

The Saltire Society

(Charity No: SC0 04962)

**Report of the Trustees and Unaudited Financial Statements
For the Year Ended 31 March 2020**

THE SALTIRE SOCIETY

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THE SALTIRE SOCIETY

REFERENCE AND ADMINISTRATIVE DETAILS

For the year ended 31 March 2020

Registered Charity number - SC0 04962

Principal address

9 Fountain Close
22 High Street
Edinburgh EH1 1TF

Trustees

Professor Sally Mapstone	President
Professor Alan Riach	Convener (stepped down 21 September 2019)
John Scott Moncrieff	Vice Convener (stepped down 21 September 2019)
	Convener (elected 21 September 2019)
Bryan Rankin	Treasurer (stepped down 21 September 2019)
David Ogilvie	Treasurer (elected 21 September 2019)
Dolina Maclennan	Vice Convener (elected 21 September 2019)

Executive Board

Professor Alan Riach	(stepped down 21 September 2019)
John Scott Moncrieff	(elected 21 September 2019)
Dolina Maclennan	
Carl MacDougall	
Barbara Maclean	
David Ogilvie	(elected 21 September 2019)
Bryan Rankin	(stepped down 21 September 2019)

Council

Professor Alan Riach	Convener (stepped down 21 September 2019)
John Scott Moncrieff	Vice Convener (stepped down 21 September 2019)
	Convener (elected 21 September 2019)
Bryan Rankin	Treasurer (stepped down 21 September 2019)
David Ogilvie	Treasurer (elected 21 September 2019)
Dolina Maclennan	Vice Convener (elected 21 September 2019)
Professor Alexander Broadie	(stepped down 21 September 2019)
Professor Ian Brown	(elected 21 September 2019)
Susan Garnsworthy	(elected 21 September 2019)
Andrew Lendrum	
Jennifer Lindsay	
Jim Miller	
Professor Ian Russell	
Laura Scott	(elected 21 September 2019)
Neville Singh	
John Yellowlees	(stepped down 21 September 2019)

Financial Strategy and Audit Committee

The Financial Strategy and Audit Committee was merged with the Executive Board in September 2019.

THE SALTIRE SOCIETY

**REFERENCE AND ADMINISTRATIVE DETAILS (continued)
For the year ended 31 March 2020**

Director

Sarah Mason

Independent Examiner

Emma Marshall, CA
Geoghegans Chartered Accountants
6 St Colme Street
Edinburgh
EH3 6AD

Solicitors

CMS Cameron McKenna LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EN

Bankers

Adam & Company
25 St Andrew Square
Edinburgh
EH2 1AF

Investment Managers

Brewin Dolphin
144 Morrison Street
Edinburgh
EH3 8EX

THE SALTIRE SOCIETY

REPORT OF THE TRUSTEES

For the year ended 31 March 2020

The Trustees present their report with the financial statements of the charity for the year ended 31 March 2020.

OBJECTIVES AND ACTIVITIES

The objectives of the Society are educational, cultural and exclusively charitable in law, namely to:

- Increase public awareness of Scotland's distinct natural and cultural heritage in all its richness and diversity and foster the cherishing and enrichment of all aspects of that heritage, including the Scots and Gaelic languages;
- Enhance the quality of Scotland's contribution to all the arts and sciences by encouraging creativity, inventiveness and the achievement of the highest standards of excellence in these fields;
- Build on the achievements of the past to advance Scotland's standing as a vibrant, creative force in European civilisation; and
- Improve all aspects of Scottish life and letters at home and abroad and strengthen Scotland's cultural links with other countries and peoples.

The Society may co-operate with other organisations on matters which are in accordance with its objectives and give appropriate public expression to its views (as formulated by a General Meeting or by Council) within the constraint that the Society has no party-political or sectarian affiliation.

ACHIEVEMENTS AND PERFORMANCE

The 2019/20 session has seen some notable highlights in our work as a promoter, supporter and advocate in all aspects of Scotland's cultural life. The financial year saw the continued development of the Inspiring Scotland Bursaries, supporting emerging creatives with new partners and opportunities created.

Our Awards programme continues to have a significant and growing profile and cultural spread as we seek to celebrate and promote Scottish achievements across a wide range of cultural activities.

We have continued to work to bring Scotland's diverse languages to the fore. Our support for and involvement with the Wigtown Scots Poetry Competition, the strong presence of Gaelic and Scots submissions to our Literary Awards and our support for Scottish Language Dictionaries through their Board are examples of this commitment.

We are also active members of Publishing Scotland, the Literature Alliance Scotland, Arts and Business Scotland and, continuing our literary commitments, we are involved in Makar's Court.

2019 saw the introduction of two new Awards within the literary programme, the Book Design Award, recognising the literary design talent in Scotland and the literary Lifetime Achievement Award, which was presented to Alasdair Gray, who sadly passed away at the end of 2019.

The Housing Design Awards continue to thrive and are highly regarded within their areas. The Housing Awards were held in the Scottish Parliament for the first time in 2019 and saw Nick Barley, Director of the Edinburgh Book Festival was the Award's Guest Chair. We are grateful to the Scottish Government and our supporters and partners for their contribution.

The use of our building by a wide variety of cultural groups, individuals and Affiliate Members of the Society continues to increase, bringing ever more people into contact with the Society and its work.

THE SALTIRE SOCIETY

REPORT OF THE TRUSTEES (continued) For the year ended 31 March 2020

ACHIEVEMENTS AND PERFORMANCE (continued)

As well as the annual programme of meetings, the Society held a successful series of events during August 2019. The Society is fortunate to have the efforts, time and expertise of many people who are committed to and care about our work as a truly independent, non-political advocate and supporter of Scottish culture. Our Awards panels give our Awards credibility and integrity. The same commitment is evident in committees of our branches throughout the country and in our Trustees. We are indebted to them for their support. We have also continued to benefit from partnerships with Project Scotland and Dundee University bringing us to new audiences and having the opportunity to work with volunteers.

Communications and Profile

2019 saw the Society's social media presence, specifically on Instagram, Twitter and Facebook increase its engagement with both new and younger audiences, ensuring the Society is relevant to Scotland today.

The Society's programme of Awards achieved extensive coverage in print, broadcast and social media. Working to achieve a positive profile for the Society and its work helps as a means of giving credence to our fundraising ambitions for the Saltire Society Trust. We have seen continued and positive progress in social media, with an increase in Twitter followers for the Society's own account from 6,350 to 6,966. Facebook has seen an increase in the number of views we have on a weekly basis and has become a good platform for promoting our local branches events. Local branches have also continued to develop their social media with a focus on local Facebook pages to great success.

Instagram has grown as a successful tool in both promoting and sustaining audience engagement with our events, Award shortlists and recipients.

AWARDS

We are committed to an ongoing approach to our Awards that ensures we are striving for greater impact and higher standards every year. There is evidence of progress across the board. The 2019/20 session saw the following events and Awards:

Housing Design Awards 2019

Saltire Fringe Event - Exhibition Launch

Saltire Fringe Event - Vivid Rebellion, the Heretics Old and New

Saltire Fringe Event - MacDiarmid: a celebration

Saltire Fringe Event - Donald Campbell

Saltire Fringe Event - Duncan Ban Macintyre: his life times and verse

Saltire Fringe Event - Donald S Murray

Saltire Fringe Event - The Folksong Flyting

Fletcher of Saltoun Awards 2019

Outstanding Women of Scotland 2019

Literary Awards Shortlist announcement and reception and the Saltire Literary Awards 2019 Ceremony

THE SALTIRE SOCIETY

REPORT OF THE TRUSTEES (continued)

For the year ended 31 March 2020

AWARDS (continued)

Inspiring Scotland Programme, through the support of the Saltire Trust, includes:

- Inspiring Scotland Bursary for Poetry in partnership with the Scottish Poetry Library
- Inspiring Scotland Bursary for Art and Creative Writing in Partnership with Dundee University and the V&A
- Inspiring Scotland Bursary with Edinburgh Arts Festival
- The Alasdair Gray Scotland Inspiring Bursary
- The Edwin Morgan Inspiring Scotland Bursary

More details on all our Awards and events can be found on our website

www.saltiresociety.org.uk

Public Benefit

The Saltire Society's work endeavours to increase public awareness and participation in the innovative and creative work being done by artists, engineers, architects and creatives alike all over Scotland. Engaging in the arts and culture has proven health benefits including contributing to positive mental health and wellbeing.

Membership Developments

The commitment of individual members continues to support the Society and its aims. While sadly we have to report the passing of seven members over the year, we have seen 36 new members join the Society, which shows a slow yet steady increase in members.

The Affiliate membership continues to be popular with other organisations and as well as increasing audience, the affiliate membership has been a successful tool for building new relationships.

2020 will see a review of the membership to ensure the Society is offering the best for its members and Scotland's cultural community.

Local Branches

The Saltire Society is very fortunate to have the support of volunteers around Scotland who run a series of events in their local area for their branch members.

You can find out more about these events and details of future events at

www.saltiresociety.org.uk/aboutus/branches

Partnerships

Partnerships are key to ensuring the Society, with a small core team, can reach its key ambitions and aims. As well as increasing our impact and engaging with new and often younger constituencies, our partnerships ensure our work can be achieved in a cost-effective way. In the reporting year we continued to work with Creative Scotland, International Futures Forum, Women of the World Festival, the National Library of Scotland, the Scottish Poetry Library, the Society of Young Publishers Scotland, Literature Alliance Scotland, The Edwin Morgan Centenary, Luminare, Edinburgh Art Festival, Publishing Scotland, the Scottish Historical Review Trust, Dundee University, Circus Starr, and the Scottish Government.

THE SALTIRE SOCIETY

REPORT OF THE TRUSTEES (continued) For the year ended 31 March 2020

Support, sponsorship and benefactors

The Saltire Society acknowledges with gratitude, financial assistance and/or in kind support from the following organisations:

Creative Scotland
Literature Alliance Scotland
National Library of Scotland
Publishing Scotland
Saltire Society Trust
Scottish Book Trust
Scottish Historical Review Trust
Scottish Poetry Library
Scottish Storytelling Centre
Society of Young Publishers Scotland
Robert B Jeffrey Trust
Waterstones
Booksellers Association
Golden Hare Books
Scottish Government

Legacies

The Saltire Society was extremely grateful to receive a legacy from long-standing member Margaret Reid and from Saltire Society champion and stalwart Paul Henderson Scott in 2019 to support the Society's work.

THE SALTIRE SOCIETY

REPORT OF THE TRUSTEES (continued)

For the year ended 31 March 2020

FINANCE REVIEW

The financial activities of the Society are set out on pages 11 to 21.

The Statement of Financial Activities shows a net reduction in funds over the year of £4,049 (2019: £13,605) of which £8,417 (2019: £19,307) related to a net surplus on operations, with net loss on investments of £12,466 (2019: gain of £5,702).

Income for the year of £202,259 was higher than for the previous year (2019: £184,181) with increases in grants and funding for events and some bequests.

Net assets have reduced from £254,152 at 31 March 2019 to £250,103 at 31 March 2020 in line with the net reduction in funds. Of these net assets, £228,933 were unrestricted and £21,170 were restricted.

The Saltire Society continues to benefit from donations from the Saltire Society Trust. In this current year the Trust increased its level of donations to increase its support of the Society. The Society seeks to increase its income from other sources and to limit its operating costs to enable all its charitable activities to be maintained, for which the Society is grateful.

RESERVES POLICY

The Trustees' policy is to maintain a level of reserves which is equivalent to six months' running costs, to provide some protection against future income shortfalls or unexpected cost increases. At 31 March 2020, total reserves were £250,103, made up of unrestricted reserves of £228,933 (2019: £231,724) and restricted reserves of £21,170 (2019: £22,428). Free reserves, defined as those unrestricted reserves not held as tangible fixed assets, were £170,866 (2019: £173,576). The reserves are currently more than sufficient to cover six months' costs; however it is anticipated that they may be depleted in the short term as the Saltire Society Trust seeks to increase its funds and provide a more secure level of annual funding for the Society.

RISK MANAGEMENT

The trustees maintain a Risk Register and have identified the major risk as being the long-term financial viability of the Society. The Saltire Society Trust was established as a means of addressing that long-term risk and good progress has been made to date. The trustees regularly review all of the risks to which the Society is exposed and the procedures in place to manage these risks. The 2019/20 session saw the introduction of the Saltire and Trust workshops, which have seen Trustees of both the Society and Trust coming together to discuss the future of both organisations and to put on place future plans, both fundraising and strategy.

GENERAL DATA PROTECTION REGULATIONS (GDPR)

The Society and its Trustees are aware that new data processing legislation was introduced on the 25 May 2018. We are committed to continuing to handling personal data in accordance with data protection legislation and best practice.

Our updated privacy policy can be viewed on the Society's website.

INVESTMENT POLICY AND OBJECTIVES

The Society engages Brewin Dolphin as investment managers. The Society's investment policy is geared towards a balanced return between capital and income.

THE SALTIRE SOCIETY

REPORT OF THE TRUSTEES (continued)

For the year ended 31 March 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Society is governed by its constitution, which was last updated and approved by OSCR in 2013.

As well as the National Board of Trustees, the Society has benefited from the commitment and expertise of the Financial Strategy and Audit Committee, which merged with the Executive Board (July 2019) to streamline administration.

The Society also has the aforementioned Executive Board, convened by Alan Riach until 21 September 2019 and then by John Scott Moncrieff. The Board meets regularly and is responsible for advising the Council on strategic priorities, recruiting staff and reviewing the activities of the Society on a regular basis.

Recruitment and appointment of new trustees

Trustees are appointed at our Annual General Meeting through a nomination and election process from amongst the membership in accordance with our constitution. Once appointed, trustees are invited to meet with the Programme Director in the first instance, to receive an induction and briefing on an individual basis. The Saltire Society holds an annual away day for its trustees where training and inductions are received. If Trustees are unable to attend the Society's training the Society's staff will endeavour to find alternative training for that individual.

Trustees

Members of Council, who are the trustees for the purpose of Charity law, who served during the year and up to the date of this report, are set out on page 1.

Covid 19 Response

The outbreak of Covid19 started to affect the Society and Trust's work before the end of the financial year. On 17 March 2020, Headquarters was closed and all staff began to work from home. Room hire bookings and events due to take place within the following six weeks were cancelled or delayed and all meetings were moved to online.

The Society and Trust's governance was moved to an online platform along with financial management.

The three year business plan was reviewed and adjusted to ensure that as much of the Society's work could continue while being run and developed in a safe and practical manner.

The Society and Trust' priorities have been discussed with Trustees and the priorities for the calendar year of 2020 have been agreed with budget, plans and administration being reviewed every 3 months by Trustees, every 6 weeks by the Society's Board and weekly with the Society's Convener.

THE SALTIRE SOCIETY

**REPORT OF THE TRUSTEES (continued)
For the year ended 31 March 2020**

TRUSTEES' RESPONSIBILITIES STATEMENT

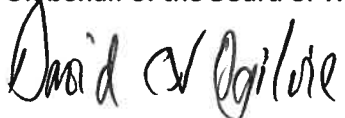
The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Charity SORP 2019 (FRS 102);
- 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; and
- 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.

On behalf of the Board of Trustees



David Ogilvie
Trustee

28th September 2020

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE SALTIRE SOCIETY
For the year ended 31 March 2020

I report on the financial statements of the charity for the year ended 31 March 2020 which are set out on pages 11 to 21.

Respective responsibilities of Trustees and Examiner

The charity's Trustees are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity Trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the financial statements 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 2006 Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, 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 financial statements.

Independent examiner's statement

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

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations;have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Emma Marshall, CA
Independent Examiner
Geoghegans
Chartered Accountants
6 St Colme Street
Edinburgh
EH3 6AD

28 September 2020

THE SALTIRE SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES

For the Year Ended 31 March 2020

	Note	Unrestricted General and Branch Funds £	Restricted Funds £	2020 Total Funds £	2019 Total Funds £
INCOME FROM:					
Donations, grants and legacies	2	118,439	61,500	179,939	161,693
Charitable Activities	3	13,478	4,030	17,508	16,537
Investments	4	4,812	-	4,812	5,951
Total income		<u>136,729</u>	<u>65,530</u>	<u>202,259</u>	<u>184,181</u>
EXPENDITURE ON:					
Raising funds	5	1,586	-	1,586	1,463
Charitable activities	6	122,984	69,272	192,256	202,025
Total expenditure		<u>124,570</u>	<u>69,272</u>	<u>193,842</u>	<u>203,488</u>
Net (expenditure) before (losses)/gains on investments		12,159	(3,742)	8,417	(19,307)
(Losses)/gains on investments	10	(12,466)	-	(12,466)	5,702
Net income/(expenditure)		(307)	(3,742)	(4,049)	(13,605)
Transfer between funds		(2,484)	2,484	-	-
Net movement in funds		(2,791)	(1,258)	(4,049)	(13,605)
RECONCILIATION OF FUNDS					
Total funds brought forward	13	<u>231,724</u>	<u>22,428</u>	<u>254,152</u>	<u>267,757</u>
TOTAL FUNDS CARRIED FORWARD	13	<u>228,933</u>	<u>21,170</u>	<u>250,103</u>	<u>254,152</u>

THE SALTIRE SOCIETY

BALANCE SHEET
At 31 March 2020

	Note	Unrestricted General Fund £	Restricted Funds £	2020 Total Funds £	2019 Total Funds £
FIXED ASSETS					
Tangible assets	9	58,067	-	58,067	58,148
Investments	10	127,439	-	127,439	175,631
		<u>185,506</u>	<u>-</u>	<u>185,506</u>	<u>233,779</u>
CURRENT ASSETS					
Debtors	11	-	5,000	5,000	-
Cash at bank and in hand		56,946	16,170	78,116	44,631
		<u>61,946</u>	<u>21,170</u>	<u>78,116</u>	<u>44,631</u>
LIABILITIES					
Creditors: amounts falling due within one year	12	(18,519)	-	(18,519)	(24,258)
NET CURRENT ASSETS		<u>43,427</u>	<u>21,170</u>	<u>64,597</u>	<u>20,373</u>
NET ASSETS		<u>228,933</u>	<u>21,170</u>	<u>250,103</u>	<u>254,152</u>
FUNDS					
Unrestricted funds	13,14			228,933	231,724
Restricted funds	13,14			21,170	22,428
				<u>250,103</u>	<u>254,152</u>

The financial statements were approved by the Trustees on 18 September 2020 and were signed on their behalf by:



David Ogilvie
Trustee

THE SALTIRE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

1. ACCOUNTING POLICIES

Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention, modified by the revaluation of its investment assets, with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these financial statements.

The financial statements are presented in sterling, which is the functional currency of the charity, and are rounded to the nearest £.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and UK Generally Accepted Accounting Practice.

The Saltire Society meets the definition of a public benefit entity under FRS102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes and is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

1. ACCOUNTING POLICIES (CONTINUED)

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixture and Equipment - 25%

Trustees believe that the heritable property will not decline below its current book value and therefore depreciation is not being charged on the building. A heating system has been included in the heritable costs and this is being depreciated at 20% on cost.

Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

THE SALTIRE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

1. ACCOUNTING POLICIES (CONTINUED)

Cash at Bank

Cash at bank and in hand on the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Taxation

The charity is exempt from tax on its charitable activities.

Operating Leases

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of financial activity on a straight-line basis over the lease term.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for the particular restricted purpose within the object of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

2. DONATIONS	2020	2019
	£	£
Donations: The Saltire Society Trust	85,000	85,000
Other	1,649	13,012
Legacies	22,153	-
Grants	61,500	53,370
Subscriptions	9,637	10,311
	<u>179,939</u>	<u>161,693</u>
 <i>Grants received are as follows:</i>		
Creative Scotland	40,000	31,870
Scottish Government	21,500	21,500
	<u>61,500</u>	<u>53,370</u>

Income from donations was £179,939 (2019: £161,693) of which £118,439 (2019: £108,323) related to unrestricted funds and £61,500 (2019: £53,370) related to restricted funds.

THE SALTIRE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2020

3. CHARITABLE ACTIVITIES	2020 £	2019 £
Awards and events	4,030	6,835
Branch activities	13,203	9,702
Publication income	275	-
	<u>17,508</u>	<u>16,537</u>

Income from charitable activities was £17,508 (2019: £16,537) of which £13,478 (2019: £9,702) related to unrestricted funds and £4,030 (2019: £6,835) related to restricted funds.

4. INVESTMENT INCOME	2020 £	2019 £
Dividends and interest	<u>4,812</u>	<u>5,951</u>

Income from investments was £4,812 (2019: £5,951) all of which in 2018/19 and 2019/20 related to unrestricted funds.

5. RAISING FUNDS	2020 £	2019 £
Investment management costs	<u>1,586</u>	<u>1,463</u>

Expenditure on raising funds was £1,586 (2019: £1,463) all of which in 2018/19 and 2019/20 related to unrestricted funds.

6. CHARITABLE ACTIVITIES	2020 £	2019 £
Awards and events	69,272	75,754
Projects	9,337	12,530
Publications	550	1,382
Branch activities	16,361	15,016
Support costs (note 7)	96,736	97,343
	<u>192,256</u>	<u>202,025</u>

Expenditure on charitable activities was £192,256 (2019: £202,025) of which £122,984 (2019: £126,271) related to unrestricted funds and £69,272 (2019: £75,754) to restricted funds.

Branch costs include branch expenses met from the general fund.

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For the year ended 31 March 2020

	2020	2019
	£	£
7. SUPPORT COSTS		
Staff costs	58,963	56,338
Premises and other office costs	32,296	35,062
Website and brand development	2,005	1,798
Depreciation	80	1,145
Governance costs – independent examiner’s fees	3,392	3,000
	<u>96,736</u>	<u>97,343</u>

Expenditure on support costs related to unrestricted funds in both the current and prior year.

	2020	2019
	£	£
8. STAFF COSTS		
Wages and salaries	59,280	58,239
National insurance	2,467	1,312
Pension costs	3,216	2,517
Staff Training and recruitment	-	270
	<u>64,963</u>	<u>62,338</u>
Allocated to Support Costs	58,963	56,338
Allocated to Awards Costs	6,000	6,000
	<u>64,963</u>	<u>62,338</u>

The average number of employees during the year was 3 (2019: 2).

No trustee received any remuneration or other benefits in the year (2019: nil). Trustees are reimbursed for reasonable expenses incurred in the performance of their duties, mainly relating to travel and subsistence. Total expenses of £281 (2019: £315) were paid to 2 (2019: 3) trustees.

The key management personnel comprise of the trustees and the programme director. The total amount of remuneration paid in the year to the Programme Director was £37,054 (2019: £39,825).

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For the year ended 31 March 2020

	Heritable Property £	Fixtures and Equipment £	Total £
9. TANGIBLE FIXED ASSETS			
COST			
At 1 April 2019	62,526	39,796	102,322
Additions	-	-	-
At 31 March 2020	<u>62,526</u>	<u>39,796</u>	<u>102,322</u>
DEPRECIATION			
At 1 April 2019	4,459	39,715	44,174
Charge for the year	-	81	81
At 31 March 2020	<u>4,459</u>	<u>39,796</u>	<u>44,255</u>
NET BOOK VALUE			
At 31 March 2020	<u>58,067</u>	-	<u>58,067</u>
At 31 March 2019	<u>58,067</u>	<u>81</u>	<u>58,148</u>
		2020	2019
10. FIXED ASSET INVESTMENTS		£	£
At 1 April 2019		175,631	171,246
Additions		12,101	12,150
Disposals		(48,123)	(13,400)
Movement in cash held		296	(67)
Net (losses)/gains on revaluation		<u>(12,466)</u>	<u>5,702</u>
Fair value at 31 March 2020		<u>127,439</u>	<u>175,631</u>
Historical cost value at 31 March 2020		<u>119,445</u>	<u>144,652</u>
		2020	2019
11. DEBTORS		£	£
Accrued income		<u>5,000</u>	<u>-</u>
		2020	2019
12. LIABILITIES: Creditors falling due within one year		£	£
Trade creditors		-	390
Social Security and other taxes		1,712	300
Other creditors		7,407	14,972
Accruals		<u>9,400</u>	<u>8,596</u>
		<u>18,519</u>	<u>24,258</u>

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For the year ended 31 March 2020

13. MOVEMENT IN FUNDS for the year ended 31 March 2020

	At 1 April 2019 £	Income £	Expenditure £	Gains/ (losses) on investments £	Transfers £	At 31 March 2020 £
Unrestricted Funds						
General and Branch Funds	231,724	136,729	(124,570)	(12,466)	(2,484)	228,933
Restricted Funds						
Robert Hurd Memorial Fund	1,100	-	-	-	-	1,100
Housing awards	13,956	22,030	(23,288)	-	-	12,698
Civil engineering awards	7,372	-	-	-	-	7,372
Literary Awards	-	43,500	(45,984)	-	2,484	-
	<u>22,428</u>	<u>65,530</u>	<u>(69,272)</u>	<u>-</u>	<u>2,484</u>	<u>21,170</u>
Total Funds	<u>254,152</u>	<u>202,259</u>	<u>(193,842)</u>	<u>(12,466)</u>	<u>-</u>	<u>250,103</u>

The unrestricted funds:

- Represents the funds held at Head Office and in the Branch Accounts which are maintained separately.

The restricted funds are:

- **The Housing awards fund** represents funds provided for the organisation and running of the Housing awards and their corresponding events.
- **Civil Engineering awards fund** represents funds provided for the organisation and running of the Civil Engineering awards and their corresponding events.
- **Literary awards fund** represents funds provided for the organisation and running of the Literary Awards and their corresponding events.
- **The Robert Hurd Memorial Fund** represents funds provided for the running of the Robert Hurd Bursaries and their corresponding events.

THE SALTIRE SOCIETY
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13. MOVEMENT IN FUNDS (continued)
The comparatives for 31 March 2019 are as follows

	At 1 April 2018 £	Income £	Expenditure £	Gains/ (losses) on investments £	Transfers £	At 31 March 2019 £
Unrestricted Funds						
General and Branch Funds	<u>234,657</u>	<u>124,486</u>	<u>(127,734)</u>	<u>5,702</u>	<u>(5,387)</u>	<u>231,724</u>
Restricted Funds						
Robert Hurd Memorial Fund	1,100	-	(9,500)	-	9,500	1,100
Housing awards	14,816	21,500	(22,360)	-	-	13,956
Civil engineering awards	8,602	-	(1,230)	-	-	7,372
Literary awards	8,582	38,195	(42,664)	-	(4,113)	-
	<u>33,100</u>	<u>59,695</u>	<u>(75,754)</u>	<u>-</u>	<u>5,387</u>	<u>22,428</u>
Total Funds	<u>267,757</u>	<u>184,181</u>	<u>(203,488)</u>	<u>5,702</u>	<u>-</u>	<u>254,152</u>

The unrestricted funds:

- Represents the funds held at Head Office and in the Branch Accounts which are maintained separately.

The restricted funds are:

- **The Robert Hurd Memorial Fund** represents funds provided for the running of the Robert Hurd Bursaries and their corresponding events. Following a decision taken in 2015, the assets of the fund were transferred to the Saltire Trust on 17 June 2016, less £1,100 retained to meet the 2017 bursaries.
- **The Housing awards fund** represents funds provided for the organisation and running of the Housing awards and their corresponding events.
- **Civil Engineering awards fund** - The Civil Engineering awards fund represents funds provided for the organisation and running of the Civil Engineering awards and their corresponding events.
- **Literary awards fund** - The Literary award fund represents funds provided for the organisation and running of the Literary Awards and their corresponding events.
- **International travel award fund** - The International award fund represents funds provided for the organisation and running of the International Travel Awards and their corresponding events.
- **Scotlit Fest fund** represents funds provided for the organisation and running of the virtual book festival and the corresponding events.

In 2017, a grant received for a Robert Hurd Bursary was included as income for the Literary Awards restricted fund and on paying out the bursary in 2019, a transfer was made from the Literary Awards fund to the Robert Hurd Memorial Fund. This led to an overspend in the Literary Awards fund which was balanced to zero with a transfer from the General fund.

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14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Restricted	Total 2020
	£	£	£
Tangible fixed assets	58,067	-	58,067
Investments	127,439	-	127,439
Net current assets	<u>43,427</u>	<u>21,170</u>	<u>64,597</u>
 Net assets at 31 March 2020	 <u>228,933</u>	 <u>21,170</u>	 <u>250,103</u>
	Unrestricted	Restricted	Total 2019
	£	£	£
Tangible fixed assets	58,148	-	58,148
Investments	175,631	-	175,631
Net current assets	<u>(2,055)</u>	<u>22,428</u>	<u>20,373</u>
 Net assets at 31 March 2019	 <u>231,724</u>	 <u>22,428</u>	 <u>254,152</u>

15. RELATED PARTY TRANSACTIONS

During the year the charity received donations of £85,000 (2019: £85,000) from the Saltire Society Trust, a charity in which Bryan Rankin, trustee until 21 September 2019, is also a Patron.

