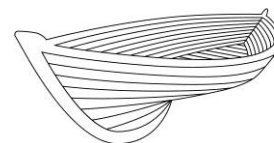


**Shetland Arts Development Agency
Board of Trustees Meeting
Tuesday 15th December 2015 5:30pm
Venue: Mareel**



Shetland*arts*

Priorities 2013 – 2016:

- Customer experience
- Footfall
- Impact

Item	Description	Report	Item taken by	ACTION
1	Welcome, apologies, and declarations of interest		Chair	Note
2	Minutes 17 th November 2015		Chair	Approval
3	Finance Management Accounting	Attached	OM	Note
4	General Manager's Report Estates Operations Programming Numbers Funding	Attached	GH	Note
5	Board Recruitment & Training Trustee terms ending New Trustees appointment		Chair	Note
6	OSCR Letter	Attached	Chair	Note
7	Any Other Business as agreed by the Chair at the start of the meeting		Chair	
8	Date/time of future meetings			Note
8a	Future SADA Board Meetings: Thursday 18 th February at Mareel, 5.30pm		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.



Charity Number SCO37082



Vat Number 671 2655 32



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Shetland Arts Development Agency

Monthly Financial Report

October 2015

	Current Period			
	Actual £	Budget £	Variance £	
Profit & Loss Account				
Mareel - Music Hall	18,929	17,833	1,096	→
Mareel - Dayime Café Bar	35,974	41,040	(5,066)	→
Mareel - Education	7,696	9,167	(1,471)	→
Mareel - Film Screenings	43,449	29,167	14,282	↑
Mareel - Foyer	11,564	10,417	1,147	→
Weisdale Mill - Shop	2,897	4,109	(1,212)	→
Weisdale Mill - Café	6,214	6,667	(453)	→
Weisdale Mill - Exhibition	2,196	1,667	529	→
Garrison Theatre	344	833	(489)	→
Art Development	3,163	8,583	(5,420)	→
Westside Cluster	0	0	0	→
Total Sales	132,427	129,483	2,944	→
Mareel - Music Hall	24,079	16,345	(7,734)	↓
Mareel - Dayime Café Bar	35,762	32,216	(3,546)	→
Mareel - Education	1,331	5,417	4,086	→
Mareel - Film Screenings	21,437	15,999	(5,438)	→
Mareel - Foyer	6,181	5,000	(1,181)	→
Weisdale Mill - Shop	4,615	5,648	1,033	→
Weisdale Mill - Café	9,564	4,997	(4,567)	→
Weisdale Mill - Exhibition	448	417	(31)	→
Garrison Theatre	1,575	5,334	3,759	→
Art Development	24,477	17,667	(6,810)	↓
Westside Cluster	28	0	(28)	→
Total Cost of Sales	129,497	109,040	(20,457)	↓
Mareel - Music Hall	(5,150)	1,488	(6,638)	↓
Mareel - Dayime Café Bar	212	8,824	(8,612)	↓
Mareel - Education	6,365	3,750	2,615	→
Mareel - Film Screenings	22,012	13,168	8,844	↑
Mareel - Foyer	5,383	5,417	(34)	→
Weisdale Mill - Shop	(1,718)	(1,539)	(179)	→
Weisdale Mill - Café	(3,350)	1,670	(5,020)	→
Weisdale Mill - Exhibition	1,748	1,250	498	→
Garrison Theatre	(1,231)	(4,501)	3,271	→
Art Development	(21,314)	(9,084)	(12,230)	↓
Westside Cluster	(28)	0	(28)	→
Gross Contribution	2,929	20,443	(17,514)	↓
<i>Gross Profit Margin %</i>	2.2%	15.8%	(0)	→
Donations, Trusts, etc	26	167	(141)	→
Revenue Creative Scotland	20,833	20,833	0	→
Project Funding Creative Scotland	0	0	0	→
Local Authority Project Funding (SIC)	628	167	461	→
Other Public Funding	7,837	6,667	1,170	→
SCT Planned Maintenance Funding	2,441	4,167	(1,726)	→
SCT Core Funding	58,003	58,003	0	→
Grant Income Received	89,769	90,004	(236)	→
Establishment Costs	31,240	39,664	8,424	↑
Admin & Management	46,150	58,684	12,534	↑
Weisdale Mill / Bonhoga	2,453	1,875	(578)	→
Technical / Facilities	3,004	5,200	2,196	→
Marketing	5,407	4,479	(928)	→
Total Overhead Costs	88,255	109,902	21,647	↑
EBITDA	4,443	545	3,898	→
<i>EBITDA Margin %</i>	3.4%	0.4%	2.9%	→
Westside Cluster - Loan Interest Payable	364	364	0	→
Other Loan - Loan Interest Payable	0	627	627	→
	364	991	627	→
Loss on disposal of Hatchery	0			
Net Profit	4,079	(446)	4,525	→
<i>Net Profit Margin %</i>	3.1%	(0.3%)	3.4%	→

Year-to-Date			
Actual £	Budget £	Variance £	
155,890	125,000	30,890	→
264,966	281,791	(16,825)	→
48,183	67,500	(19,317)	→
227,831	205,417	22,414	→
90,605	73,750	16,855	→
22,551	22,966	(415)	→
56,984	47,083	9,901	→
13,031	12,167	864	→
5,013	5,833	(820)	→
11,891	60,083	(48,192)	→
0	0	0	→
896,945	901,590	(4,645)	→
190,233	115,592	(74,641)	↓
248,211	226,348	(21,863)	→
21,162	40,000	18,838	→
157,727	112,416	(45,311)	→
38,861	35,417	(3,444)	→
39,526	39,629	103	→
51,384	35,231	(16,153)	→
13,404	2,917	(10,487)	→
7,011	37,334	30,323	→
128,039	123,667	(4,372)	→
206	0	(206)	→
895,764	768,551	(127,213)	↓
(34,343)	9,408	(43,751)	→
16,754	55,443	(38,689)	→
27,021	27,500	(479)	→
70,105	93,001	(22,896)	→
51,744	38,333	13,411	→
(16,975)	(16,663)	(312)	→
5,600	11,852	(6,252)	→
(374)	9,250	(9,624)	→
(1,998)	(31,501)	29,503	→
(116,147)	(63,584)	(52,563)	↓
(206)	0	(206)	→
1,181	133,039	(131,858)	↓
0.1%	14.8%	(0)	→
1,835	1,167	668	→
145,833	145,833	0	→
5,000	0	5,000	→
628	1,167	(539)	→
20,274	46,667	(26,393)	→
17,087	29,167	(12,080)	→
406,022	348,019	58,003	↑
596,679	572,020	24,659	→
198,975	278,062	79,087	↑
299,282	313,654	14,372	→
12,012	13,125	1,113	→
19,596	36,396	16,800	→
30,646	31,349	703	→
560,511	672,586	112,075	↑
37,350	32,473	(31,965)	→
4.2%	3.6%	0.6%	→
2,559	2,532	(27)	→
0	4,369	4,369	→
2,559	6,901	4,342	→
34,790	25,572	9,218	→
3.9%	2.8%	1.0%	→

October 2015	Current Period		
	Actual £	Budget £	Variance £
Balance Sheet			
Property	12,159,755	13,361,452	(1,201,697) ↓
Artwork	2,862	2,862	0 ↑
Pianos	42,800	42,800	0 ↑
Plant & Equipment	411,007	488,176	(77,169) ↑
Furniture & Fittings	241,144	283,078	(41,934) ↑
Computers	6,784	27,125	(20,341) ↑
Investments	1	1	0 ↑
Total Fixed Assets	12,864,353	14,205,494	(1,341,141) ↓
Stock	45,813	48,537	(2,724) ↓
Trade Debtors	39,093	(1,977)	41,070 ↑
Amount Owed by Subsidiary	388	225	163 ↓
Other Debtors (Bonds film Distributors)	4,250	4,250	0 ↑
Accrued Income & Prepaid Expenditure	113,042	39,944	73,098 ↓
Bank & Cash	407,502	151,546	255,957 →
Total Current Assets	610,088	242,525	367,564 ↑
Bank Overdraft	0	0	0 ↑
Trade Creditors	162,264	67,141	(95,123) →
Accruals & Restricted Income	600,353	364,102	(236,251) ↓
VAT Liability	40,023	30,269	(9,754) ↑
Exhibition Sales Control Account	1,350	613	(737) ↑
Box Office Non SADA Control Account	27,309	(3,165)	(30,474) ↑
Recharges	0	1,627	1,627 ↑
Payroll Deductions - Creditors	26,029	35,274	9,245 ↑
Hatchery Loan - Short Term	6,541	7,150	609 ↑
Other Loan	0	8,000	8,000 ↑
Current Liabilities	863,869	511,011	(352,858) ↓
Net Current Assets / (Liabilities)	(253,780)	(268,486)	720,421 ↑
Hatchery Loan - Long Term	88,002	80,217	(7,785) ↓
Other Loan - Long Term	0	84,000	84,000 ↓
Shetland Islands Council Lease	0	1,100,000	1,100,000 ↑
Pension Fund Deficit	1,236,000	843,000	(393,000) ↓
Long Term Creditors	1,324,002	2,107,217	783,215 ↑
Net Assets	11,286,570	11,829,791	(543,220) ↑
Restricted Capital Fund	12,743,168	12,948,763	(205,595) →
Restricted / Unrestricted Reserves	(255,388)	(345,615)	90,227 ↑
Pension Deficit	(1,236,000)	(843,000)	(393,000) ↓
Capital Surplus for Year to Date	0	0	0 ↑
Revenue Surplus for Year to Date	34,790	69,643	(34,853) ↑
Net Shareholder Funds	11,286,570	11,829,791	(543,220) ↓

Current Period		
Actual £	Budget £	Variance £
12,159,755	13,361,452	(1,201,697) ↓
2,862	2,862	0 ↑
42,800	42,800	0 ↑
411,007	488,176	(77,169) ↑
241,144	283,078	(41,934) ↑
6,784	27,125	(20,341) ↑
1	1	0 ↑
12,864,353	14,205,494	(1,341,141) ↓
45,813	48,537	(2,724) ↓
39,093	(1,977)	41,070 ↑
388	225	163 ↓
4,250	4,250	0 ↑
113,042	39,944	73,098 ↓
407,502	151,546	255,957 →
610,088	242,525	367,564 ↑
0	0	0 ↑
162,264	67,135	(95,129) →
600,353	364,108	(236,245) ↓
40,023	30,269	(9,754) ↑
1,350	613	(737) ↑
27,309	(3,165)	(30,474) ↑
0	1,627	1,627 ↑
26,029	35,274	9,245 ↑
6,541	7,150	609 ↑
0	8,000	8,000 ↑
863,869	511,011	(352,858) ↓
(253,780)	(268,486)	720,421 ↑
88,002	80,217	(7,785) ↓
0	84,000	84,000 ↓
0	1,100,000	1,100,000 ↑
1,236,000	843,000	(393,000) ↓
1,324,002	2,107,217	783,215 ↑
11,286,570	11,829,791	(543,220) ↑
12,743,168	12,948,763	(205,595) →
(255,388)	(345,615)	90,227 ↑
(1,236,000)	(843,000)	(393,000) ↓
0	0	0 ↑
34,790	69,643	(34,853) ↑
11,286,570	11,829,791	(543,220) ↓

General Managers Report

Date 15/12/2015

For Information

Estates

- Bonhoga
- Mareel
 - Decision taken to replace GDC cinema servers with Dolby and enter into an annual maintenance contract
 - 39 items from the snagging list will be tackled during the January close down.
- Garrison
 - Various maintenance issues
- Booth
- Other

Operations

- 2nd H&S meeting took place in early December, significant progress made against the task list including First Aid training for all DMs
- Bryan Peterson spending his first day remote working from yell 11/12/2015
- Revised approach to SIA training
- Sunday pop up craft markets will be rerun in the summer
- Digital Screen installed in Mareel – POC, more to be installed if it works.
- NB have completed their online review, commissioning document for new website to produced in new year
- Wedding hire of Mareel confirmed for 2016
- Catering partners to be sought for conferencing and larger events.

Numbers

	Oct 15	Sept 15	Aug 15	July 15
Concerts / Screenings / Exhibition days	344	346	343	375
Audience attendances	15,101	10,283	13,003	12,814
Development Sessions	61	128	118	35
Participations	601	1939	1371	273

Funding

- Stakeholders meeting for SIC, HiE, SCT and Creative Scotland was in a general a positive meeting, more work needs to be done with the SIC on our plans to tackle the snagging.
- Creative Scotland
 - Interim link officer is Emma Campbell, permanent replacement for David still to be decided
- Shetland Charitable Trust
- HiE
- Other
- Stakeholders

Dept	Area	Recommendation Date	Notes
Retail Manager	ScreenPlay Retail Offer	Aug-15	Actioned, being revised for 2016
Retail Manager	Festivals Strategy	Aug-15	Being reviewed by GH
Marketing	Ambient	Aug-15	awaiting response from GH
Marketing	Brand	Aug-15	awaiting response from GH
Creative Ops	Programme Matrix	Sep-15	Developed
F&B	Conference Catering	Sep-15	Being trialed at Board awayday
Marketing	VIP Management	Sep-15	List amalgamation started
Marketing	Print Strategy	Sep-15	Closed
Ops: PEF	Hiring Documentation	Sep-15	Will be revised when hire charges agreed
Retail Manager	Shetland Noir Retail Offer	Sep-15	Agreed
Retail Manager	Mareel Strategy	Sep-15	Still to be developed - January
Retail Manager	Mareel Retail Offer	Sep-15	Still to be developed - January
SMT	Risk Register	Sep-15	Still to be developed - February
Creative Ops	Apprenticeship/Wrokshops	Oct-15	Apprenctice Appointed
Marketing	Content Creation	Oct-15	NB Comms comissioned
Marketing	Email	Oct-15	Action Plan Required
Marketing	Press Strategy	Oct-15	Strategy produced
Marketing	Online/Social Media	Oct-15	Draft strategy produced, redesigned website needed
Retail Manager	Visual Arts and Crafts	Oct-15	Mareel pop up agreed, work still needed on strategy
Creative Ops	Work Experience	Nov-15	
F&B	EPOS	Dec-15	Report delayed till mid december
Box Office	Box Office System	Dec-15	Report delayed till mid december
Marketing	Box office system	Dec-15	Report delayed till mid december
Ops: PEF	Ops Communication	Dec-15	Report delayed till mid december
Ops: PEF	Event Mang systems	Dec-15	Report delayed till mid december
Marketing	On Sale Dates	Dec-15	Stick with current system
Marketing	B2B	Dec-15	
Creative Ops	Education Development	Dec-15	Process started
F&B	Furniture/layout	Jan-16	Delayed till new year
Retail Manager	Visual Arts and Crafts Retail Offer	Jan-16	
Marketing	Internal Comms	Jan-16	Action Plan Required
Retail Manager	Mareel Strategy	Jan-16	Still to be developed - January
Retail Manager	Mareel Retail Offer	Jan-16	Still to be developed - January
SMT	Risk Register	Feb-16	

20139
RECEIVED 11 DEC 2015

Olive MacLeod
Shetland Arts Development Agency
Mareel
Lerwick
Shetland
ZE10WQ

MI/INQ/15-0414

08 December 2015

Dear Ms MacLeod

**Shetland Arts Development Agency
Scottish Charity Number SC037082**

We write further to our letter of 25 February 2015 regarding a concern we received about the above charity. We have now concluded our inquiries into this matter and write to advise the charity trustees of our findings and conclusions. We would be grateful if you would bring this letter to their attention.

Background

On 05 February 2015 we received a concern about the charity, relating to the charity not meeting the terms of its trust deed by having 10 trustees.

We opened an inquiry into the matter as we were concerned that the trustees may not be meeting their legal duties as trustees that are laid out in the Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act). Section 66 of the 2005 Act states that charity trustees are subject to the following general duties:

- To act in the interests of the charity
- To seek, in good faith, to ensure that the charity operates in a manner consistent with its purposes
- To act with the care and diligence that it is reasonable to expect of a person who is managing the affairs of another person
- To ensure that the charity complies with the provisions of the 2005 Act, and other relevant legislation

We wrote to the charity trustees on 25 February 2015 requesting:

- An up-to-date copy of the charity's deed of trust.
- A list of the current trustees or office bearers, including directors if the charity is also a company detailing full names, private addresses, dates of appointment and method of appointment.

Charities you can trust is a guide to the most reliable charities in Scotland.
The Scottish Charity Regulator, Quadrant House, 9 Riverside Drive, Dundee, DD1 4NY.



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- Copies of the minutes of all meetings of the charity's governing body held since February 2014.
- Copies of the minutes of the last Annual General Meeting the charity held.
- Copies of the minutes of any extraordinary general meetings held since February 2014.
- A comment from the trustees regarding the allegations made about the charity if they wish to provide a response.

You provided this information on 30 March 2015 and this allowed us to fully proceed with our inquiries.

Our findings

From reviewing the information provided, we found the following:

- The charity were operating under the required amount of 10 but have co-opted a new trustee and have committed to an extensive program of trustee recruitment.
- The trustees aim to carry out an extensive review of their trust deed to ensure it is fit for purpose.

Conclusion

After reviewing all the relevant information, we consider the actions of the charity trustees to be consistent with the general duties that they are subject to under the 2005 Act. We have not identified any matters of a regulatory nature that warrant any further action by us at this time and as a result are closing our case file.

In line with our *Inquiry Policy* we will write to the person who raised the concern and let them know in general terms the outcome of our inquiry.

If you have any queries, please do not hesitate to contact me. Thank you for your assistance with our inquiries.

Yours sincerely



Pauline Bennett
 Senior Compliance Officer
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 ✉ Pauline.Bennett@oscr.org.uk