

WHALE, THE ARTS AGENCY

FINANCIAL STATEMENTS

FOR

31 MARCH 2020



Company Registration Number SC180118
Charity Number SC020305

**WHALE, THE ARTS AGENCY
ANNUAL REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2020**

The Board of Trustees (Board) are pleased to present their annual Trustees' Report together with the Financial Statements of the Charity for the year ended 31 March 2020 which are also prepared to meet the requirements for a Directors' Report and Accounts for Companies Act purposes.

The Financial Statements comply with the Charities and Trustee Investment (Scotland) Act 2005, Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS102).

Objectives and Activities

The objects of the charity as described in its governing document are:

- To advance education and knowledge of the arts among the people of Wester Hailes and the surrounding area, by delivering lifelong learning, training and inclusive routes into further education and by becoming a best practice model of arts service.
- To promote establish and operate other schemes of a charitable nature for the benefit of the said people.

We achieve these objectives by:

- Providing a broad range of professionally led arts and learning activities for all ages.
- Being actively inclusive and aiming to remove any barrier to participation in the arts faced by local people.
- Consulting and engaging with the community to make sure our activities meet and address local needs.
- Engaging professional artists and working with respected cultural institutions and educational establishments to ensure the highest quality of delivery.

Achievements and Performance

In line with the organisations aspirations to expand participation and organisational reach across Health & Wellbeing, Creative Learning & Skills Development and Placemaking the data below demonstrates that the proactivity within the programmes over the year and the wider strategic alignment of delivery are supporting the delivery of these aims.

Across all of WHALE Arts activities in 2019/20 there were a total of 8049 participations over the year and an estimated individual 3453 participants.

630 people participated in 23 regular weekly sessions offering a diverse range of creative activities for all ages and abilities including.

This included a far-ranging spread of activity including Digital Drop-In sessions with adults; Gardening group with adults working on planting, growing and building in the garden; Indian Dance with young people which included a performance at the Festival Theatre; Let's Create art group for women, making and eating together; Let's Dance social dancing group for adults; Members Breakfasts where members come together to share ideas and skills; Men's Makers for men interested in working with tool and hand tools; Mums into Business for local mums who are interested in developing small businesses across a range of areas; Open Book Shared Reading for adults who read and write together; Play Sense Create accessible art sessions for young people

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with additional support needs and their families; smARTcraft art group for adults with complex and additional support needs; Stitch n Time sewing and stitching group for adults; Film Club for young people; Youth Drama Club; smARTies after-school art club for primary age children; Street Arts outreach artist-led creative sessions in four outdoor locations each Thursday evening; Community Meal which is a lovely welcoming free meal for anyone in the community to cook and eat together.

2823 people participated in 114 holiday projects and events at WHALE Arts and in other venues reflecting the range of activities delivered.

This includes an exciting variety of one-off activity happening at WHALE Arts during the holidays and throughout the year led by us such as: a 3-day circus school for young people; youth drawing and making sessions; youth photography workshops; slime day (always a big hit!); cardboard city building workshop; space art day; make-up artistry and photoshoot and much more.

And working collaboratively with a wide range of cultural and community partners we offered some exciting sessions such as 3D printing and circuit playground workshops with Napier University and Wee Replicators; fermentation and beeswax wrap workshops with Grassroots Remedies; animation workshop and funky puppet making workshop both with Puppet Animation Scotland; Epic Girls group with Epic Artists Scotland; Indian Dance workshops with Dance Ihayami; showing of Melody and Sam: Record Breakers with Edinburgh Science Festival; LYT Performance with Lyceum Youth Theatre; family workshops and cultural trips for local residents with Edinburgh Art Festival which included a canal trip to Edinburgh Printmakers and a visit to cultural venues in Glasgow; Explorathon – STEM family festival with Edinburgh Napier University; Doors Open Day with SCOREScotland and Cockburn Association; Digital Tech skills sessions with Clovenstone and Sighthill Primary Schools and work on the Digimapping Project with Napier University and local primary schools including Canal View Primary.

In 19/20 we worked collaboratively with City of Edinburgh Council and local community organisations on the beginnings of a Local Place Plan for Wester Hailes, and at WHALE we hosted Ian Gilzean, Chief Architect at Scottish Government and we also hosted a workshop for Wester Hailes residents to participate in the Venice Architecture Biennale working with 7N Architects. We helped to organise pop-up planning workshops in the Westside Plaza and then a Community Conference in Feb 2020 attended by almost 90 people – an exciting start to what will be a long-term collaborative project between City of Edinburgh Council and the community to improve the area but with the ideas and aspirations of local residents at the heart.

Our programme of one-off activities in other places and spaces in Wester Hailes and beyond included a range of projects linked to year 2 and 3 of our Creative Placemaking project which included a litter picking in Westburn Woods and the establishment of the Men's Making Group; taking part in a Bazaar at Open Heavens Church with Men's Making Group; mural consultation in the Calders; working on a guide to Westburn Woods; photography trip with young people to city centre galleries and photography sessions with The Youth Agency and a parade celebrating the 50th anniversary of Wester Hailes with Rowanbank.

In the year WHALE engaged 22 volunteers who contributed 1599 hours of activity across a range of areas including supporting the delivery of creative arts sessions, gardening, front of house, and making improvements to the WHALE Arts Centre. We are extremely grateful to all of those who volunteered their time and expertise.

Of the 630 registered participants attending regularly this year:

- 95% lived locally, in postcodes EH14, EH12 and EH11

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- 62 % were under 16 years old
- 48% were over 55 years of age
- 20% of participants identify as disabled
- 22% were from the BAME community

WHALE Arts continues to work with local people to ensure that the opportunities and aspirations of our community are realised through the direct delivery of WHALE's creative activities, and our active role in innovative local place-based partnerships and projects such as Living Well Wester Hailes, Go Beyond, Wester Hailes Community Trust, Wester Hailes Local Place Plan and Seven Kingdoms.

We continue to work closely with the City of Edinburgh Council, Scottish Government and a wide range of other funders to ensure that target outcomes are achieved and to support the co-production of future project and service delivery.

Financial Review

The Board's continued focus on both income generation and control of expenses had again provided the organisation with a positive outcome for the Financial Year ending 31 March 2020 although the Board fully recognise the continued challenge that securing funding, particularly in relation to core costs, and controlling costs will present in the coming years particularly in relation to both local and central government funding.

As outlined in the Income and Expenditure Account on page 10, Net movement in Non Capital Restricted funds for the Financial Year is £111,347 (2019: £5,018), Capital Restricted Funds have been reduced by £22,094 (2019: £22,756) primarily due to depreciation, with Unrestricted Funds net movement being £16,084 (2019: £46,214) providing a total positive uplift of £105,337 (2019 £28,476). The overall surplus rose in comparison to the previous year principally due to a rise in unrestricted restricted grant income received for a number of projects with delivery (and expenditure) into the next financial year. Whilst still in receipt of grant funding for programme delivery and core costs from City of Edinburgh Council the organisation has become less reliant on this with a spread of grant funding in place across City of Edinburgh Council, Scottish Government, Lottery and others. It is recognised that the level of funding from City of Edinburgh Council and Scottish Government for future years is not guaranteed it is none the less seen as core to the longer term success of the organisation and delivering core programmes for WHALE Arts users.

Total expenditure for the year was £367,892 (2019: £351,764) of which 50% (2019: 57%) was staff costs and 50% (2019: 43%) was non-staff costs. The reduction in staff costs is partly due to the outsourcing of bookkeeping and accountancy and the marginal overall total expenditure reflects greater activity during the year.

Unrestricted funds had a surplus before transfers of £19,192 (2019: surplus £33,908). This surplus in unrestricted funds is again encouraging and is principally due to sustained rental and other administration fees. The organisations strategy which includes the continued focus on additional income generation and rental income (both short and long term) will be key to support ongoing financial demands. This strategy also allows the organisation to utilise its core asset, the building, in the most appropriate way to support WHALE Arts overall aims.

Unrestricted funds at the year-end stood at £172,544 (2019: £156,460) and restricted funds stood at £769,191 (2019: £679,938).

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As outlined above, the Board and Management Team will continue to focus on alternative sources of income to support core costs although the Board recognises that this will continue to be challenging given the structure and restrictions of many alternative funding sources. The Board continued in 2019/20 to commit an element of unrestricted reserves to fund external professional fundraisers with the aim of delivering wider sources of funding with specific focus on core and capital costs coverage for future years. The outcome from this commitment will be reviewed in 2020/21 to determine the outcomes of this expenditure in relation to benefits achieved.

Cost control will also continue to be a focus for the Board. Staff costs are and will continue to be the primary expense of the organisation. The Board recognises the need to continue to support and develop capability within the team.

The Board remains committed to the financial control regime and financial governance practices developed and implemented over the past 5 years and are committed to continuing to focus tight control over both costs and income generation and management of both Restricted and Unrestricted Funds.

Investment Powers

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the directors wish.

Risk Management

WHALE Arts' Board review the organisational risk register on a regular basis with the last review being undertaken and approved by the board in February 2019. The potential impact of already known risks, along with those that are identified as part of the running of the organisation are considered along with the likelihood of them materialising. The response to the risks identified determines what action will be taken to control, mitigate or accept the risk, where it is reasonable to do so. This process aids the prioritisation of risk and, in doing so, helps WHALE Arts adopt a fully risk-focused approach in the way that it conducts its operations.

Reserves Policy

The Board recognise their corporate responsibility to ensure that the company has sufficient reserves to fund present and future liabilities. The Board considers that maintaining unrestricted funds of approximately 3-6 months running costs is appropriate. The Charity's costs are currently in the region of £31,000 per month of which some £15,500 relates to salaries and pensions. The general funds at 31 March 2020, are standing at approximately £166,000 which represents a reserve of just over five months running costs. The Board are pleased to report that the target level of reserves has been achieved in 2020 however recognise the continued need for good financial governance in light of funding challenges, restrictions currently being experienced particularly from local government sources and the significant financial impact of Covid-19.

Plans for Future Periods

During 2019/20 we completed and launched WHALE Arts new 5-year Strategic Plan. This was developed over the course of a year with members, trustees, staff and local partners and sets out high level aims taking us to 2024. Our key strategic priorities are set out below. This is underpinned by an operational plan progress of which is reviewed regularly by staff and board.

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Our key themes and outcomes between 2019 – 2024 are:

Health, Wellbeing, Happiness

- a. To improve health, wellbeing and happiness of local citizens and members through arts, creativity and innovation
- b. To support the wellbeing of our people

Economy, Enterprise, Learning, Skills

- c. To improve economic prospects of local citizens and members through developing creative enterprise, learning, and skills development opportunities
- d. To improve the economic sustainability of our organisation

Places and Spaces

- e. To increase and sustain the pride that local citizens feel for the local geographical area through community based participation in the arts and creative placemaking
- f. To improve the environmental sustainability of our organisation

Development and Improvement

- g. To maintain good governance and improve professional and practice development of our people and improve our physical assets

Data, Design, Evaluation, Innovation

- h. To improve the way we use data and evaluation to design and drive incremental and transformative innovation

Communication, Conversation, Coproduction

- i. To sustain open and regular communication and conversation on a local, national and international level with many and varied voices so that we are genuinely good at coproduction and we become a leader in our field using our voice to influence policy and strategy and advocate for our community and our work

Sustainability and Impact of Covid-19

The start of 20/21 has been challenging in ways no one could ever have predicted. However our significant efforts over recent years to diversify and maximise our income as well as to tightly control our costs has helped us greatly during a challenging time and Covid-19 notwithstanding this approach will continue in 2020/21 and beyond.

2019/20 (Before Covid-19)

During 2019/20 although our overall annual grants from City of Edinburgh Council for delivering health and social care and children and families services have reduced significantly we were successful in being awarded a new 3 year grant for youth work locally – this funding is hugely important as it allows us to leverage in significant other funding streams.

We have during the last period built up relationships with new funders such as The William Grant Foundation and Bupa Foundation who have supported our arts & wellbeing programme supporting. We also in 2019/20 secured significant new grant for 2.5 years from Scottish Government Investing in Communities which will help to develop our existing wellbeing and enterprise and skills programmes locally, support our work on the

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Community Asset Transfer of the land the WHALE Arts building sits on. The capacity building aspect of the Investing in Communities grant is funding 2 new income generating posts – Enterprise and Facilities manager focusing on enterprise development and building unrestricted income streams and a Fundraising Lead with a focus on developing long-term relationships with trusts and foundations.

We continue to be supported by The Robertson Trust and Children in Need for work with young people including the award-winning Street Arts, along with a wide range of other funders including Creative Scotland who are supporting an artist-residency called Growing Our Own Artists – looking at co-production and progression pathways for adults in our arts & wellbeing programme.

Our ambition to develop new programming that extends beyond our physical walls to wider community spaces and places – Creative Placemaking - has taken us places we could not have imagined in 2017. Three years of community-led funding from The National Lottery Community Fund enabled this work to happen and over the project it has become a significant part of our outreach work and has informed the work we are do across all our activities and the beginnings of work with partners on the Local Place Plan.

We are at the beginning stages of Community Asset Transfer – to buy the land WHALE Arts sits on from City of Edinburgh Council and in 2020/21 we will be applying to the Scottish Land Fund to start this process, working with a consultant on a business plan exploring various options for long-term financial sustainability. Part of this will be looking at possible future capital development, making improvements to the building and garden in line with the ideas and needs within the community.

2020/21 (During Covid-19)

We have spent the first 5 months of 2020/21 adapting and flexing our programmes, activities and services to work alongside the community, other local organisations and groups to support the community of Wester Hailes with food, phone calls, art and wellbeing packs, digital devices and support and much more. We have not furloughed any staff and we have been working hard throughout lockdown doing our best to meet basic needs. [Reflection can be read here.](#)

Food: First priority was food – our community meal became a take-away and shortly after that we started a home delivery service. Lockdown restrictions meant many people were needing a hot meal delivered to their doors and thanks to our fantastic chef and dedicated team of volunteers & delivery drivers we were able to increase our food production from 60 to 160 portions per week. We have sent out more than 3000 meals.

Networks: Keenly aware of the increased need for food and other services, WHALE Arts, along with Space & Broomhouse Hub and Big Hearts, became a founding partner in the Go Beyond network which was set up to coordinate the Covid response across SW Edinburgh. WHALE Arts set up an interactive food map which was later expanded to include other services including mental health and wellbeing. WHALE Arts along with the Health Agency organised and co-chaired fortnightly online meetings in Wester Hailes which included third sector organisations, schools, NHS staff, churches and residents groups coming together to support each other and share ideas and approaches to adapting services.

Art Packs, Wellbeing Packs, Online Activity: Human connections and meaningful activity have been at the forefront of our efforts, despite having to cancel all our regular groups. Our freelance artists have been especially busy producing regular activities for their participants to do at home and providing art packs specific to each of their groups. To date, there are more than 60 different activities, for children, teenagers and adults which are all available on our website. Our staff and freelancers have been making friendship calls to locals checking in regularly to make sure they are ok and signposting to other essential services. Our art packs

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became very popular and we started getting requests from organizations and individuals out with WHALE Arts. This led us to develop a series of generic art packs both for children and adults and to create our wellbeing packs. These proved to be incredibly popular and thanks to the herculean efforts of our dedicated team we have made and delivered more than 2000 art and wellbeing packs to local schools, families and individuals within the community.

Digital Support: Lockdown has seen a huge uptake in online resources and digital service delivery across a wide range of platforms. At WHALE Arts we have embraced this, however, we've also been acutely aware that many of our people do not have access to the internet or devices such as laptops, tablets or smartphones. This means a significant proportion of our community has been excluded from accessing these resources. We have supplied tablets with internet access to several residents. On top of this we have delivered one to one tutorials to help people get to grips with their new devices and develop the skills they need to access the wide range of digital resources on offer. We have offered one to one creative sessions via Zoom and WhatsApp to vulnerable individuals within our community.

Small Grants: We were awarded Supporting Communities funding which enabled us to upscale the adapted services mentioned as well as being awarded £20,000 to distribute to local groups to support residents during the recovery phase and has boosted activity in litter picking, supporting families, moving church services online, canal-based youth work, gardening and more.

Volunteering: We have also employed a short-term Volunteer Coordinator who is helping us to support local resident volunteers to gradually and safely get back into volunteering at WHALE Arts.

Financial Challenges: One of our key challenges throughout the early days of lockdown was loss of earned income through the building. We have overcome this in 20/21 through generous support from funders. Projecting earned income confidently for 21/22 is our next challenge. We did not furlough any staff during lockdown as the board deemed that all staff were needed to continue to adapt and deliver services and activities.

We are now looking at reopening and restarting our own programmes and activities and reopening for room bookings – tentatively and gradually.

Our focus for 2020/21/22 is to secure investment in the core costs of the organisation and in capital development and to use the organisations core asset (the building) to full advantage. As in previous years we will continue to focus our efforts in increasing social enterprise income, fundraising activities, and to closely monitor expenditure which we predict will have a positive impact on WHALE's sustainability.

This will be all the more challenging in light of the impacts of Covid-19 on our community and on our organisation however we are embedded well locally, supported locally and nationally and feel confident about the months and years ahead.

**WHALE, THE ARTS AGENCY
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FOR THE YEAR ENDED 31 MARCH 2020**

Reference and administrative details

Charity Name Whale, The Arts Agency (known as WHALE)

Company Number SC180118

Charity Number SC020305

**Registered office &
Operational Address** WHALE Learning Centre
30 Westburn Grove
Edinburgh
EH14 2SA

Independent Examiner Kevin Cattnach CA

Whitelaw Wells
Chartered Accountants
9 Ainslie Place
Edinburgh
EH3 6AT

Bankers: Bank of Scotland
206 St Johns Road, Edinburgh EH12 8SH

Directors/Board of Trustees:

G Williams (Vice-Chair until 31/03/20) (Co-Chair from 01/04/20)
K Fowler (Co-Chair from 01/04/20) (Appointed 05/11/19)
M Herron (Chair until 31/03/20) (Resigned 17/04/20)
L Johnston (Resigned 06/01/20)
S Gibson
D Young
C Binstead
A McNiven (Appointed 06/05/19)
J Jackson (Appointed 05/11/19)
E Main (Appointed 06/01/20)
V Stevenson (Appointed 14/02/20)
R Campbell (Appointed 10/04/20)
E Maclean (Appointed 05/05/20)

**Key Management
Personnel**

(Chief Executive Officer) Leah Black

**WHALE, THE ARTS AGENCY
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Structure, Governance and Management

Governing Document

WHALE, The Arts Agency, is a company limited by guarantee having no share capital and is governed by a Memorandum and Articles of Association. It is registered as a charity with the Office of the Scottish Charity Regulator. Every member of the company undertakes to contribute to the company's assets if it should be wound up while he is a member or within one year after he ceases to be a member, a sum not exceeding £1.

Recruitment, appointment and training of directors

Board members are recruited from participants, interested local people, and through targeted recruitment based on the skills required by the organisation. As participants, or parents of service users, some Board members bring firsthand knowledge of WHALE's activities while others bring a range of professional skills.

Through six-weekly Board meetings, voluntary work and regular attendance at activities and exhibitions, Board members are actively involved with WHALE. Expert advice is sought at Board meetings when new legislation impacts on the work of WHALE.

New Board members are introduced to WHALE through discussion with the Chief Executive, current Board members and attendance at activities and events. WHALE employs external agencies to run bespoke training for Board members, offering opportunities to explore issues.

Under the Articles of Association there shall be a minimum of four and a maximum of twelve directors of the company. It is desired that local directors should be in the majority and not more than six shall be from out with the area of Wester Hailes and the surrounding district. Nominations to the Board of Directors should be submitted in writing at least 2 weeks prior to the AGM or other GM if appropriate but at the discretion of the Chairperson nominations may be accepted by the floor. Any casual vacancies may be filled by the Board.

Organisational Structure

The Charity has a Board of up to 12 members who meet every 6 weeks (and no fewer than 6 times per year). Trustees will be invited to contribute their skills and expertise in agreed sub-groups for certain projects. In addition, the office-bearers communicate regularly for the purposes of taking forward specific work areas. The Board is responsible for the strategic direction and policy of the Charity. As at 31 March 2020, the Board has 11 members from a variety of backgrounds, 6 of whom are local residents of Wester Hailes. The Chief Executive Officer, who acts as Company Secretary, also attends board meetings.

A scheme of delegation is in place. Day-to-day responsibility for the provision of the services rests with the Chief Executive Officer, who oversees operational management of the Centre and individual supervision of the staff team, carries out fundraising activities, and ensures that the team continues to develop their skills and working practices in line with good practice.

As 31 March 2020, the Chief Executive Officer was supported by a staff team consisting of Creative Programme Manager, Front of House Administrator, Digital and Communities Lead, Arts and Wellbeing Lead, Creative Placemaking Leads (Job-Share), Finance Officer, Cleaner, Community Meal Chef and Coordinator. All posts are part time, other than the Front of House Administrator, Chief Executive Officer and Arts and Wellbeing Lead. The Board would like to acknowledge the continued and valued contribution to the smooth running of the centre from its dedicated group of volunteers. Volunteers contribute to all aspects of service delivery for example reception support, communications, maintenance and gardening. The Board are also acting in a voluntary role and make considerable input to the direction of the organisation.

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RESPONSIBILITIES OF THE BOARD OF TRUSTEES

The Charity Trustees (who are also the directors of WHALE, The Arts Agency for the purposes of company law) are responsible for preparing a directors' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

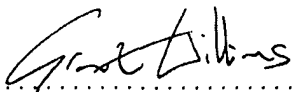
Company law requires the Charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing the financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Signed by order of the Board of Trustees:



Grant Williams
Trustee

Registered office:
WHALE Learning Centre
30 Westburn Grove
Edinburgh EH14 2SA

Approved by the Board of Trustees on 10th November 2020

WHALE, THE ARTS AGENCY

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF WHALE, THE ARTS AGENCY

I report on the accounts of the Charity for the year ended 31 March 2020 which are set out on pages 12 to 33.

Respective Responsibilities of Trustees and Examiner

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

Basis of independent examiner's statement

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

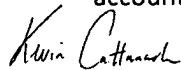
Independent examiner's statement

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

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44 (1)(a) of the 2005 Act, Regulation 4 of the 2006 Accounts Regulations (as amended) and sections 381, 382 and 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations (as amended)

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Name: Kevin Cattnach

Relevant Professional Qualification: Chartered Accountant (ICAS)

On behalf of Whitelaw Wells

9 Ainslie Place

Edinburgh, EH3 6AT

Date: 10th November 2020

WHALE, THE ARTS AGENCY
STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account)
YEAR ENDED 31 MARCH 2020

		Unrestricted £	Restricted Non-Capital £	Restricted Capital £	2020 £	2019 £
INCOME						
Income and endowments from:						
Donations and legacies	(2)	25,405	1,992	-	27,397	9,264
Charitable activities	(3)	73,805	370,832	-	444,637	350,828
Income from other trading activities		484	-	-	484	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL INCOME		99,694	372,824	-	472,518	360,092
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURE						
Expenditure on:						
Raising funds	(5)	30,862	-	-	30,862	24,445
Charitable activities	(6)	49,640	265,296	22,094	337,030	327,319
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURE		80,502	265,296	22,094	367,892	351,764
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET INCOME/(EXPENDITURE) FOR THE YEAR BEFORE TRANSFERS		19,192	107,528	(22,094)	104,626	8,328
Transfers	(13,14)	(3,819)	3,819	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		15,373	111,347	(22,094)	104,626	8,328
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes		711	-	-	711	20,148
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET MOVEMENT IN FUNDS		16,084	111,347	(22,094)	105,337	28,476
Reconciliation of Funds:						
Balances brought forward at 1 March 2019		156,460	74,119	605,819	836,398	807,922
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balances carried forward at 31 March 2020		172,544	185,466	583,725	941,735	836,398
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The Charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the Charity are classed as continuing.

The notes on pages 15 to 33 form part of these financial statements.

WHALE, THE ARTS AGENCY

**BALANCE SHEET
31 MARCH 2020**


	Note	£	2020 £	2019 £
FIXED ASSETS				
Tangible assets	9		600,156	624,956
CURRENT ASSETS				
Debtors	10	44,743		12,623
Cash at bank and in hand		340,142		232,139
		384,885		244,762
CREDITORS: amounts falling due within one year	11	(28,520)		(15,826)
NET CURRENT ASSETS			356,365	228,936
TOTAL ASSETS less current Liabilities			956,521	853,892
Creditors : amounts due in greater than one year	11		(14,786)	(17,494)
TOTAL ASSETS			941,735	836,398
FUNDS				
Unrestricted:				
Designated funds	13	6,720		8,401
General funds	13	165,824		148,059
			172,544	156,460
Restricted Funds				
Capital	14	583,725		605,819
Non-Capital	14	185,466		74,119
			769,191	679,938
TOTAL FUNDS			941,735	836,398

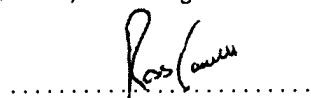
In preparing these financial statements:

- (a) The Directors are of the opinion that the company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2020.
- (b) The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2020 in accordance with Section 476 of the Companies Act 2006, and
- (c) The Directors acknowledge their responsibilities for:
 - (i) Ensuring that the company keeps accounting records which comply with Section 386 and 387 of the Companies Act 2006, and
 - (ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus or deficit for the financial year in accordance with the requirements of Section 394 and 395, and which otherwise comply with the requirements of this Act relating to the accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Trustees on 10th November 2020, and are signed on their behalf by:


G Williams


R Campbell

The notes on pages 15 to 33 form part of these financial statements

WHALE, THE ARTS AGENCY
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	<u>2020</u> £	<u>2019</u> £
Cash flows from operating activities:		
Net cash provided by operating activities	108,003	58,794
	<hr/>	<hr/>
Cash flows from investing activities:		
Purchase of tangible fixed assets	-	(2,171)
	<hr/>	<hr/>
Net cash provided used in investing activities	-	(2,171)
	<hr/>	<hr/>
Increase in cash and cash equivalents in the year	108,003	56,623
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the year	232,139	175,516
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	<u>340,142</u>	<u>232,139</u>

RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	<u>2020</u> £	<u>2019</u> £
Net movement in funds	105,337	28,476
Add back depreciation charge	24,800	24,894
Add back loss on disposal of fixed assets	-	3,302
Decrease/(increase) in debtors	(32,120)	27,188
Increase/(decrease) in creditors/provisions	9,986	(25,066)
	<hr/>	<hr/>
Net cash provided by operating activities	108,003	58,794
	<hr/>	<hr/>

The notes on pages 15 to 33 form part of these financial statements.

WHALE, THE ARTS AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of accounting

The accounts have been prepared in accordance with 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 (FRS102) (effective 1 January 2019) – Charities SORP (FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

WHALE, The Arts Agency meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless stated in the relevant accounting policy note(s).

Preparation of the accounts on a going concern basis

The Directors consider that there are no material uncertainties about the ability of the Charity to continue as a going concern for the foreseeable future. Accordingly, the accounts have been prepared on a going concern basis. This assessment of going concern includes the expected impact of COVID-19 to the entity in the 12 months following the signing of these financial statements.

Income

Income is classified under the following headings:

Income from charitable activities which comprises income received under contract or where entitlement to grant funding is subject to particular service requirements. Such income is recognised as earned (as the related services are provided).

Income from donations and legacies comprises: all incoming resources from grants that provide core funding or are of a general nature together with donations. Grants which do not have particular service requirements are included within this category of incoming resources.

Income recognition policy

Income including government and other grants is recognised when WHALE:

- Has entitlement to the funds;
- it is probable that the income will be received; and
- the amount can be reliably measured.

Entitlement is determined by the terms and conditions of the income source and will include consideration of:

- requirements for matched funding;
- performance and output on subsequent years award;
- time period when the service can take place; and
- whether conditions to deliver the project/service are within WHALE's control

WHALE, THE ARTS AGENCY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

Probability is determined by consideration of:

- offer letters
- actual receipts; and
- evaluation that the conditions of the grant are within the charity's control and can be met

Measurement is determined by:

- the offer letter;
- timescale for the completion of individual projects; and
- estimation of costs, eg retrospective grants

Income is only deferred where the donor specifies that the grant or donation may only be expended in future accounting periods or conditions imposed by the donor must be met before WHALE has unconditional entitlement to the grant or donation. In such circumstances income is credited to deferred income and accounted for as a liability.

Donated professional services and donated facilities are recognised as income when WHALE has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by WHALE of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102) general volunteer time is not recognised in the accounts. Further information is available in the trustees' annual report about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to WHALE. The value is the amount that WHALE would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Expenditure

Expenditure is recognised when a liability is incurred i.e. there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and it can be measured reliably. Contractual arrangements are recognised as goods or services are supplied.

Expenditure is classified under the following activity headings:

Expenditure on raising funds which is the expenditure incurred in attracting grants and donations;

Expenditure on charitable activities which is the expenditure associated with the various activities in furtherance of WHALE's objectives including those support costs and costs relating to the governance of the charity apportioned to charitable activities.

WHALE is not registered for VAT, so VAT is charged as a cost against the activity for which the expenditure was incurred.

The value of services provided by volunteers has not been included in these accounts as the monetary value is not easily measured.

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include finance, personnel, payroll and governance costs which support the Charity's activities. The bases on which support costs have been allocated are set out in note 6.

WHALE, THE ARTS AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES (cont'd)

Tangible Fixed Assets

Individual fixed assets costing in excess of the undernoted amounts are capitalised at cost:

Office equipment	£500
Fixtures and fittings	£1,000
Building	£2,500

Fixed assets are depreciated over their estimated useful lives on a straight line basis as follows:-

Buildings	44 years (except bike shed – 15 years and garden room – 10 years)
Fixtures, fittings and equipment	4-10 years

Financial Instruments

The charity only has financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially measured at transaction value and subsequently measured at their settlement value.

Designated Funds

Designated funds are unrestricted funds designated by the Board of Trustees for a specific purpose.

Unrestricted Funds

Unrestricted funds are grants and other income receivable or generated for the objects of the Charity without further specified purpose and are available as general funds.

Restricted Funds

Restricted funds are to be used for specific purposes as laid down by the donor and are split in the accounts to reflect purposes of a capital and non-capital nature.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight-line basis over the period of the lease.

Pensions

The Charity operates a defined contribution pension scheme for all employees who have opted to participate. The assets of the schemes are held separately from those of the Charity in an independently administered fund.

WHALE also participates in The Pensions Trust - Scottish Voluntary Sector Pension Scheme (SVSPS) which is closed to new members. The SVSPS is a multi-employer defined benefit scheme in the UK, which provides benefits to some 102 non-associated employers. The Board is unable to confirm WHALE's share of the underlying assets and liabilities of the SVSPS therefore it accounts for the scheme as a defined contribution scheme.

WHALE, THE ARTS AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

Pensions (cont'd)

The scheme is classified as a 'last-man standing arrangement'. Therefore, WHALE is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme. WHALE is also liable to contribute a share to deficits arising on the scheme through an agreed deficit recovery plan. Further information on this pension scheme can be found in note 16.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted	Restricted	2020	2019
	£	£	£	£
Donations	25,405	1,992	27,397	9,264

Income from donations and legacies was £27,397 (2019: £9,264) of which £25,405 (2019: £7,264) was unrestricted and £1,992 (2019: £2,000) was restricted.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted	Restricted	2020	2019
	£	£	£	£
<u>Grants</u>				
BBC Children In Need	-	27,872	27,872	25,549
BUPA	-	21,850	21,850	-
City of Edinburgh Council - various	-	86,534	86,534	75,397
Creative Scotland	-	23,001	23,001	-
EHSC Transition Fund	-	6,358	6,358	-
Edinburgh Airport	-	2,500	2,500	-
Edinburgh Napier University	-	18,964	18,964	-
City of Edinburgh Health Inequality Grant	-	-	-	39,536
Maple Trust	-	-	-	2,000
Nancy Massey Charitable Trust	-	2,000	2,000	-
National Lottery Community Fund	-	59,482	59,482	49,482
New Park Educational Trust	-	2,500	2,500	-
One City Trust	-	9,000	9,000	-
People's Health Trust	-	-	-	5,456
Prospect Housing Association	-	7,500	7,500	39,203
Robertson Trust	-	12,500	12,500	-
RS MacDonald Charitable Trust	-	(1,527)	(1,527)	28,152
Scottish Government	-	17,382	17,382	-
SCVO DP Charter	-	9,907	9,907	-
Stafford Trust	-	5,000	5,000	-
Trefoil Trust	-	2,000	2,000	-
Wester Hailes Community Trust	-	4,538	4,538	(2,402)
William Grant Foundation	-	25,635	25,635	-
Youthlink Scotland	-	9,697	9,697	10,000
Other small grants < £2,000	-	3,593	3,593	1,250
C/Fwd	-	356,286	356,286	273,623

WHALE, THE ARTS AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

3. INCOME FROM CHARITABLE ACTIVITIES (cont'd)

	Unrestricted £	Restricted £	2020 £	2019 £
Grant income b/fwd	-	356,286	356,286	273,623
Fees and other income	12,991	12,900	25,891	9,455
Rent and admin charges	60,814	1,646	62,460	67,750
	<hr/>	<hr/>	<hr/>	<hr/>
	73,805	370,832	444,637	350,828
	<hr/>	<hr/>	<hr/>	<hr/>

The company's income in respect of rent and admin charges is treated as income from charitable activities on the basis that the directors consider the charges are made to organisations which predominantly carry out activities that are in furtherance of the objects of the charity.

Income from charitable activities was £444,637 (2019: £350,828) of which £73,805 (2019: £63,203) was unrestricted and £370,832 (2019: £287,625) was restricted.

4. NET INCOME FOR THE YEAR

This is stated after charging: -	2020	2019
	£	£
Independent Examiner's remuneration:		
- External Scrutiny	1,800	1,800
Depreciation	24,800	24,894
Operating lease rentals	2,150	2,011
Loss on disposal of fixed assets	-	3,302
	<hr/>	<hr/>

5. EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	2020 Total £	2019 Total £
Fundraising consultancy	10,800	-	10,800	3,600
Staff costs (note 8)	20,062	-	20,062	20,845
Office costs	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	30,862	-	30,862	24,445
	<hr/>	<hr/>	<hr/>	<hr/>

Expenditure on raising funds was £30,862 (2019: £24,445) of which £30,862 (2019: £24,445) was unrestricted and £nil (2019: £nil) was restricted.

WHALE, THE ARTS AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

6. CHARITABLE EXPENDITURE

	Working with Adults £	Working with Young People £	Working in the community £	2020 £	2019 £
Direct costs allocated to activities:					
Staff costs (note 8)	72,465	43,225	49,356	165,046	179,824
Sessional staff costs	10,166	8,220	9,552	27,938	10,998
Volunteer costs	-	413	-	413	101
Childcare costs	29	25	13	67	202
Staff travel & training	984	2,857	442	4,283	3,705
Project costs	9,159	32,788	10,967	52,914	59,169
Hospitality costs	759	1,120	655	2,534	1,902
Support cost allocated to activities:					
Premises costs	11,488	9,943	5,157	26,588	19,917
Office costs	4,971	5,407	2,275	12,653	8,383
Equipment/Equipment rental	4,049	2,031	1,412	7,492	2,788
Insurance	2,262	1,957	1,015	5,234	5,054
IT & Website costs	850	662	343	1,855	1,541
Marketing costs	1,035	986	723	2,744	2,965
Accountancy	289	250	130	669	774
Independent examination	778	673	349	1,800	1,800
Depreciation	10,716	9,274	4,810	24,800	24,894
Loss on disposal of fixed assets	-	-	-	-	3,302
	<u>130,000</u>	<u>119,831</u>	<u>87,199</u>	<u>337,030</u>	<u>327,319</u>

Total charitable expenditure was £337,030 (2019: £327,319) of which £49,640 (2019: £12,114) was unrestricted and £287,390 (2019: £315,205) was restricted.

7. SUMMARY ANALYSIS OF EXPENDITURE AND RELATED INCOME FOR CHARITABLE ACTIVITIES

This table shows the cost of the three main charitable activities and the sources of income directly to support those activities

	Working with Adults £	Working with Young People £	Working in the community £	TOTAL £
Costs	(130,000)	(119,831)	(87,199)	(337,030)
Direct grant support	119,598	120,577	116,111	356,286
Other income	35,134	17,086	36,131	88,351
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net income/(expenditure)	24,732	17,832	65,043	107,607
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

WHALE, THE ARTS AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

8. STAFF COSTS

The aggregate staff costs were:

	2020 £	2019 £
Salaries	169,671	183,219
Employers' NI	9,206	10,942
Pension	6,231	6,508
	<hr/>	<hr/>
	185,108	200,669
	<hr/>	<hr/>

No employee received emoluments totalling more than £60,000 in the current or previous years.
One director received remuneration for services other than as a director/trustee during the year totalling £4,464. (2019: 1 director, £2,818).

The total employee benefits of the key management personnel were £41,226 (2019: £40,538).

Particulars of employees:

The average number of staff, calculated on a head count basis, excluding directors, employed by the Charity during the financial year was:

	2020 No.	2019 No.
Chief Executive Officer	1	1
Project staff	7	7
Admin staff	2	2
	<hr/>	<hr/>
	10	10
	<hr/>	<hr/>

WHALE, THE ARTS AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

9. TANGIBLE FIXED ASSETS

	Buildings £	Fixtures, Fittings & Equipment £	Total £
COST			
At 1 April 2019	855,539	82,269	937,808
Additions	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2020	855,539	82,269	937,808
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 April 2019	248,443	64,409	312,852
Charge for the year	20,312	4,488	24,800
	<hr/>	<hr/>	<hr/>
At 31 March 2020	268,755	68,897	337,652
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 March 2020	586,784	13,372	600,156
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2019	607,096	17,860	624,956
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The company has granted a security over its building to the Scottish Arts Council (now Creative Scotland) in respect of all obligations undertaken in terms of the funding agreement between the company and SAC. The company's building is situated on land owned by the City of Edinburgh Council to whom a ground rent of £1 is payable per annum. The terms of the lease were 25 years from the date of entry, which was in 1999. Notwithstanding the foregoing, the directors consider it appropriate that the company's building is depreciated over 44 years from 1 April 2006.

10. DEBTORS

	2020 £	2019 £
Grants receivable	37,041	-
Other debtors	7,212	11,068
Prepayments and accrued income	490	1,555
	<hr/>	<hr/>
	44,743	12,623
	<hr/> <hr/>	<hr/> <hr/>

WHALE, THE ARTS AGENCY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

11. CREDITORS: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	13,490	3,186
Other taxes and social security costs	3,339	3,529
Pension creditor	2,268	2,202
Other creditors & accruals	9,423	6,909
	<hr/>	<hr/>
	28,520	15,826
	<hr/>	<hr/>

CREDITORS: amounts falling due in greater than one year

	2020	2019
	£	£
Pension creditor	14,786	17,494
	<hr/>	<hr/>
	14,786	17,494
	<hr/>	<hr/>

12. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2020 the Charity had total commitments under non-cancellable operating leases (in respect of the lease of equipment) as set out below.

	Equipment	
	2020	2019
	£	£
Operating leases which expire:		
Due within 1 year	3,682	2,011
In 1-5 years	8,042	3,511
In greater than 5 years	-	-
	<hr/>	<hr/>
	11,724	5,522
	<hr/>	<hr/>

WHALE, THE ARTS AGENCY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

13. UNRESTRICTED FUNDS – CURRENT YEAR

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers £	Gain/(Loss) £	Balance at 31 March 2020 £
Designated Funds:						
Solar Panels	8,401	-	(1,681)	-	-	6,720
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	8,401	-	(1,681)	-	-	6,720
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
General funds	148,059	99,694	(78,821)	(3,819)	711	165,824
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	156,460	99,694	(80,502)	(3,819)	711	172,544
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

PURPOSE OF DESIGNATED FUNDS

Solar panels fund: funded by the Community and Renewable Energy Scheme and the Robertson Trust to install solar panels on the roof at WHALE. Initially this was treated as restricted funds, but once the assets were acquired a designated fund has been created to reflect the book value of the assets which is reduced over their economic life.

13. UNRESTRICTED FUNDS – PREVIOUS YEAR

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers £	Gain/(Loss) £	Balance at 31 March 2019 £
Designated Funds:						
Solar Panels	10,082	-	(1,681)	-	-	8,401
Valuing Different Perspectives	1,833	(1,833)	-	-	-	-
Community Connections	2,661	(2,661)	-	-	-	-
Other projects	1,080	(266)	(798)	(16)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	15,656	(4,760)	(2,479)	(16)	-	8,401
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
General funds	94,590	75,227	(34,080)	(7,826)	20,148	148,059
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	110,246	172,764	(138,856)	(7,842)	20,148	156,460
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

WHALE, THE ARTS AGENCY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

14. RESTRICTED FUNDS – CURRENT YEAR

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2020 £
Restricted income – non-capital					
<u>Working with Young People:</u>					
Street Arts	8,136	27,872	(27,216)	-	8,792
Creative Futures	2,372	-	-	(2,372)	-
smARTies	2,713	4,954	(2,409)	2,000	7,258
Play, Sense, Create	2,037	14,964	(13,379)	-	3,622
40 x 40	17,912	(1,527)	(15,773)	-	612
Inspire Dance	-	2,200	(2,193)	-	7
Easter/Summer Programme	(198)	2,651	(2,452)	-	1
CEC Creative Programmes	-	62,760	(62,760)	-	-
<u>Working with adults:</u>					
smART Craft	1,605	338	(3,408)	2,372	907
Stitch 'n' Time	1,478	5,146	(4,647)	-	1,977
Digital Communities	374	37,936	(30,300)	1,819	9,829
Men's Makers	-	12,425	(6,284)	-	6,141
Growing Your Own Artists	-	38,200	(3,913)	-	34,287
Let's Create	-	10,925	(4,223)	-	6,702
Adult Wellbeing	-	3,300	-	-	3,300
<u>Working in the community:</u>					
Creative Placemaking	37,675	52,265	(44,503)	-	45,437
Tasting Change	15	3,825	(3,825)	-	15
Garden Group	-	11,700	(3,533)	-	8,167
Café & Workshop	-	10,000	-	-	10,000
Explorathon (Napier)	-	3,755	(1,199)	-	2,556
Place Plan Development	-	16,964	(6,566)	-	10,398
Investing in Communities	-	14,082	(5,605)	-	8,477
Other small projects	-	38,089	(21,108)	-	16,981
	<u>74,119</u>	<u>372,824</u>	<u>(265,296)</u>	<u>3,819</u>	<u>185,466</u>
Restricted income – capital					
Building Fund	573,734	-	(18,509)	-	555,225
Refurbishment Fund	16,837	-	(2,110)	-	14,727
Westburn CAN	15,248	-	(1,475)	-	13,773
	<u>605,819</u>	<u>-</u>	<u>(22,094)</u>	<u>-</u>	<u>583,725</u>
TOTAL RESTRICTED FUNDS	<u>679,938</u>	<u>372,824</u>	<u>(287,390)</u>	<u>3,819</u>	<u>769,191</u>

WHALE, THE ARTS AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

14. RESTRICTED FUNDS (cont'd)

PURPOSE OF RESTRICTED FUNDS:

Street Arts: This is an outreach arts project working with young people in different community areas in Wester Hailes and principally funded by Children In Need.

Creative Futures: This was a music and mental health residency at WHALE Arts funded principally by Creative Scotland. The project has completed and the remaining funds were utilised by smART Craft in 19/20 as there were no remaining restrictions.

smARTies: Visual arts group for children & young people supported by Big Lottery Awards for All and the Nancy Massey Charitable Trust.

Play, Sense, Create: RS MacDonald Charitable Trust funded multi-arts project for primary aged young people with Additional Support Needs/Disabilities and their families.

Inspire Dance: Indian dance, choreography, set design, costumes for young people.

40 x 40: RS MacDonald Charitable Trust funded arts sessions for children aged 10+ with Additional Support Needs and Disabilities and their families.

Easter/Summer Programme: Funding from City of Edinburgh Council and others for small scale funded projects to provide a programme of creative activities throughout the Easter and Summer school holidays.

City of Edinburgh Council (CEC) Creative Programmes: Funds from CEC Department of Children & Families and Communities & Families to support a range of creative programmes aimed at improving outcomes of children, families and young people in Wester Hailes.

smART Craft: Visual arts and craft group tailored towards adults with additional support needs supported by William Grant Foundation.

Stitch 'n' Time: Funding from One City Trust, Bupa and William Grant Foundation for a weekly adult group working with textiles, creating pieces for the local community.

Digital Communities: Funding from the SCVO Digital Charter, Youthlink, CEC Choose Youthwork & Robertson Trust to continue to support the community news site and provide outreach support for IT and online services in Wester Hailes and Clovenstone.

Men's Makers: Funded by Bupa, One City Trust and William Grant Foundation, weekly woodworking and making group for men with a focus on skills development, making, social connections and improving mental health.

Growing Your Own Artists: Funded by Creative Scotland and William Grant Foundation an artist residency looking at creative progression pathways for over 16's into, through and from our adult creative wellbeing programme with a focus on creativity mental health and creative groups supporting those with long term conditions.

Let's Create: Funded by Bupa and William Grant Foundation a creative making group for women with a focus on improving mental health.

WHALE, THE ARTS AGENCY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

14. RESTRICTED FUNDS (cont'd)

Adult Wellbeing: Funding from the Scottish Government Investing in Communities Fund towards the Adult creative programme and trial of new activities.

Creative Placemaking: Funding from the National Lottery Community Fund for a regular programme of creative activities, one off events and participatory public art installations that respond to local assets and aspirations.

Tasting Change: Funded by the Scottish Government through the European Social Fund – Aspiring Communities Fund for a multi-agency project to address food insecurity in Wester Hailes.

Garden Group: Edinburgh Airport Funded Equipment & The Stafford Trust funded gardening activities led by volunteers.

Café & Workshop: Income from Awards for All to develop a café and community making workshop at WHALE in 20/21

Explorathon: With Napier University; a fun, interactive event which brings research to life with food and music at WHALE Arts for children and families.

Place Plan Development: A local collaborative of organisations and residents working towards the development of a Local Place Plan for Wester Hailes, funded by City of Edinburgh Council.

Investing in Communities: Funding from the Scottish Government towards community enterprise development and community capacity building across creativity, wellbeing, placemaking in Wester Hailes.

Other Small Projects: Smaller scale funds aimed at delivering a range of creative and community projects. This includes the Community Meal funded by Wester Hailes Community Trust via Prospect Housing, a collaborative project with the Fruitmarket Gallery and a research trip to Liverpool funded by Creative Scotland Go See Share Fund.

Building Fund: Grant funding received in relation to the construction of the WHALE Learning Centre.

Refurbishment Fund: Sponsorship in kind provided in prior years by Napier University and a grant from Creative Scotland for the refurbishment of the WHALE Learning Centre.

Westburn CAN: Funding from the Climate Challenge Fund to support the development of a community garden at WHALE.

WHALE, THE ARTS AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

14. RESTRICTED FUNDS (cont'd)

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2019 £
Restricted income – non-capital					
<u>Working with Young People:</u>					
Streetarts	14,483	25,549	(31,427)	(469)	8,136
Creative Futures	2,372	-	-	-	2,372
Creative Adventures	7,814	-	(7,760)	(54)	-
smARTies	1,569	4,000	(3,804)	948	2,713
Play, Sense, Create	-	6,385	(4,402)	54	2,037
Inspire Dance	-	10,000	(10,113)	113	-
40 x 40	-	28,152	(10,240)	-	17,912
Easter/Summer Programme	-	1,895	(1,172)	(921)	(198)
CEC Creative Programmes	-	62,760	(62,760)	-	-
<u>Working with adults:</u>					
smART Craft	3,024	2,905	(4,324)	-	1,605
Stitch 'n' Time	4,493	5,456	(8,461)	(10)	1,478
Digital Sentinel	-	14,341	(21,070)	7,103	374
Reducing Health Inequality	-	39,537	(39,537)	-	-
<u>Working in the community:</u>					
Creative Placemaking	29,531	51,882	(42,334)	(1,404)	37,675
Film & Moving Image Festival	5,800	100	(7,304)	1,404	-
Tasting Change	15	34,203	(34,203)	-	15
Explorathon	-	1,200	(1,200)	-	-
Other small projects	-	1,260	(2,338)	1,078	-
	<u>69,101</u>	<u>289,625</u>	<u>(292,449)</u>	<u>7,842</u>	<u>74,119</u>
Restricted income – capital					
Building Fund	592,243	-	(18,509)	-	573,734
Refurbishment Fund	18,955	-	(2,118)	-	16,837
Westburn CAN	17,377	-	(2,129)	-	15,248
	<u>628,575</u>	<u>-</u>	<u>(22,756)</u>	<u>-</u>	<u>605,819</u>
TOTAL RESTRICTED FUNDS	<u><u>697,676</u></u>	<u><u>289,625</u></u>	<u><u>(315,205)</u></u>	<u><u>7,842</u></u>	<u><u>679,938</u></u>

WHALE, THE ARTS AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2020	Restricted Funds 2020	Total Funds 2020
	£	£	£
Tangible fixed assets	16,431	583,725	600,156
Net current assets	171,702	186,931	358,633
Provision for liabilities	(17,054)	-	(17,054)
	<hr/>	<hr/>	<hr/>
Net assets	171,079	770,656	941,735
	<hr/>	<hr/>	<hr/>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - 2019

	Unrestricted Funds 2019	Restricted Funds 2019	Total Funds 2019
	£	£	£
Tangible fixed assets	19,137	605,819	624,956
Net current assets	154,817	74,119	2
Provision for liabilities	(17,494)	-	(17,494)
	<hr/>	<hr/>	<hr/>
Net assets	156,460	679,938	836,398
	<hr/>	<hr/>	<hr/>

16. PENSION SCHEME

TPT Retirement Solution – Scottish Voluntary Sector Pension Scheme

The company participates in the scheme, a multi-employer scheme which provides benefits to some 102 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

WHALE, THE ARTS AGENCY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2017. This actuarial valuation was certified on 19 December 2018 and showed assets of £120.0m, liabilities of £145.9m and a deficit of £25.9m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2026:	£1,404,638 per annum (payable monthly and increasing by 3% each year on 1 st April)
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From 1 April 2019 to 31 March 2027:	£136,701 per annum (payable monthly and increasing by 3% each year on 1 st April)
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The contributions to 30 September 2027 are in respect of those employers that have agreed concessions (both past and present) with the Trustee.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £88.2m, liabilities of £122.1m and a deficit of £33.9m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 31 October 2029:	£1,323,116 per annum (payable monthly and increasing by 3% each on 1st April)
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From 1 April 2016 to 30 September 2031:	£292,376 per annum (payable monthly and increasing by 3% each on 1st April)
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From 1 April 2016 to 30 September 2031:	£37,475 per annum (payable monthly)
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

WHALE, THE ARTS AGENCY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

PRESENT VALUES OF PROVISION

	31 March 2020 (£s)	31 March 2019 (£s)	31 March 2018 (£s)
Present value of provision	17,054	19,696	41,981

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 March 2020 (£s)	Period Ending 31 March 2019 (£s)
Provision at start of period	19,696	41,981
Unwinding of the discount factor (interest expense)	271	814
Deficit contribution paid	(2,202)	(2,951)
Remeasurements - impact of any change in assumptions	(711)	451
Remeasurements - amendments to the contribution schedule	-	(20,599)
Provision at end of period	17,054	19,696

INCOME AND EXPENDITURE IMPACT

	Period Ending 31 March 2020 (£s)	Period Ending 31 March 2019 (£s)
Interest expense	271	814
Remeasurements – impact of any change in assumptions	(711)	451
Remeasurements – amendments to the contribution schedule	-	(20,599)
Contributions paid in respect of future service*	5,960	5,694
Costs recognised in income and expenditure account	5,520	(13,640)

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

ASSUMPTIONS

	31 March 2020 % per annum	31 March 2019 % per annum	31 March 2018 % per annum
Rate of discount	2.57	1.46	2.01

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

WHALE, THE ARTS AGENCY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

DEFICIT CONTRIBUTIONS SCHEDULE

Year ending	31 March 2020 (£s)	31 March 2019 (£s)	31 March 2018 (£s)
Year 1	2,268	2,202	2,951
Year 2	2,336	2,268	3,040
Year 3	2,406	2,336	3,131
Year 4	2,478	2,406	3,225
Year 5	2,553	2,478	3,322
Year 6	2,629	2,553	3,421
Year 7	2,708	2,629	3,524
Year 8	1,395	2,708	3,630
Year 9	-	1,395	3,739
Year 10	-	-	3,851
Year 11	-	-	3,966
Year 12	-	-	4,085
Year 13	-	-	4,208
Year 14	-	-	2,167
Year 15	-	-	-
Year 16	-	-	-
Year 17	-	-	-
Year 18	-	-	-
Year 19	-	-	-
Year 20	-	-	-

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.

Defined Contribution Pension Scheme

The company also participates in the People's Pension defined contribution pension scheme. The charity's contribution to this scheme is 3% of participants' salaries which is charged to the Statement of Financial Activities in the year to which the payments relate. This scheme is open to all qualifying employees.

Contributions payable during the year were £6,231 (2019: £6,508) of which £787 (2019: £562) were outstanding at the year end.

**WHALE, THE ARTS AGENCY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020**

17. EMPLOYER DEBT ON WITHDRAWAL

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scottish Voluntary Sector Pension Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

WHALE Arts has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Scheme as at 30 September 2019. As of this date the estimated employer debt was £334,343.

18. COMPANY LIMITED BY GUARANTEE

The members have each agreed to contribute £1 in the event of the company being wound up.

19. RELATED PARTY TRANSACTIONS

Other than disclosed in note 8, no director or a person related to a director had any personal interest in any other contract or transaction entered into by the Charity during the year.

20. TAXATION

The company has charitable status and is therefore exempt from tax on its charitable income under the provision of section 505 of the Income and Corporation Taxes Act 1988.