlier financial periods should be amortised over the same useful lifetime as the assets to which they relate.

SHETLAND ARTS DEVELOPMENT AGENCY

ANNUAL REPORT OF THE TRUSTEES

31 MARCH 2022

The Total Incoming Resources for the year were £2,441,249 (2021 - £2,207,338) made up as follows:

| | 2022 £ | 2022 % | 2021 £ | 2021 % |
|---------------------------|------------------|---------------|------------------|---------------|
| Revenue grants received | 1,623,070 | 66.5% | 1,651,337 | 74.8% |
| Capital grants received | - | - | - | - |
| Self-generated income | 817,681 | 33.4% | 554,731 | 25.1% |
| Donations and sponsorship | 498 | 0.1% | 1,270 | 0.1% |
| TOTAL | 2,441,249 | 100% | 2,207,338 | 100% |

We received annual revenue funding of £603,522 from Shetland Charitable Trust (SCT) and £250,000 from Creative Scotland (CS) during the year.

Project funding was received from various funders, including Creative Scotland, Shetland Islands Council, Highlands and Islands Enterprise and the Robertson Trust. This funding, combined with the use of our revenue funding and generated income has allowed the range of arts activity described under "Activities, Achievements and Performance" to take place during the year.

Additional grants were received through the year as additional support due to COVID-19. The largest of these was an additional £126,265 from Creative Scotland under the Performing Arts Venues Relief Fund as well as £125,000 from Shetland Charitable Trust. Other funding was received from the Shetland Islands Council as part of government initiatives.

Total Resources Expended was £2,882,635 (2021 - £2,227,901) made up as follows:

| | 2022 £ | 2022 % | 2021 £ | 2021 % |
|---------------------------|------------------|---------------|------------------|---------------|
| Stock and goods purchases | 139,940 | 4.8% | 38,863 | 1.7% |
| Charitable activities | 2,742,695 | 95.2% | 2,189,038 | 98.3% |
| TOTAL | 2,882,635 | 100% | 2,227,901 | 100% |

Grants were given out by Shetland Arts in the year of £7,750 (2021 - £8,250). These are contained in the Charitable Activities line above and further details of the grant scheme are contained in note 7b.

All staff costs are included in charitable activities above and have increased from £1,071,331 in 2021 to £1,085,703 in 2022.

Shetland Arts is an approved member of the Shetland Islands Council Pension Scheme. The updated actuarial valuation of the pension scheme as at 31 March 2021 resulted in a decrease of £635,000 in the Shetland Arts pension scheme liability, which is shown in the Statement of Financial Activities, increasing the pension scheme liability in the Shetland Arts balance sheet to a total of £1,701,000.

The unrestricted fund is therefore in deficit. As explained above this fund is affected by the adjustment for our Pension Liability. The pension fund deficit is under constant review and appropriate advice from the fund managers on levels of future contributions will be actioned as required. The trustees believe this deficit is strongly linked to the current market conditions and expect to see an improvement in the coming years.

SHETLAND ARTS DEVELOPMENT AGENCY

ANNUAL REPORT OF THE TRUSTEES

31 MARCH 2022

RESERVES POLICY

In April 2016 the Trustees approved a new reserves policy. SADA is working towards securing adequate reserves to meet current and potential future needs. The organisation aims to have unrestricted reserves of at least £200,000, which will allow the organisation to meet any unexpected expenditure that may arise.

Within this reserve, funds will be designated to an Asset Replacement and Repair Reserve. In any year that the organisation makes a surplus, 50% of this surplus will be designated into this fund. The fund will be used for the replacement and repair of the assets of the organisation.

Total funds as at 31 March 2022 are £7,399,080 (2021 - £7,205,466). This is split between Restricted Funds of £8,917,835 (2021 - £9,466,244) and Unrestricted Funds in a deficit position of £1,518,755 (2021 – deficit of £2,260,778). The funds in a deficit position are discussed in the financial review on pages 9 – 10.

The trustees acknowledge the current position is challenging and they expect it to be a medium-to-long term objective to reach the position stated in the reserves policy. The staff team has been charged to increase surplus from income for us to achieve this position within the next four years.

PLANS FOR THE FUTURE

There are four key areas for development over the coming years:

- Managing the ongoing impact of COVID-19 and building resilience into all our activity
- Implementing the modular strategic framework
- Secure the islands deal creativity strands for Shetland
- Achieve the Good Governance Award

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

| | |
|----------------------|----------------------------------|
| Chris Gadsby | |
| Malcolm Innes | <i>Appointed 28 October 2021</i> |
| James Johnston | |
| Michele Kerry | <i>Appointed 26 August 2021</i> |
| Kerry LARBalestier | <i>Appointed 29 April 2021</i> |
| Susan Mail | |
| Lynn-Sayers McHattie | |
| Renzo Spiteri | |
| Ryan Stevenson | <i>Resigned 15 December 2021</i> |
| Sophie Whitehead | <i>Resigned 28 October 2021</i> |
| Molly Williams | <i>Appointed 26 August 2021</i> |

Chief Executive

Graeme Howell

Senior Management

| | |
|----------------|--------------------------------|
| Kerry Eunson | Head of Organisational Support |
| Bryan Peterson | Head of Creative Opportunities |
| Jonathan Ritch | Head of Production |
| Wendy Tulloch | Head of Customer Service |

Address

Shetland Arts Development Agency
Mareel
Lerwick
Shetland ZE1 0WQ

Auditors

RSM UK Audit LLP
St Olaf's Hall
Church Road
Lerwick
Shetland ZE1 0FD

SHETLAND ARTS DEVELOPMENT AGENCY

ANNUAL REPORT OF THE TRUSTEES

31 MARCH 2022

Bankers Clydesdale Bank plc
Commercial Street
Lerwick
Shetland ZE1 0JJ

Solicitors Harper Macleod
St Olaf's Hall
Church Road
Lerwick
Shetland ZE1 0FD

Founding Trust Deed Registered BC & S on 13 January 2006

Charitable Status Scottish Charity No. SC037082

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document and organisation

Shetland Arts Development Agency is an unincorporated Registered Scottish Charity, constituted under a trust deed. The organisation is governed by a Board of Trustees who are responsible for long-term planning and strategic decision-making, delegating the day-to-day operational decision making to the General Manager.

Appointment of Trustees, their induction and training

The trustees meet bi-monthly to administer the activities of the Agency. During the year the Trust Deed required the board to be comprised of a minimum of seven trustees, and a maximum of thirteen. Each trustee shall hold office for a period of three years with power to be re-appointed for a further period of three years. Trustees will retire on the third anniversary of their appointment. In the event of appointment for that further period, such trustees will not be eligible for appointment for a period of three years thereafter. The appointment of new trustees will be the job of a Nominations Committee constituted by three of the serving trustees. Trustees are normally recruited following public advertisement. The positions of Chair and Vice Chair are voted on by the existing trustees, and these office holders serve in accordance with the Agency's Standing Orders.

The Trustees make decisions by majority vote at their meetings. The board holds meetings every two months with a more detailed information session on specific topics of interest in the months between.

New trustees receive individual induction from the Senior Management Team on appointment and are encouraged to undertake training as appropriate to their role.

Pay policy for senior staff

The Trustees consider that the charity's Trustees and Senior Management Team comprise the key management personnel of the charity in charge of direction and controlling, running and operating the charity on a day-to-day basis. The Senior Management Team comprises the Chief Executive, Head of Creative Opportunities, Head of Production, Head of Customer Service and Head of Operational Support. All Trustees give their time freely and no trustee received remuneration in the year. Details of Trustee's expenses are disclosed in note 18 of the accounts.

The pay of the senior staff is reviewed annually. The pay rates are benchmarked against third sector averages in Shetland. The pay of the Chief Executive is set by the Trustees.

Related parties

Shetland Arts Development Agency is funded by the Shetland Charitable Trust to deliver arts services to the community in line with the Shetland Cultural Strategy's three themes of Access: Participation and Potential; Creativity and Heritage; and Learning, Economy and Regeneration.

SHETLAND ARTS DEVELOPMENT AGENCY

ANNUAL REPORT OF THE TRUSTEES

31 MARCH 2022

Shetland Arts Development Agency also receives revenue funding from Creative Scotland, dependent upon its submission to them of an annual programme of activities. This programme must meet Creative Scotland's own objectives, which are to support excellence in artistic and creative practice, to improve access to, and participation in arts and creative activity, and to develop and sustain a thriving environment for the arts, screen and creative industries.

Shetland Arts IP C.I.C., a Community Interest Company, was incorporated on 25 July 2011. The Company is wholly owned by Shetland Arts Development Agency and was set up as a means to secure the Intellectual Property rights over films, books, music, etc. and ensure that any profits generated in this way can be retained for the good of Shetland. During the financial year, the company's transactions were not material to the group, so consolidation of the figures was not required.

Risk Management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems are in place to mitigate our exposure to the major risks. The table below highlights the risks the board have identified as being the most significant.

| Risk Title | Risk Detail | Mitigation |
|---|---|---|
| Leadership | Loss of key leaders or key individuals that the organisation depends upon and cannot be replaced easily | Tracking staff satisfaction Appropriate pay and terms and conditions Development opportunities Good national profile to enable recruitment Board recruitment |
| Lack of Governance | Governance arrangements have little or no systems in place to identify and monitor compliance | Regular board meetings with standard key reports from each member of the SMT Reviewing arrangements in line with the Scottish Governance Code and working towards achievement of the Good Governance Award |
| Loss of public / stakeholder confidence / trust | Risk that an incident or situation creates an environment whereby confidence is eroded or lost | Business continuity planning Access to specialist communications freelancers Reasonable relationships with journalists Good informed relationship with stakeholders |
| Finance | Unexpected shortfall in funding to income affecting the ability to deliver against medium-term plans | Ensuring we are fully informed about the funding landscape Ability to raise funds from alternative sources Focus on traded/commercial income Delivering on funding agreements Ensuring funding is claimed in a timely fashion |
| Estates | Large unexpected estates issues | Proactive asset management Regular maintenance |
| Legal / Regulations | Breach of legal or licencing conditions | Trained staff Use of specialist contractors Use of auditors Proactive relationship with licencing body |

SHETLAND ARTS DEVELOPMENT AGENCY

ANNUAL REPORT OF THE TRUSTEES

31 MARCH 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the 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 period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable 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 operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them 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 the provisions of the charity's constitution.

They 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.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements might differ from legislation in other jurisdictions.

Approved by the Trustees on 30 June 2022 and signed on its behalf by:

Chairperson

SHETLAND ARTS DEVELOPMENT AGENCY
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES
31 MARCH 2022

SHETLAND ARTS DEVELOPMENT AGENCY

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income and Expenditure Account)

for the year to 31 MARCH 2022

| | Note | Unrestricted Funds £ | Restricted Funds £ | Restricted Capital Funds £ | Total Funds £ | 2021 £ |
|---|------|----------------------------|--------------------------|-------------------------------------|---------------------|------------------|
| INCOME from: | | | | | | |
| Donations | 3 | 498 | - | - | 498 | 1,270 |
| Charitable activities | 4 | 472,158 | 1,150,912 | - | 1,623,070 | 1,651,337 |
| Other trading activities | 5 | 817,681 | - | - | 817,681 | 554,731 |
| | | <u>1,290,337</u> | <u>1,150,912</u> | <u>-</u> | <u>2,441,249</u> | <u>2,207,338</u> |
| EXPENDITURE on: | | | | | | |
| Raising funds | 6 | 139,940 | - | - | 139,940 | 38,863 |
| Charitable activities | 7 | 1,671,546 | 1,071,149 | - | 2,742,695 | 2,189,038 |
| | | <u>1,811,486</u> | <u>1,071,149</u> | <u>-</u> | <u>2,882,635</u> | <u>2,227,901</u> |
| NET INCOME/(EXPENDITURE) | | (521,149) | 79,763 | - | (441,386) | (20,563) |
| Transfers between funds | | 628,172 | - | (628,172) | - | - |
| | | <u>107,023</u> | <u>79,763</u> | <u>(628,172)</u> | <u>(441,386)</u> | <u>(20,563)</u> |
| NET INCOME/(EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES | | | | | | |
| OTHER RECOGNISED GAINS AND LOSSES: | | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | 17 | 635,000 | - | - | 635,000 | (954,000) |
| | | <u>742,023</u> | <u>79,763</u> | <u>(628,172)</u> | <u>193,614</u> | <u>(974,563)</u> |
| Net Movement in Funds | | | | | | |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | (2,260,778) | 367,871 | 9,098,373 | 7,205,466 | 8,180,029 |
| | | <u>(1,518,755)</u> | <u>447,634</u> | <u>8,470,201</u> | <u>7,399,080</u> | <u>7,205,466</u> |
| | | ===== | ===== | ===== | ===== | ===== |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

SHETLAND ARTS DEVELOPMENT AGENCY

Charity Registration No. SC037082

BALANCE SHEET

31 March 2022

| | <i>Note</i> | 2022 £ | 2022 £ | 2021 £ | 2021 £ |
|---|-------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 11 | | 8,544,173 | | 9,174,707 |
| Investments | 12 | | 1 | | 1 |
| | | | <u> </u> | | <u> </u> |
| TOTAL FIXED ASSETS | | | 8,544,174 | | 9,174,708 |
| CURRENT ASSETS | | | | | |
| Stock | 13 | 21,333 | | 22,620 | |
| Debtors | 14 | 370,869 | | 209,515 | |
| Cash at bank and in hand | | 445,487 | | 467,909 | |
| | | <u> </u> | | <u> </u> | |
| TOTAL CURRENT ASSETS | | 837,689 | | 700,044 | |
| LIABILITIES | | | | | |
| Creditors: Amounts falling due within one year | 15 | (221,757) | | (252,851) | |
| | | <u> </u> | | <u> </u> | |
| NET CURRENT ASSETS/(LIABILITIES) | | | 615,932 | | 447,193 |
| | | | <u> </u> | | <u> </u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 9,160,106 | | 9,621,901 |
| Creditors: Amounts falling due after more than one year | 16 | | (60,026) | | (80,435) |
| | | | <u> </u> | | <u> </u> |
| NET ASSETS EXCLUDING PENSION LIABILITY | | | 9,100,080 | | 9,541,466 |
| Defined benefit pension scheme liability | 17 | | (1,701,000) | | (2,336,000) |
| | | | <u> </u> | | <u> </u> |
| TOTAL NET ASSETS | | | 7,399,080 | | 7,205,466 |
| | | | <u> </u> | | <u> </u> |
| THE FUNDS OF THE CHARITY: | | | | | |
| Capital restricted fund | 20 | | 8,470,201 | | 9,098,373 |
| Restricted fund | | | 447,634 | | 367,871 |
| Unrestricted funds: | | | | | |
| Unrestricted income funds excluding pension liability | | 182,245 | | 75,222 | |
| Pension reserve | | (1,701,000) | | (2,336,000) | |
| | | <u> </u> | | <u> </u> | |
| Total unrestricted funds | | | (1,518,755) | | (2,260,778) |
| | | | <u> </u> | | <u> </u> |
| TOTAL CHARITY FUNDS | | | 7,399,080 | | 7,205,466 |
| | | | <u> </u> | | <u> </u> |

These financial statements were approved by the board of Trustees and authorised for issue on 30 June 2022 and are signed on their behalf by:

Trustee

Trustee

SHETLAND ARTS DEVELOPMENT AGENCY

STATEMENT OF CASH FLOWS

For the year ended 31 March 2022

| | <i>Note</i> | 2022 £ | 2021 £ |
|--|-------------|-----------------|----------------|
| Cash flows used in operating activities: | 23 | 28,918 | 411,485 |
| Net cash provided by operating activities | | 28,918 | 411,485 |
| Cash flow from investing activities: | | | |
| Proceeds from the sale of property, plant and equipment | | - | - |
| Purchase of property, plant and equipment | | (20,345) | (81,181) |
| Net cash used in investing activities | | (20,345) | (81,181) |
| Cash flows from financing activities: | | | |
| New borrowing | | - | 50,000 |
| Repayments of borrowing | | (28,039) | (20,102) |
| Interest paid | | (2,956) | (2,835) |
| Net cash provided by/(used in) financing activities | | (30,995) | 27,063 |
| Change in cash and cash equivalents in the reporting period | | (22,422) | 357,367 |
| Cash and cash equivalents at the beginning of the reporting period | | 467,909 | 110,542 |
| Cash and cash equivalents at the end of the reporting period | | 445,487 | 467,909 |
| Analysis of cash and cash equivalents | | 2022 £ | 2021 £ |
| Cash in hand | | 4,700 | 7,898 |
| Cash at bank including overdrafts | | 440,787 | 460,011 |
| Total cash and cash equivalents | | 445,487 | 467,909 |

SHETLAND ARTS DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

1. PRINCIPAL ACCOUNTING POLICIES

Basis of Accounting

The accounts are prepared under the historical cost convention (with the exception of pianos which are included at market value and the Weisdale Mill which is included at deemed cost) and include the results of the charity's operations which are described in the Trustees' Report and all of which are continuing.

In preparing the financial statements the charity follows best practice as laid down in the 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 (as amended for accounting periods commencing 1 January 2019) (the SORP), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended) except as noted below.

Shetland Arts Development Agency meets the definition of a public benefit entity under FRS102. The financial statements have been prepared in compliance with FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The functional currency of Shetland Arts Development Agency is considered to be pounds sterling because that is the currency of the primary economic environment in which the charity operates.

All figures within the financial statements are rounded to the nearest pound.

Consolidation

The financial statements have been prepared for Shetland Arts Development Agency as an entity and in accordance with the SORP module 24, group accounts have not been prepared on the basis that there is no statutory requirement to prepare group accounts as the results of the subsidiary undertaking is not material to the group.

Critical Accounting Estimates and Areas of Judgement

The following judgements and estimates have had the most significant effect on the amount recognised in the financial statements.

The Trust has recognised a defined benefit pension scheme liability on the balance sheet. At 31 March 2022 the gross liability was £1,701,000 (2021: £2,336,000). Changes to the actuarial assumptions could result in a material changes within the next financial year.

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. There are re-assessed and amended when necessary.

Going Concern

The ongoing effects of COVID-19 have meant a reduction in income for the organisation going forward. The Senior Team have prepared cash flow projections for the next 12 months from the date of signing of the accounts and these show there will be sufficient cash, based on expected income and expenditure levels. The key assumptions underpinning these forecasts are the level of trading income earned and the receipt of funding from the Shetland Charitable Trust beyond 2021/22, together with the ability to reduce costs. The anticipated level of trading income is based on industry expectations. The Shetland Charitable Trust funding is based on the indicative funding agreed by SCT to 31 March 2025.

Based on the Charity's cash flow forecasts and the anticipated outcome of the matters described, the trustees have concluded that there is a reasonable expectation that the Charity has adequate financial resources to operate for the foreseeable future. Accordingly, the financial statements of the Charity have been prepared on a going concern basis.

SHETLAND ARTS DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Income

Income is included in the Statement of Financial Activities when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. The following policies are applied to particular categories of income:

Donations, legacies and similar incoming resources are included in the year in which they are receivable, which is when the charity becomes entitled to the resource.

Capital Grants

Capital grants are taken into account when they become receivable.

Revenue Grants

Revenue grants are taken into account when they become receivable.

The value of volunteer help received is not included in the accounts but is described in the Trustees' Annual Report.

Expenditure

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. It is probable that settlement will be required and the amount of the obligation can be measured reliably. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities.

Support Costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include staff salaries, overheads and governance costs which support the charity's activities.

All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource.

Termination Benefits

Termination benefits are payable when employment is terminated by the charity before the normal retirement date, or whenever an employee accepts voluntary redundancy. Such benefits are recognised when the charity is demonstrably committed to terminating the employment without withdrawal or when an offer of voluntary redundancy is accepted.

Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are accounted for in the Statement of Financial Activities within resources expended on a straight line basis over the period of the lease, with the exception of the rent payable to the Shetland Islands Council under the sub-lease of Mareel, which is netted off against rent receivable from the Shetland Islands Council under the head-lease, as explained in note 22.

SHETLAND ARTS DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Tangible Fixed Assets

No single equipment purchase with a cost below £500 is to be capitalised. Any item of equipment costing more than £500 is initially stated at cost.

Paintings are not depreciated as they are considered to have a useful life of greater than 50 years and therefore any depreciation is considered immaterial. The Trustees consider that this departure from United Kingdom Generally Accepted Accounting Practice (UK GAAP) is necessary in order to provide a true and fair view.

The pianos were re-valued on 31 March 2011. The valuations were based on a review of second-hand piano sellers' websites and were carried out by Sheila Duncan, who was an internal employee of Shetland Arts Development Agency and is not a qualified valuer.

Depreciation is provided on all other tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life. The estimated useful lifetime of assets was calculated as:

Heritable Property – Weisdale Mill – 50 years
Heritable Property – Mareel building – 24 years
Plant and Equipment – 5 to 10 years
Computer Equipment – 3 to 5 years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of an age and in the condition expected at the end of its useful life.

Investments

Investments in subsidiary undertakings are initially capitalised at cost.

Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less any further costs expected to be incurred on disposal.

Debtors

Trade and other debtors that are receivable within one year are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount pre-paid net of any trade discounts.

Cash at bank and in hand

Cash at bank and in hand is held to meet the short-term commitments as they fall due rather than for any investment purposes.

Liabilities

Liabilities arise from legal or constructive obligations that commit the charity to expenditure. A liability and related expenditure is recognised when all of the following criteria are met:

- Obligation – a present legal or constructive obligation exists at the reporting date as a result of a past event;
- Probable – it is more likely than not that a transfer of economic benefits, often cash, will be required in settlement; and
- Measurement – the amount of the obligation can be measured or estimated reliably.

Liabilities that are classified as payable within one year on initial recognition are measured at the undiscounted amount of cash or other consideration expected to be paid. Amounts are included in liabilities when authorised and committed.

SHETLAND ARTS DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Value Added Tax

Irrecoverable value added tax is written off when the expenditure to which it relates is incurred.

Retirement Benefits

Eligible employees of the Shetland Arts Development Agency are members of the Local Government Pension Scheme, a multi-employer defined benefit statutory scheme, administered by Shetland Islands Council in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998 as amended. The contributions to the scheme are charged to the statement of financial activities so as to spread the cost of pensions over the service lives of employees.

Funds

With the adoption of the statement of recommended practice, funds require to be classified between restricted funds which are subject to specific terms as to their use laid down by the donor, and unrestricted funds which can be used at the discretion of the Trustees in the furtherance of the objectives of the Trust.

Restricted Capital Funds are grant funding that has been received in respect of specific capital expenditure. A transfer is made from this fund to show the amortisation of this funding over the useful estimated lifetime of the assets to which the funding applied. This transfer is made to unrestricted reserves as the depreciation of assets is recorded here.

Financial Instruments

The charity 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 their settlement value.

2. LEGAL STATUS OF THE CHARITY

Shetland Arts Development Agency is an unincorporated registered Scottish charity constituted by its trust deed. The charity's address and details of its operations and principal activities are detailed within the Trustees' Report.

3. DONATIONS

| | Unrestricted Funds £ | Restricted Funds £ | Restricted Capital Funds £ | Total Funds £ | 2021 £ |
|-----------|----------------------------|--------------------------|-------------------------------------|---------------------|-----------|
| Donations | 498 | - | - | 498 | 1,270 |
| | ===== | ===== | ===== | ===== | ===== |
| | 498 | - | - | 498 | 1,270 |
| | ===== | ===== | ===== | ===== | ===== |

Donations of £1,270 were included in unrestricted funds in 2021.

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in the Trustees' Report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the financial statements.

SHETLAND ARTS DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

4. CHARITABLE ACTIVITIES

| | Unrestricted Funds £ | Restricted Funds £ | Restricted Capital Funds £ | Total Funds £ | 2020 £ |
|-----------------------------------|----------------------------|--------------------------|-------------------------------------|---------------------|------------------|
| Shetland Charitable Trust | - | 775,000 | - | 775,000 | 603,522 |
| Creative Scotland revenue funding | 416,085 | - | - | 416,085 | 538,442 |
| Creative Scotland project funding | - | 356,754 | - | 356,754 | 316,339 |
| Local Authority – COVID funding | 52,650 | - | - | 52,650 | 81,500 |
| Local Authority – project funding | - | 2,377 | - | 2,377 | 2,000 |
| Other public funds | 3,423 | 16,781 | - | 20,204 | 109,534 |
| | <u>472,158</u> | <u>1,150,912</u> | <u>-</u> | <u>1,623,070</u> | <u>1,651,337</u> |
| | ===== | ===== | ===== | ===== | ===== |

Creative Scotland funding of £250,000, Local Authority funding of £81,500 and other public funding of £37,911 were unrestricted in 2021. All other charitable activities income in 2021 was restricted.

5. OTHER TRADING ACTIVITIES

| | Unrestricted Funds £ | Restricted Funds £ | Restricted Capital Funds £ | Total Funds £ | 2020 £ |
|-------------------------|----------------------------|--------------------------|-------------------------------------|---------------------|----------------|
| Business sponsorships | 250 | - | - | 250 | - |
| Box office/programme | 266,020 | - | - | 266,020 | 39,492 |
| Ancillary earned income | 336,941 | - | - | 336,941 | 87,175 |
| Other income | 214,470 | - | - | 214,470 | 428,064 |
| | <u>817,681</u> | <u>-</u> | <u>-</u> | <u>817,681</u> | <u>554,731</u> |
| | ===== | ===== | ===== | ===== | ===== |

Other income of £554,731 was included in unrestricted funds in 2021.

6. RAISING FUNDS

| | Unrestricted Funds £ | Restricted Funds £ | Restricted Capital Funds £ | Total Funds £ | 2021 £ |
|----------------------------------|----------------------------|--------------------------|-------------------------------------|---------------------|---------------|
| Catering stock purchases | 104,682 | - | - | 104,682 | 25,478 |
| Shop and gallery stock purchases | 35,258 | - | - | 35,258 | 13,385 |
| | <u>139,940</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>38,863</u> |
| | ===== | ===== | ===== | ===== | ===== |

All Raising Funds expenditure in 2021 was unrestricted.

SHETLAND ARTS DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

7. CHARITABLE ACTIVITIES

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Capital Funds £ | Total Funds £ | 2021 £ |
|---|-------|----------------------------|--------------------------|-----------------------|---------------------|------------------|
| Direct service provision | 7a | 772,306 | 619,894 | - | 1,392,200 | 983,121 |
| Grant funding | 7b | 7,222 | 528 | - | 7,750 | 8,250 |
| Support costs | 7c | 892,018 | 450,727 | - | 1,342,745 | 1,197,667 |
| | | <u>1,671,546</u> | <u>1,071,149</u> | <u>-</u> | <u>2,742,695</u> | <u>2,189,038</u> |
| | | ===== | ===== | ===== | ===== | ===== |
| a. Direct Service Provision | | | | | | |
| Development expenditure | | 390,836 | 279,481 | - | 670,317 | 310,637 |
| Operations expenditure | | 380,046 | 340,413 | - | 720,459 | 661,189 |
| Strategic marketing | | 1,424 | - | - | 1,424 | 11,295 |
| | | <u>772,306</u> | <u>619,894</u> | <u>-</u> | <u>1,392,200</u> | <u>983,121</u> |
| | | ===== | ===== | ===== | ===== | ===== |
| b. Grant Funding | | | | | | |
| Grants paid to individuals | | 6,170 | 1,580 | - | 7,750 | 8,250 |
| | | ===== | ===== | ===== | ===== | ===== |
| c. Support Costs | | | | | | |
| Support staff salaries and other staffing costs | | 11,315 | 259,108 | - | 270,423 | 238,666 |
| Overheads | | 880,703 | 178,364 | - | 1,059,067 | 948,801 |
| Governance costs | | - | 13,255 | - | 13,255 | 10,200 |
| | | <u>892,018</u> | <u>450,727</u> | <u>-</u> | <u>1,342,745</u> | <u>1,197,667</u> |
| | | ===== | ===== | ===== | ===== | ===== |

The grants made during the year relate to the Visual Arts and Craft Award Scheme. This scheme is made possible through funding from Creative Scotland and Shetland Islands Council.

Of the total Charitable Activities expenditure of £2,189,038 in 2021, £627,318 was restricted and £1,561,720 was unrestricted.

SHETLAND ARTS DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

8. ANALYSIS OF GOVERNANCE COSTS

| | 2022 | 2021 |
|------------------------------|--------|--------|
| | £ | £ |
| <i>Auditor remuneration:</i> | | |
| Audit | 13,255 | 10,200 |
| Accounting services | - | - |
| <i>Non auditor fee:</i> | | |
| Accounting services | - | - |
| | ----- | ----- |
| | 13,255 | 10,200 |
| | ===== | ===== |

9. ANALYSIS OF STAFF COSTS

| | 2022 | 2021 |
|-----------------------|-----------|-----------|
| | £ | £ |
| Salaries and wages | 876,045 | 868,766 |
| Social security costs | 61,891 | 56,001 |
| Pension costs | 147,767 | 146,564 |
| | ----- | ----- |
| Total | 1,085,703 | 1,071,331 |
| | ===== | ===== |

One employee received emoluments of over £60,000 during the year (2021: one)

The average number of staff was:

| 2022 | 2021 |
|------|------|
| 61 | 59 |
| ==== | ==== |

The charity operated a defined contribution pension scheme during the year as well as the defined benefit pension scheme referenced in note 17. Total amounts of £1,647 (2021 - £899) were recognised in the Statement of Financial Activities in the year. The expense and liability is allocated in line with the activities of those staff members contributions relate to.

10. ANALYSIS OF MOVEMENT IN DEFERRED INCOMING RESOURCES

| | Opening Balance | Deferred in Year | Released in Year | Closing Balance |
|-------------------------|-----------------|------------------|------------------|-----------------|
| | £ | £ | £ | £ |
| Advance sales | 970 | 8,887 | (970) | 8,887 |
| Creative Scotland | 39,820 | - | (39,820) | - |
| Screenplay and Wordplay | 1,500 | - | - | 1,500 |
| Travel contributions | - | 900 | - | 900 |
| Living Lerwick | 47,961 | - | (32,431) | 15,530 |
| | ----- | ----- | ----- | ----- |
| | 90,251 | 9,787 | (73,221) | 26,817 |
| | ===== | ===== | ===== | ===== |

SHETLAND ARTS DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

11. TANGIBLE FIXED ASSETS

| | Heritable Property £ | Equipment £ | Pianos £ | Paintings £ | Total £ |
|---------------------|----------------------------|----------------|-------------|----------------|------------|
| Cost/valuation | | | | | |
| As at 1 April 2021 | 13,191,816 | 1,248,143 | 42,800 | 2,862 | 14,485,621 |
| Additions | - | 20,345 | - | - | 20,345 |
| Disposals | - | - | - | - | - |
| As at 31 March 2022 | 13,191,816 | 1,268,488 | 42,800 | 2,862 | 14,505,966 |
| Depreciation | | | | | |
| As at 1 April 2021 | 4,299,713 | 1,011,201 | - | - | 5,310,914 |
| Charge for year | 543,745 | 107,134 | - | - | 650,879 |
| Disposals | - | - | - | - | - |
| As at 31 March 2022 | 4,843,458 | 1,118,335 | - | - | 5,961,793 |
| Net book amount | | | | | |
| 31 March 2022 | 8,348,358 | 150,153 | 42,800 | 2,862 | 8,544,173 |
| 31 March 2021 | 8,892,103 | 236,942 | 42,800 | 2,862 | 9,174,707 |

The pianos were re-valued on 31 March 2011. The valuations were based on a review of second-hand piano sellers' websites and were carried out by Sheila Duncan, who was an internal employee of Shetland Arts Development Agency and is not a qualified valuer. The Trustees are not aware of any material changes since the last valuation of pianos.

The historic cost of the pianos was £44,255.

Included within the net book value of Heritable Property of £8,348,358 (2021 - £8,892,103) are assets with restricted title or pledged as security for liabilities. The Mareel building, with a net book value of £8,120,213 (2021 - £8,658,570) has been granted as security over a 99 year grant, the conditions of which are discussed further in note 22. The Weisdale Mill building, with a net book value of £226,338 (2021 - £231,727) has been granted as security over the bank loan included in Creditors.

12. INVESTMENTS

| | Investment in Subsidiary £ |
|--------------------------------------|----------------------------------|
| COST | |
| As at 1 April 2021 and 31 March 2022 | 1 |

On 25 July 2011, Shetland Arts Development Agency purchased 1 ordinary share of £1 in Shetland Arts IP C.I.C (company number: SC404044), representing a 100% interest. Shetland Arts IP C.I.C. is a community interest company which was set up as a means of securing intellectual property rights over films, books, music, etc. pertaining to Shetland in order to ensure that any profits generated therefrom can be retained for the good of Shetland.

SHETLAND ARTS DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

12. INVESTMENTS (Continued)

As at 31 March 2022, Shetland Arts IP C.I.C. had not yet commenced its activities. At 31 March 2022 the aggregate reserves of Shetland Arts IP C.I.C. amounted to a net deficit of £2,558 (2021 – net deficit of £2,558) and the loss for the year to that date was nil (2021 – loss of £250).

13. STOCK

| | 2022 £ | 2021 £ |
|------------------|-----------------|-----------------|
| Goods for resale | 21,333 ===== | 22,620 ===== |

14. DEBTORS

| | 2022 £ | 2021 £ |
|--------------------------------------|------------------|------------------|
| Trade debtors | 47,773 | 2,349 |
| Amount due by subsidiary undertaking | 3,168 | 2,782 |
| Other debtors | 4,250 | 4,250 |
| Prepayments and accrued income | 311,121 | 173,510 |
| VAT | 4,557 | 26,624 |
| | ----- | ----- |
| | 370,869 ===== | 209,515 ===== |

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 £ | 2021 £ |
|-------------------|------------------|------------------|
| Trade creditors | 67,190 | 19,844 |
| VAT | - | - |
| Other creditors | 48,025 | 60,573 |
| Accruals | 44,355 | 38,829 |
| Deferred income | 26,817 | 90,251 |
| Secured bank loan | 20,117 | 27,747 |
| PAYE & NIC | 15,253 | 15,607 |
| | ----- | ----- |
| | 221,757 ===== | 252,851 ===== |

Deferred income is recognised in circumstances where the charity is not yet entitled to the income. A reconciliation of this balance can be seen at note 10.

16. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

| | 2022 £ | 2021 £ |
|--|-----------------|-----------------|
| Secured bank loan (falling due in less than 5 years) | 60,026 | 78,768 |
| Secured bank loan (falling due after 5 years) | - | 1,667 |
| | ----- | ----- |
| | 60,026 ===== | 80,435 ===== |

The bank loan is secured on the Weisdale Mill building.

SHETLAND ARTS DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

17. PENSION SCHEME

Shetland Arts Development Agency provides pension arrangements to eligible employees through a multi-employer defined benefit statutory scheme and the related costs are assessed in accordance with the advice of Hymans Robertson, Independent Qualified Actuaries.

The latest formal valuation of the Fund was at 31 March 2020 and this is updated on a triennial basis. A summary of the membership data used and the benefits valued at the latest formal valuation are set out in the formal valuation report. Hymans Robertson has reviewed the most recent full actuarial valuation at 31 March 2020 and has updated it annually at the charity's balance sheet date to reflect current conditions.

| Assumptions as at | 2022 | 2021 |
|---------------------------------|-------|-------|
| Inflation/pension increase rate | 3.15% | 2.80% |
| Salary increases | 3.15% | 2.80% |
| Discount rate | 2.75% | 2.05% |

The discount rate used to place a value on the liabilities is determined by reference to market yields on high quality corporate bonds at the reporting date. The approach adopted by Hymans Robertson to setting the discount rate involved constructing a corporate bond yield curve based on the constituents of the iBoxx AA corporate bond index.

| Mortality assumptions | 2022 Years | 2021 Years |
|--|---------------|---------------|
| Longevity at age 65 for current pensioners | | |
| Men | 20.7 | 20.8 |
| Women | 22.9 | 23.1 |
| Longevity at age 65 for future pensioners | | |
| Men | 22.1 | 22.3 |
| Women | 25.1 | 25.3 |

Assets (Employer Share)

| | Percentage 2022 | Fund value at 2022 £ 000 | Percentage 2021 | Fund value at 2021 £ 000 |
|----------|--------------------|-----------------------------------|--------------------|-----------------------------------|
| Equities | 81% | 13,687 | 81% | 3,220 |
| Bonds | 7% | 319 | 8% | 318 |
| Property | 11% | 501 | 10% | 398 |
| Cash | 1% | 45 | 1% | 40 |
| | ----- | ----- | ----- | ----- |
| Total | 100% | 14,552 | 100% | 3,976 |
| | ===== | ===== | ===== | ===== |

SHETLAND ARTS DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

17. PENSION SCHEME (Continued)

| Net Pension Liability as at | 2022 £ 000 | 2021 £ 000 |
|---|---------------|---------------|
| Fair value of Employer Assets | 4,552 | 3,976 |
| Present value of funded liabilities | (6,018) | (6,061) |
| | ----- | ----- |
| Net under funding in funded plans | (1,466) | (2,085) |
| Present value of unfunded liabilities | (235) | (251) |
| Unrecognised past service cost | - | - |
| | ----- | ----- |
| Net liability | (1,701) | (2,336) |
| | ===== | ===== |
| Amount in the balance sheet | | |
| Liabilities | (1,701) | (2,336) |
| Assets | - | - |
| | ----- | ----- |
| Net Pension liability | (1,701) | (2,336) |
| | ===== | ===== |
| Amounts recognised in the SOFA | 2022 £ 000 | 2021 £ 000 |
| Current service cost | (443) | (255) |
| Net interest cost | (50) | (33) |
| Plan introductions, changes, curtailments and settlements | 146 | 146 |
| Remeasurements: | | |
| Changes in demographic assumptions | 34 | 14 |
| Changes in financial assumptions | 580 | (1,600) |
| Other experience | (15) | (50) |
| Return on assets excluding amounts included in net interest | 383 | 824 |
| | ----- | ----- |
| | 635 | (954) |
| | ===== | ===== |
| Actual return on plan assets | 2022 £ 000 | 2021 £ 000 |
| Return on assets excluding amounts included in net interest | 383 | 824 |
| Interest income on plan assets included in net interest | 83 | 73 |
| | ----- | ----- |
| Return on plan assets | 466 | 897 |
| | ===== | ===== |

SHETLAND ARTS DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

17. PENSION SCHEME (Continued)

| | 2022 | 2021 |
|---|-------|-------|
| | £ 000 | £000 |
| Reconciliation of defined benefit obligation | | |
| Opening defined benefit obligation | 6,312 | 4,492 |
| Current service cost | 443 | 255 |
| Past service cost (including curtailments) | - | - |
| Interest cost | 133 | 106 |
| Member contributions | 47 | 47 |
| Actuarial losses/(gains) | (599) | 1,502 |
| Unfunded benefits paid | (9) | (9) |
| Benefits paid | (74) | (81) |
| | ----- | ----- |
| Closing defined benefit obligation | 6,253 | 6,312 |
| | ===== | ===== |
| Reconciliation of fair value of employer assets | | |
| Opening fair value of employer assets | 3,976 | 3,110 |
| Interest income | 83 | 73 |
| Contributions by members | 47 | 47 |
| Contributions by the employer | 137 | 137 |
| Contributions in respect of unfunded benefits | 9 | 9 |
| Return on assets excluding amounts included in net interest | 383 | 690 |
| Unfunded benefits paid | (9) | (9) |
| Benefits paid | (74) | (81) |
| | ----- | ----- |
| Closing fair value of employer assets | 4,552 | 3,976 |
| | ===== | ===== |

Shetland Arts Development Agency estimates that Employer's contributions for the year to 31 March 2022 will be approximately £198,000.

Hymans Robertson confirm the figures presented above are prepared only for the purposes of Financial Reporting Standard 102 and have no validity in other circumstances. In particular, they are not relevant for calculations undertaken for funding purposes, for accounting under the International Accounting Standard IAS 19, for bulk transfers or for other statutory purposes under LGPS Regulations.

18. RELATED PARTY TRANSACTIONS

No Trustees received a salary or remuneration during the year (2021 - £nil). No travelling expenses were claimed by Trustees in the year (2021 - £nil). Trustees were paid £6,000 (2021 - £6,222) during the year for commissioned work. As at 31 March 2022, a balance of £nil (2021 - £nil) was owed to Trustees.

During the year, Shetland Arts Development Agency paid expenses of £235 (2021 - £250) on behalf of its subsidiary, Shetland Arts IP C.I.C. As at 31 March 2021 a balance of £2,631 (2021 - £2,616) was owed to Shetland Arts Development Agency. No interest is being accrued on this loan. It will be repaid when income is generated in the Community Interest Company.

During the year, Shetland Arts Development Agency paid expenses of nil (2020 - nil) on behalf of its subsidiary, Shetland Weathers LLP. As at 31 March 2021 a balance of nil (2020 - nil) was owed to Shetland Arts Development Agency.

The Trustees consider that the charity's Trustees and Senior Management Team comprise the key management personnel of the charity in charge of direction and controlling, running and operating the charity on a day-to-day basis. The Senior Management Team comprises the Chief Executive, Head of Creative Opportunities, Head of Production, Head of Organisational Support and Head of Customer Service. The total employee benefits of the key management personnel were £278,580 (2021 - £266,940).

SHETLAND ARTS DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

19. ANALYSIS OF MOVEMENTS BETWEEN FUNDS

| | Funds as at 1 April 21 £ | Incoming Resources £ | Resources Expended £ | Other gains and losses £ | Transfers | Funds as at 31 March 22 £ |
|---|--------------------------------|----------------------------|----------------------------|--------------------------------|----------------|---------------------------------|
| Unrestricted funds: | | | | | | |
| General | 37,611 | 1,290,337 | (1,811,486) | - | 628,172 | 144,634 |
| Designated | 37,611 | - | - | - | - | 37,611 |
| Pension reserve | (2,336,000) | - | - | 635,000 | - | (1,701,000) |
| Total unrestricted funds | (2,260,778) | 1,290,337 | (1,811,486) | 635,000 | 628,172 | (1,518,755) |
| Restricted funds: | | | | | | |
| Shetland Film Club | 1,705 | - | - | - | - | 1,705 |
| Shetland Charitable Trust | - | 650,000 | (650,000) | - | - | - |
| Shetland Charitable Trust – COVID recovery | - | 125,000 | (125,000) | - | - | - |
| Trad Big Band | 2,435 | - | - | - | - | 2,435 |
| Culture Collective | 269,325 | 193,914 | (211,165) | - | - | 252,074 |
| Youth Arts | 35,235 | - | (35,180) | - | - | 55 |
| Corra Foundation | 4,146 | - | - | - | - | 4,146 |
| Robertson Trust | 24,612 | - | (12,893) | - | - | 11,719 |
| BFI FAN | 7,920 | 1,980 | (7,920) | - | - | 1,980 |
| Xchange | 20,913 | - | (4,404) | - | - | 16,509 |
| Visual Arts and Craft Makers Awards | 1,580 | (1,052) | (528) | - | - | - |
| Independent Cinema Recovery fund | - | 42,052 | (15,938) | - | - | 26,114 |
| Recovery fund for Cultural organisations | - | 121,217 | - | - | - | 121,217 |
| Bike Shed | - | 3,000 | (2,025) | - | - | 975 |
| Summer of Play | - | 4,150 | (1,178) | - | - | 2,972 |
| Cultural Bridge | - | 10,651 | (4,918) | - | - | 5,733 |
| Total restricted funds | 367,871 | 1,150,912 | (1,071,149) | - | - | 447,634 |
| Restricted capital fund | 9,098,373 | - | - | - | (628,172) | 8,470,201 |
| Total Funds as at 31 March 2021 | 7,205,466 | 2,441,249 | (2,882,635) | 635,000 | - | 7,399,080 |

With the adoption of the statement of recommended practice, funds require to be classified between restricted funds which are subject to specific terms as to their use laid down by the donor, and unrestricted funds which can be used at the discretion of the Trustees in the furtherance of the objectives of the Trust.

Restricted Capital Funds are grant funding that has been received in respect of specific capital expenditure. A transfer is made from this fund to show the amortisation of this funding over the useful estimated lifetime of the assets to which the funding applied. This transfer is made to unrestricted reserves as the depreciation of assets is recorded here.

The Shetland Film Club restricted fund was created from a donation from the Shetland Film Club on its wind up. The funds are restricted for use on the rural touring of film. Due to COVID-19 no rural film touring was undertaken in the year meaning there was no movement on this fund.

SHETLAND ARTS DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

19. ANALYSIS OF MOVEMENTS BETWEEN FUNDS (continued)

The Trad Big Band restricted fund relates directly to the Trad Big Band project. Due to changes to the project to fit with COVID guidelines the project costs were less than expected leaving a balance on the fund.

The Culture Collective relates to the Culture Collective Project. This project was initially to run throughout the 2021-22 financial year however an extension to this fund was agreed in March 2022 which will see the project continue for the 2022-23 financial year.

The Youth Arts fund was used to fund the Youth Arts project throughout the financial year.

The Corra Foundation reserve was created due to a grant being received from this foundation for COVID wellbeing projects. The full grant has yet to be spent and the Corra Foundation has not asked for this to be repaid.

The Robertson Trust restricted reserve relates to funding received towards the organisation Youth Arts and Wellbeing projects. This fund will be used towards Youth Arts and Wellbeing activity until it is run down.

The BFI FAN funding was received to support the continuation of specialised cinema screenings while there is reduced capacity due to COVID guideline. This funding as used during the year to cover the costs of these specialised screenings.

The Xchange restricted fund has been created from funding received from the British Council and Arts Curator fund for a artists exchange and residency between Shetland and Texas. Due to COVID related travel restrictions this project has been significantly delayed meaning the full fund is yet to be used. The travel is expected to take place in 2022-23.

The Visual Arts and Craft Makers Awards restricted fund was spent out during the financial year. The negative income line was caused due to the full budget expenditure not being met and therefore the full income not received.

The Independent Cinema Recover fund was created by funding from Creative Scotland to support the reopening of cinemas and encourage audiences back. The funds will be used to run a marketing campaign.

The Recovery Fund for Cultural Organisations fund was created by funding from Creative Scotland to support the organisation in its recovery from COVID. The funding will be used to significantly increase marketing expenditure on commercial operations as well as underwrite the reopening of Mareel on a Tuesday.

The Bike Shed reserve is to support the Bike Shed project which is being funded by Shetland Islands Council and was ongoing at the financial year end.

The Summer of Play reserve was created through funding received to encourage children to take part in activity in summer 2021. The project expenses were not as great as anticipated and no re claim has been sought from the funded.

The Cultural Bridge reserve was created to support the Cultural Bridge project where SADA is working with a partner in Germany. The project was ongoing at the financial year end.

As per the reserves policy of the organisation 50% of the unrestricted operating surplus after the deficit on unrestricted funds was cleared has been designated to a new Assets Replacement and Repair Reserve.

SHETLAND ARTS DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds £ | Unrestricted Pension Funds £ | Restricted Funds £ | Restricted Capital Funds £ | Total Funds £ |
|-----------------------|----------------------------|---------------------------------------|--------------------------|-------------------------------------|---------------------|
| <u>2022</u> | | | | | |
| Fixed Assets | 73,973 | - | - | 8,470,201 | 8,544,174 |
| Current Assets | 390,055 | - | 447,634 | - | 837,689 |
| Current Liabilities | (221,757) | - | - | - | (221,757) |
| Long-Term Liabilities | (60,026) | - | - | - | (60,026) |
| Provisions | - | (1,701,000) | - | - | (1,701,000) |
| | ----- | ----- | ----- | ----- | ----- |
| Total Net Assets | 182,425 | (1,701,000) | 447,634 | 8,470,201 | 7,399,080 |
| | ===== | ===== | ===== | ===== | ===== |
| <u>2021</u> | | | | | |
| Fixed Assets | 76,335 | - | - | 9,098,373 | 9,174,708 |
| Current Assets | 332,173 | - | 367,871 | - | 700,044 |
| Current Liabilities | (252,851) | - | - | - | (252,851) |
| Long-Term Liabilities | (80,435) | - | - | - | (80,435) |
| Provisions | - | (2,336,000) | - | - | (2,336,000) |
| | ----- | ----- | ----- | ----- | ----- |
| Total Net Assets | (75,222) | (2,336,000) | 367,871 | 9,098,373 | 7,205,466 |
| | ===== | ===== | ===== | ===== | ===== |

Included within restricted capital funds are amounts of £691,319 (2021 - £737,153) relating to the lease premium received from the Shetland Islands Council during the year ended 31 March 2014.

21. OPERATING LEASES

At 31st March 2021 the charity had total future commitments under non-cancellable operating leases as set out below:

| | 2022 Land & Buildings £ | Other items £ | 2021 Land & Buildings £ | Other items £ |
|---|----------------------------------|---------------------|----------------------------------|---------------------|
| Operating leases which expire: | | | | |
| Within 1 year | - | 13,387 | - | 13,115 |
| Within 2 to 5 years | - | 41,897 | - | 32,742 |
| | ----- | ----- | ----- | ----- |
| | - | 55,284 | - | 45,857 |
| | ===== | ===== | ===== | ===== |
| | | | | |
| | | | | |
| Operating lease payment made in the year | 15,143 | - | 13,115 | - |
| | ----- | ----- | ----- | ----- |
| | 15,143 | - | 13,115 | - |
| | ===== | ===== | ===== | ===== |

SHETLAND ARTS DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

21. OPERATING LEASES (continued)

On 27 May 2013, a lease was granted by Shetland Arts Development Agency to the Shetland Islands Council (SIC) over the subjects at Mareel. The Lease term is 99 years with the tenant being the SIC. A premium of £1,100,000 (plus VAT) was payable with an annual rent being £90,000 (this will be reviewed every five years). The SIC has the option to buy Mareel for £1 after 1 May 2037 when the grant conditions for Creative Scotland expire. This option is secured. Further to this, a sub-lease has been granted by the SIC back to Shetland Arts Development Agency for 24 years to 1 May 2037, with rent being the same as the head lease. There is an option to terminate this sub-lease on six months' notice.

22. FINANCIAL INSTRUMENTS

The carrying amount for each category of financial instrument, measured at amortised cost, is as follows:

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| Financial liabilities | | |
| Loan payable falling due within 1 year | 20,117 | 27,747 |
| Loan payable falling due between 2 – 5 years | 60,026 | 78,768 |
| Loan payable falling due after 5 years | - | 1,667 |
| | ----- | ----- |
| | 80,143 | 108,182 |
| | ===== | ===== |

The loan financing is in the form of one secured loans and one unsecured loan. The secured loan has a fixed interest rate (being 4% per annum over the Bank's base rate) and is due to finish in November 2025. The unsecured loan has a fixed interest rate of 2.5% and is due to finish in May 2026. The total interest paid during the year was £2,956 (2021 - £2,835).

23. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | (441,386) | (20,563) |
| Adjustments for: | | |
| Interest paid | 2,956 | 2,835 |
| Depreciation charges | 650,879 | 649,251 |
| Loss on sale of fixed assets | - | 4,042 |
| (Increase)/decrease in stocks | 1,287 | 15,589 |
| (Increase)/decrease in debtors | (161,354) | (134,159) |
| Increase/(decrease) in creditors | (23,464) | (105,510) |
| | ----- | ----- |
| Net cash provided by (used in) operating activities | 28,918 | 411,485 |
| | ===== | ===== |

| | 2021 £ | Cash flows £ | Non cash movements £ | 2022 £ |
|-------------------------------------|-----------|--------------------|----------------------------|-----------|
| Cash and cash equivalents | 467,909 | (22,422) | - | 445,487 |
| Bank borrowings due within one year | (27,747) | 28,039 | (20,409) | (20,117) |
| Bank borrowings due after one year | (80,435) | - | 20,409 | (60,026) |
| | ----- | ----- | ----- | ----- |
| | 359,727 | 5,617 | - | 365,344 |
| | ===== | ===== | ===== | ===== |

SHETLAND ARTS DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

The following pages do not form part of the statutory financial statements
which are part of the independent auditor's report on pages 15-17.

SHETLAND ARTS DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

| | £ | 2022 £ | £ | 2021 £ |
|---|---------|------------------|---------|------------------|
| INCOME | | | | |
| Donations and business sponsorships | | 748 | | 1,270 |
| Revenue grants received | | 1,623,070 | | 1,651,337 |
| Box office/programme | | | | |
| Box office income | 228,993 | | 34,936 | |
| Hire of rooms | 30,320 | | 3,868 | |
| Membership sales | 9,707 | | 688 | |
| Total | | 269,020 | | 39,492 |
| Ancillary Earned income | | | | |
| Food and beverage | 212,574 | | 53,857 | |
| Foyer | 53,833 | | 8,697 | |
| Retail | 60,158 | | 20,472 | |
| Box Office commission | 1,054 | | (56) | |
| Exhibition sales commission | 4,455 | | 4,205 | |
| Screen advertising | 4,867 | | - | |
| Total | | 336,941 | | 87,175 |
| Other Earned income | | | | |
| Education and training income | 134,359 | | 100,006 | |
| Miscellaneous | 58,129 | | 10,760 | |
| Coronavirus job retention scheme | 21,982 | | 317,298 | |
| Total | | 214,470 | | 428,064 |
| TOTAL INCOME FOR YEAR | | 2,441,249 | | 2,207,338 |
| LESS: | | | | |
| Catering purchases | 104,682 | | 25,478 | |
| Shop and gallery purchases | 35,258 | | 13,385 | |
| | | 139,940 | | 38,863 |
| Development expenditure: | | | | |
| Programme | 439,752 | | 103,374 | |
| Travel and subsistence | 18,992 | | 3,784 | |
| Salaries and NIC | 211,573 | | 203,479 | |
| | | 670,317 | | 310,637 |
| Surplus carried forward to next page | | 1,630,992 | | 1,857,838 |

SHETLAND ARTS DEVELOPMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

| | | |
|---|------------------|------------------|
| Surplus brought forward from previous page | 1,630,992 | 1,857,838 |
| Operations expenditure: | | |
| Programme | 94,598 | 13,458 |
| Travel and subsistence | 5,116 | 569 |
| Marketing | 8,716 | 6,799 |
| Salaries and NIC | 612,029 | 640,363 |
| Other staff related costs | - | - |
| | 720,459 | 661,189 |
| Strategic marketing | 1,424 | 11,295 |
| Grants paid to individuals | 7,750 | 8,250 |
| Support staff salaries | 262,100 | 227,490 |
| Other staffing costs | 8,323 | 11,176 |
| | 270,423 | 238,666 |
| Print, postage and stationery | 2,663 | 1,834 |
| Small equipment purchases and hire | 17,184 | 21,563 |
| ICT | 26,937 | 25,098 |
| Operating lease - equipment | 19,210 | 15,156 |
| Electricity | 89,879 | 48,656 |
| Telephone and fax | 8,065 | 8,248 |
| Cleaning | 48,240 | 24,636 |
| Hospitality | - | - |
| Legal and professional fees | 32,943 | 10,508 |
| Bank charges | 12,954 | 4,562 |
| Publications and subscriptions | 3,731 | 2,006 |
| Licences | 29,594 | 25,575 |
| Rates | 15,353 | 13,818 |
| Rent | 1,074 | 775 |
| Repairs and maintenance | 58,189 | 55,679 |
| General overheads | (29) | 57 |
| Insurance | 35,387 | 33,749 |
| Website costs | 2,238 | 784 |
| Depreciation | 650,879 | 649,251 |
| Bank interest | - | - |
| Loan interest | 2,956 | 2,835 |
| Bad Debts written off | 1,620 | (30) |
| Loss on disposal of fixed assets | - | 4,041 |
| | 1,059,067 | 948,801 |
| Amortisation | (628,172) | (628,885) |
| Governance costs | 13,255 | 10,200 |
| | 186,786 | 608,322 |
| SURPLUS FOR THE YEAR | 186,786 | 608,322 |
| | ===== | ===== |

6.1 Updates from Stakeholders

June 2022



INTRODUCTION

This report details the following

- Updates from key stakeholders

UPDATES FROM KEY STAKEHOLDERS

| | |
|----------------------------------|--|
| Creative Scotland | Reporting submitted for 2021/22. Interim reports submitted for the Recovery Fund for Independent Cinema and the Recovery Fund for Cultural Organisations |
| Shetland Charitable Trust | On-going dialogue around end of year positions and Capital Grants Scheme |
| Highlands and Islands Enterprise | |
| Shetlands Islands Council | |
| | |

7.1 Key Upcoming Events June 2022



EVENT DETAILS

| Date | Title | Venue |
|-----------------------------|--|--------------------|
| 1 July – 31 July 2020 | The World of Fancy Boy | Mareel |
| 30 August – 4 September | Screenplay | Mareel and Various |
| 21 September – 25 September | Wordplay | Mareel and Various |
| 16 June – 24 July | ShetlandMade 2 Fraser Knitwear The Pottery, North Roe Jayne Kelly Paparwark Avril Thomson Smith | Bonhoga |