

**Fife Cultural Trust**  
**(a company limited by guarantee)**

**Report and consolidated financial statements for the  
year ended 31 March 2015**

**Registered number SC415704**

**Charity number SC043442**

# **Fife Cultural Trust**

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# Fife Cultural Trust

## Company information

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### Directors

KE Brown  
DH Caldwell  
SR Cross (Chair)  
LW Erskine  
BJ Goodall  
BE Lawrie  
DF MacGregor  
CEM May  
FC Quinault  
M Shirkie  
JK Steele  
K Taylor

### Secretary

J McPhail

### Registered office

16 East Fergus Place  
Kirkcaldy  
KY1 1XT

### Auditors

Henderson Loggie  
The Vision Building  
20 Greenmarket  
Dundee  
DD1 4QB

### Solicitors

Burness Paull  
50 Lothian Road  
Edinburgh  
EH3 9WJ

### Bankers

Royal Bank of Scotland  
Glenrothes Branch  
3 Falkland Gate  
Kingdom Centre  
Glenrothes  
KY7 5NS

### Charity number

SC043442

## **Fife Cultural Trust**

### **Directors' report**

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The directors have pleasure in submitting their annual report and accounts for the period ended 31 March 2015. The company information set out on page 1 forms part of this report. The accounts comply with the Memorandum and Articles of Association of the company and the recommendations of the Statement of Recommended Practice - "Accounting and Reporting by Charities" and current statutory requirements.

#### **2014-15 Report**

This is the third annual report for Fife Cultural Trust (FCT), covering the period 1<sup>st</sup> April 2014 – 31<sup>st</sup> March 2015.

FCT was established by Fife Council on 1<sup>st</sup> October 2012 to deliver Libraries, Arts, Museums, Galleries, Theatres, Cultural Partnerships and Archive Services on behalf of Fife Council in order to ensure the long-term sustainability of these services. FCT encompasses the functions of the former Arts and Theatres Trust Fife Limited (AttFife) marketed as ON at Fife.

FCT currently employs 306 (210.91 FTE) permanent staff and 41.5 (36 FTE) temporary staff along with 106 casual staff (a total of 452.2 staff members), the majority of whom live within the kingdom of Fife, and has annual turnover of just under £11m.

Financial planning for the longer-term sustainability of the organisation, given the scale of the financial challenges facing local government and the public sector more generally, has been and remains a key focus for the Board and Executive Team. In February 2013 when Fife Council set its budget, a budget savings target of £1.485m was applied to FCT. A further £234,000 representing a 1% efficiency savings target was subsequently applied to the total savings which will be delivered through FCT by 2017/18 to £1.7m.

FCT has already delivered £906,000 of these savings and £813,000 remains to be delivered by March 2018. Proposals for the delivery of these savings are currently being considered by Fife Council and have been developed as a result of a strategic review of all FCT services.

Fife is recognised nationally for its long established and proud tradition of delivering quality cultural services for all. Fife residents recognise the importance that culture plays in enhancing the quality of life, creativity, wealth and health of their communities.

FCT is responsible for operating and delivering the following facilities and services:

- 47 libraries, 3 mobile libraries and library services to primary schools
- 7 museums, 1 heritage centre, 2 heritage sites and 1 mobile museum
- 4 Theatre and community venues
- Fife's historical archives and Fife Council's record management
- Fife's Cultural Strategy, Partnerships and Consortium
- Maintenance and development of library services within Fife Council's 4 integrated customer service facilities
- Stewardship and care for the objects and archives in Fife Council's collections

## **Fife Cultural Trust**

### **Directors' report (continued)**

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#### **Charitable status**

FCT is a company limited by guarantee (SC415704), governed by its memorandum and articles of association, and does not have a share capital. Membership is open only to Fife Council and the member has undertaken to contribute an amount not exceeding one pound towards any deficit arising in the event of the company being wound up. The company has charitable status under Section 505 of the Income and Corporation Taxes Act 1988 and the Scottish Charity Number is SC043442.

#### **Directors**

FCT's Board comprises 13 Directors, composed of 4 elected members of Fife Council, and 9 independent Directors. There is currently one vacancy on the Board, following the resignation of Carole Patrick in July 2013, and recruitment to fill that vacancy is now being progressed, led by the Nominations Committee, informed by a recent skills assessment exercise by the Board.

FCT has a trading subsidiary, Fife Cultural Services (Trading) Ltd, of which the primary objects are to carry on activities which benefit the community primarily within the area served by Fife Council. The trading subsidiary can have up to 6 directors on its Board, and currently 4 of these places are taken up by directors drawn from the Board of the main company, FCT, and one external business partner. The Board is keen to grasp the opportunity which the trading subsidiary represents to look at ways in which the facilities which the Trust operates can be utilised to generate income and strengthen relationships with the business community, and also to maximise the sponsorship, income streams, and revenue generating opportunities which can be created through having the subsidiary in existence. Recruitment is ongoing to fill the current vacancy on the trading subsidiary Board.

The directors who served during the period on both the main company and the trading subsidiary are included in their accounts.

#### **Policies and procedures for induction and training of directors**

An induction process is in place for new directors, which is reviewed and updated on an annual basis. This covers the strategic and operational issues affecting the company. The ongoing training needs of directors are considered by the Board as required and on an annual basis, a process led by the Chair through engagement with individual directors.

#### **Risk**

The major strategic, business and operational risks that the organisation faces have been identified and are reviewed by the Board periodically, and in detail on a regular basis by the Finance and Audit Committee. Systems have been established and are regularly reviewed. These are strengthened as required to ensure that the necessary steps are taken to lessen these risks.

#### **Objectives and activities**

##### **Principal activity**

FCT is a company limited by guarantee of which the principal activity is the provision of cultural services for Fife, including Libraries, Museums, Archives, Theatres, and Community development in the creative and cultural fields.

## **Fife Cultural Trust**

### **Directors' report (continued)**

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#### **Organisation of Business**

The Board of Directors meets at least quarterly with directors and senior management present. Decisions are taken to set the overall strategy for the business as well as to monitor its activities. Senior management are charged with the task of implementing these decisions. Also in place are a Finance and Audit Committee and an HR Committee with the Chairs and members of the committees drawn entirely from the Board.

The Board has also agreed, as required by the Articles of Association, to establish a nominations committee which has not, by its nature required to meet until this year to progress the recruitment to the vacancy now on the main Board. The committee has had one planning meeting and will meet formally for the first time in August 2015. The Nominations Committee remit is set out in the articles of association and has been approved by the Board. It relates to progressing recruitment of directors and recommending board membership to the sole member, and for the recruitment and terms and conditions of the Chief Executive.

#### **Contractual Relationships**

FCT has a formal contract in place to deliver services with Fife Council which governs the funding received by FCT.

The contract obliges Fife Council to provide funding and central support services such as Finance, IT, HR, building repairs and maintenance to the Trust, and in return FCT delivers cultural services to a mutually agreed performance specification. As a Company with charitable status FCT attracts non domestic rating relief and VAT savings.

The contractual outcomes and outputs FCT is required to deliver to Fife Council are decided by the aspirations and objectives contained in appropriate policies, plans and strategies, for example the Council Plan 2017: Ambitious for Fife and Fife's Cultural Strategy.

FCT is required to report annually on its operations to the Education, Social, and Communities Scrutiny Committee of Fife Council. In addition, a combination of the Chief Executive, Chair, and senior staff attended all of the 7 Area Committees within the Fife area to present on the achievements and challenges for FCT associated with 2013-14 and will do so again once the annual report for 2014-2015 is finalised. These meetings have been useful advocacy opportunities for FCT and have also allowed a presentation of key performance information relating to FCT operated facilities and services within each area.

The work of FCT is led by its Vision, Mission, Purpose and Values.

#### **Vision**

Fife will be a culturally vibrant and rewarding place to live, work, study and visit.

#### **Mission**

Enriching Lives in Fife.

#### **Purpose**

FCT provides creative, entertaining and learning experiences that enhance the quality of life, through our partnerships and in our museums, galleries, libraries and theatres.

## **Fife Cultural Trust**

### **Directors' report (continued)**

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#### **Values**

Inclusive, creative, trusted, enabling and integrity.

#### **Organisational Structure**

In September 2014 the Deputy Chief Executive of FCT took early retirement and the Chief Executive reviewed the Executive Team structure. Consequently, in April FCT recruited a fixed term Head of Change and Improvement for 24 months.

The role of this post is to support the team in leading the ongoing transformational change programme within the organisation, as well as to provide specific additional capacity to programme manage the delivery of the financial strategy once key elements are finally agreed with Fife Council and to ensure the delivery of the required budget savings.

A further management restructure of the extended management team has also since taken place to ensure that key capacity gaps were addressed, the structure was generally fit for purpose, and that managers had the clarity of role and accountability required to lead the organisation forward effectively.

The Executive Team in 2014-15 consisted of:

- Chief Executive
- Depute Chief Executive and Head of Development (*until September 2014*)
- Head of Business Development
- Head of Customer Services and External Relations

**Strategic report** which includes:

#### **Financial review**

This is the second full year of trading for FCT, having been established in October 2012.

For financial year 2014-15 FCT's consolidated financial position out-turned a net income for the year before accounting for the actuarial loss on Fife Council Pension Fund of £56,062 as shown in the Statement of Financial Activities. Within the net income figure of £56,062 there are FRS 17 pension adjustments of £43,000, thus there is an underlying trading surplus of £17,939 on unrestricted funding and £13,062 including restricted funding.

The movement in the consolidated out-turn, in comparison to the prior year, is an increase in the underlying trading position on unrestricted funding from a deficit of £111,848 to a surplus of £17,939 in 2014-15 after taking into account the FRS 17 accounting adjustments of £398,000 in the prior year. The prior year deficit was partially due to the Executive Team Restructure.

The trust received £455,501 of grant and donation income in 2014-15 from various sources mainly Creative Scotland and particularly in relation to the Fife Youth Arts Hub Project, which equates to 4% of total income resources. £412,322 of this funding was restricted grant funding the remainder £43,179 unrestricted. Increasing the level of unrestricted funding is a key priority for the Board and Executive Team and will be a key focus for 2015-16 to ensure that, given the income generating constraints of FCT generally, financial sustainability is secured.

The directors and Executive Team are acutely aware that the current financial environment for the Trust will continue to require careful cost control and management as we move forward.

## **Fife Cultural Trust**

### **Directors' report (continued)**

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#### **Performance and Achievements**

##### **Events**

#### **Fife Comedy Festival**

The first ever 'Fife Comedy Festival' took place from 1<sup>st</sup>-13<sup>th</sup> April and featured a host of comic talent from Fife, Scotland and beyond. The Festival kicked off with a sell-out performance by comedy great, Rich Hall and continued for almost two weeks, offering laughs, mirth and a wee bit of magic (in the shape of the controversial, but ever popular Jerry Sadowitz) across three theatre venues. One of the highlights of the festival was the 'That's Fife' evening, which brought Grant Stott, Fred Macaulay, Scott Agnew and Vladimir McTavish onto one bill for an evening of true Fife fun. Customer feedback has been positive and the programming team are already brimming with ideas for next year!

#### **Diversity Week - Karen Campbell Author Talk**

As part of a programme of events to mark Diversity Week in March, Kirkcaldy Galleries hosted an event with acclaimed Scottish author Karen Campbell who visited to talk about her latest novel, *This Is Where I Am*. The novel follows the story of an unlikely friendship between a Glaswegian widow and a Somali asylum seeker.

Karen's reading was inspiring, touching and relevant and feedback was overwhelmingly positive.

#### **Bookbug's Big Sports Day:**

#### **Fife Bookbug Week Celebrations 19<sup>th</sup> – 25<sup>th</sup> May 2014**

Fife Libraries' best-loved visitor; Bookbug, limbered up for the Commonwealth Games in May as libraries across Fife celebrated Bookbug Week with lots of sporty themed sessions for ages 0-4. Parents, children and nurseries turned up in their sports gear to come along and enjoy games, songs, stories and rhymes. Nineteen libraries took part holding over 40 sessions including nursery visits, which saw over 900 visitors enjoy a special Bookbug Week event, taking the opportunity to borrow books and join the library.

#### **Volunteer Award Presentation**

Volunteers working with the Dunfermline Carnegie Library and Galleries project team were among three Dunfermline organisations which received **Volunteer Friendly Awards** during the 30<sup>th</sup> anniversary of Volunteers' Week (1<sup>st</sup> to 7<sup>th</sup> June 2014). The awards were presented in recognition of dedication to providing volunteering opportunities that were fun and rewarding, and which include a diverse range of people. The winners attended a celebration event, organised by the FCT, and enjoyed a celebration BBQ in the gardens of **Abbot House Heritage Centre**, where they received certificates and gifts to thank them for the time they have committed over the past year.

The Heritage Lottery Funded Dunfermline Carnegie Library and Galleries project has community engagement at its heart and is involving volunteers in a wide range of projects. Over 80 volunteers joined the archaeological dig on the site of the planned new museum building. And 20 more volunteers shifted another kind of dirt when they cleaned nearly 2,500 books by and about Robert Burns known as the Murison Burns collection.



## Fife Cultural Trust

### Directors' report (continued)

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#### **Kirkcaldy Film Festival – 19<sup>th</sup>-21<sup>st</sup> September 2014 at Adam Smith Theatre**

From Friday 19 to Sunday 21 September, Adam Smith Theatre played host to the second **Kirkcaldy Film Festival**. Overall, the festival showed very positive growth on its first year, with attendances up by 68%. Over 1,200 tickets were sold across the three days for a broad range of films, which included a first screening of award winning Lower Largo filmmaker Paul Wright's entire back catalogue, and a local première of the new Woody Allen film, *Magic in the Moonlight*. The festival closed with a sold out Special Preview of *What We Did on Our Holiday*, starring David Tennant and Billy Connolly, one day ahead of its World Premiere in London.

In keeping with the format of prestigious film festivals around the world, several screenings were accompanied by talks and Q&A sessions by special guests, including:

- Respected film critic Nigel Floyd discussing the films of Stanley Kubrick following the screening of *Paths of Glory*
- *Harry Potter* star Sean Biggerstaff on working with Alan Rickman as a young actor in *The Winter Guest*. He also read a message from Alan to the audience.
- Mark Smith, journalist with *The Herald* and expert on WWI film, led a spirited discussion with the audience after *La Grande Illusion*.

FCT was delighted to secure the patronage of internationally renowned Hollywood actor Dougray Scott, who was represented this year by his performance in *Regeneration* and with his family's attendance at the *Goldfinger* Gala Screening. His patronage was significant in improving the profile of the festival and securing coverage, and it is hoped to have him more actively and directly involved in future years if we can.

Local businesses were heavily involved in the 2014 festival, helping to bring awareness to a wider audience and anticipation for next year's event. *The Fife Free Press* provided significant profile and support as our media partner, affording us a great deal of excellent local coverage, while important links were forged with national press particularly *The Herald*, which led to valuable national exposure.

#### **Fife International Carnival**

The Fife International Carnival launched in July 2013 and proved an immediate hit with local people, visitors and businesses and delivered aggregated footfall counts of an average of 27,006. Based on the success of the 2013 Carnival, plans for a bigger and better Carnival for 2014 were developed, based on the same partnership and funding model, but seeking to extend the reach of the carnival to accommodate a larger audience, an extended parade, and increase community engagement.

Working in partnership with partners at Brouhaha/Liverpool Carnival, a programme of performers was assembled from all over the world, adding extra costumes and puppetry to the Parade, significantly more groups, and much stronger static performances than in 2013, especially in the circus and acrobatic fields. Substantial support was received from the European Union, from various foreign Governments, and their cultural agencies. Participants came from Spain, Holland, Costa Rica, South Africa, Trinidad and Tobago, The Bahamas, Zambia, Italy, Colombia, France, Portugal, Japan, Malaysia, Germany, Martinique and Guadeloupe.

## **Fife Cultural Trust**

### **Directors' report (continued)**

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The 2014 carnival faced the challenge of wet weather but feedback was good and coverage in the Fife Free Press was overwhelmingly positive. Feedback from businesses was also positive and footfall in the town centre was still considerably higher with aggregated footfall counts for the 2014 festival of 18,211. A typical average Saturday over the Summer would normally have an aggregated footfall count of between 13,000 and 14,500. Leading retailers also reported very good sales on the day. The Carnival therefore again delivered on its main objectives in terms of a quality cultural experience, and an increased vibrancy and footfall within and around the town centre.

### **Book Week Scotland in Fife**

A range of events to celebrate Book Week Scotland were once again run in Fife in November 2014. There were 21 events in total for schools, children, and families. As well as events with authors and illustrators, there were also this year film screenings in FCT theatres and also in partnership with the ODEON cinema in Dunfermline. The theme of the finale this year was humour and involved magic, crafts activities, face painting, and balloon modelling. The majority of the events delivered by FCT were aimed at schools and drew good audiences. The two evening events held in libraries were sold out and the 'Funny Finale' event at Kirkcaldy Galleries on the final Sunday afternoon attracted an audience of 153 adults with predominantly younger children. The total number of people who attended events throughout Book Week Scotland 2014 in Fife was 3,582.

### **Programming Highlights**

#### **ARTIST ROOMS: Diane Arbus**

This hugely successful exhibition ran at Kirkcaldy Galleries from February 2015 to May 2015. The preview night on 12 February 2015 was attended by 178 invited guests from a range of local and national organisations.

The display of work by a world class artist like Arbus – and the associated collaboration with renowned national institutions as the Art Fund, the Tate in London, and the National Galleries of Scotland – increased the profile of both Kirkcaldy Galleries and FCT with 42,500 visiting the exhibition in total and attracting significant local and national media coverage, all very positive. Press coverage included in-depth articles in *The Times*, *The Crack*, *The List* and *The Lady* – all national publications with significant circulation, and there was a notable increase in online coverage for this exhibition.

In line with such coverage, visitors to the exhibition came from across Scotland with visitor surveys showing that 11% of the audience were from Edinburgh, 10% from Dundee, and 4% from Glasgow, whilst others came from as far afield as Bristol and Cornwall.

Another feature of the exhibition was the involvement of the Young Curators, from Fife College who generated new work based on the artist's photographic style and her subjects. The Fife Youth Arts Hub also embraced the exhibition, working with partners in Fife to help local young musicians create a 'SoundWalk' for the exhibition at Tower House Community Centre in Dunfermline.

## **Fife Cultural Trust**

### **Directors' report (continued)**

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#### **Toby Paterson 'Generation' – June 2014 at Kirkcaldy Galleries**

Kirkcaldy Galleries offered an opportunity to experience work by the internationally recognised visual artist Toby Paterson through a new installation designed specifically for the Galleries. Visitors to 'Generation' were invited to think about the visual qualities and changes in the modern urban landscape to which the artist responded and had interpreted. The exhibition was part of GENERATION – a national celebration of the best of Scottish art from the last 25 years, a part of the Glasgow 2014 Cultural Programme.

National Theatre – In Time O' Strife  
Wednesday 27 – Saturday 30 August 2014 at Lochgelly Centre

FCT enjoys a strong working relationship with the National Theatre of Scotland which has seen Fife welcome some truly groundbreaking theatre in recent years. Following a hugely successful staging in Kirkcaldy in 2013, National Theatre of Scotland brought a revival of Joe Corrie's 1926 play about a Fife mining community buckling under the strain of a seven-month lockout to Lochgelly. The show was again hugely popular with several sell out performances.

#### **Dare to Care – Stellar Quines**

At the beginning of March, Adam Smith hosted the world premiere of a stunning new piece of theatre from Stellar Quines which was co-produced with Fife Cultural Trust. Those who attended were fulsome in their praise for the work and hugely appreciative of the journey that the writer, Christine Lindsay, a former prison governor, had taken to bring the work to the stage.

#### **Children's Cheering Carpet**

On Sunday 18 May 2014, the 'Children's Cheering Carpet' came to Adam Smith Theatre, as part of the Imagine Festival on tour and the Glasgow 2014 Cultural Programme.

This is an enchanting piece of children's theatre and is an interactive play experience for children offering audiences the chance to explore, play and dance along with the performers.

#### **Osiligi Massai Warriors**

The Osiligi Massai Warriors played Carnegie Hall on 4 September and Rothes Halls on 5 September. This seven-piece Massai Warrior group performed authentic tribal songs, involving the audience wherever they could – and also offered audiences the chance to find out more about the Massai way of life at post-show Q&A sessions.

#### **Moving Stories - Fife's Great War Exhibition**

On Sunday 3 to Tuesday 5 August, **MAC**, Fife's unique **Mobile Arts Coach**, brought its *Moving Stories - Fife's Great War* exhibition to Pittencrieff Park, Dunfermline to mark the centenary of the declaration of World War One. Displaying many items from Fife's collection, the exhibition showed World War I through the eyes of Fife soldiers and their families. Visitors could also watch 'Sea Front', an animation by award-winning artist Claire Lamond, which was subsequently nominated for a BAFTA award, which was inspired by letters and diaries from Fife's archives. The museums and heritage team put on various free activities for children in Pittencrieff House Museum including making poppies, trench periscopes, racing World War I aeroplanes and storytelling which they all enjoyed. The event was a great success with over 1200 people coming along over the 3 days.

## **Fife Cultural Trust**

### **Directors' report (continued)**

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#### **Summer Reading Challenge It's A-Maze-Ing**

Children at Duloch Library in Dunfermline were among almost 5,000 children across Fife who read their way through the 2014 Summer Reading Challenge. Each year the Challenge is based around an exciting new theme aimed at motivating children to read for pleasure. The 2014 theme was "Mythical Maze" and invited children to discover more about myths and legends from all over the world.

#### **balletLORENT *Rapunzel***

This show was one of the major triumphs of the Theatre season, attracting an audience of 550 to a show of contemporary dance and ballet over two performances at Adam Smith Theatre on Friday 3 and Saturday 4 October.

*Rapunzel* was striking for the world-class artists and performers it brought to Fife, including Poet Laureate Carol Ann Duffy, *Doctor Who* composer Murray Gold, and Michele Clapton, award winning Costume Designer for *Game of Thrones*.

The company also worked with a talented group of young people from Fife, aged between 6 and 16, who were chosen from an open audition in July.

The young performers were taught by, and rehearsed with, the company's professional dancers, giving them a valuable experience and helping them to develop their dance and performance skills.

The performances attracted an audience from across Fife, including a large proportion of first-time buyers – 31% - which shows the value of such high quality shows in growing our existing customer base and awareness of FCT.

#### **In the Kingdom that Danced**

Following the sell-out success of their inaugural 2013 production *Dancing Days, In the Kingdom That Danced* was the second production undertaken by FCT in collaboration with Fife Performance Ensemble. A community engagement project, this show encouraged participation and creativity amongst local over 60s, through a series of workshops and a summer performance school as well as the final production.

*In the Kingdom that Danced* was an ambitious piece of work, based on a series of creative performance workshops for over 60s earlier in year. Fife Performance Ensemble collected 100 stories from 100 community participants, gathering tales of dance halls, family and life in our Kingdom – and these local tales provided the backbone of the show, which took place at Glen Pavilion on Friday 10<sup>th</sup> and Saturday 11<sup>th</sup> October.

The unique nature of the production brought a diverse audience, which included bookers from as far afield as Edinburgh and Leeds, as well as respected dance critics and creative people from all around the UK. The production was supported by Creative Scotland, and was part of Luminare, Scotland's Creative Ageing Festival. The Fife Performance Ensemble offer inspiring proof that age need inhibit creativity, and that there's a lot of fun to be had along the way.

#### **Christmas Shows**

Our Christmas shows, *Jack & the Beanstalk* at Adam Smith Theatre and *Snow White* at Carnegie Hall again sold well with overall ticket sales of 30,000, with some performances sold out. Sales for both shows were stronger than the year before with positive press reviews for both.

## Fife Cultural Trust

### Directors' report (continued)

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#### Summer Programme for Children and Young People 2014

As a result of funding received from the Local Community Planning budget, the Lochgelly Centre team delivered an accessible and affordable physical and cultural activity programme specifically aimed at providing local children and young people with an opportunity to try new activities, learn new skills and have fun. Included in the programme were classes in aerial skills, dance, art and drama plus film shows, which ran Tuesday to Saturday weekly from 1 – 25 July. 145 attended the aerial skills, 187 the art classes and 105 the dance classes. The films proved very popular with both parents and children, not least as the cost of attending was only £2.

Just over 800 attended across the 12 films shown. Overall, 1,256 children, young people and parents attended the Lochgelly Summer Programme.

Feedback has been very positive overall, particularly relating to the full size cinema screen given the very low prices being charged.

At Adam Smith Theatre, we staged a near sold out run of *Phantom Of The Opera* over 24 to 27 July, produced with Youth Music Theatre Scotland. This was the highlight of the participatory activity programme at the Adam Smith Theatre run through July and early August which involved up to 200 young people.

#### Strategic Activity and Partnership Working

##### **Fife Youth Arts Hub**

On 7 April 2014 Creative Scotland announced an investment of £3.1 million to support the development of 9 Youth Arts Hubs across Scotland from 2014-2016 and Fife secured one of the biggest awards of £400,000 along with additional financial support from Fife Council.

The funding is to support the delivery of Scotland's National Youth Arts Strategy 'Time to Shine' with each Hub acting as a focal point for regional youth arts, nurturing and celebrating ambition, enthusiasm and talent in Scotland's young people by improving the regional infrastructure. Children and Young people are the key stakeholders and decision makers for each hub and will define their priorities and preferred activities. Fife Youth Arts Hub (FYAH), led by FCT, with Fife Council as its lead partner, is active across all seven areas of Fife. The work of the Hub is accessible online through Hub8 [www.hub8fife.com](http://www.hub8fife.com) a digital information, celebration and communication space. FYAH also works with a host of national, regional and national partners keen to work with children and young people in Fife.

To begin the project, Exploring Fife Youth Arts (EFYA) was developed as a campaign over Summer 2014 looking at all the activities currently available for children and young people in Fife and the venues where activities are happening. EFYA held conversations with all the organisations involved in work with and for children and young people and empowered discussion with groups aged 0 – 25 to find out what kinds of activities they were passionate about. A taster tour took place across Fife – Take a Bite – involving 250 children and young people and set the agenda for the projects and activities that young people wanted to be involved in throughout Fife.

FYAH has been resident with primary groups across Kirkcaldy developing a Christmas Sing project; YDance has been in residence in Lochgelly and Cowdenbeath from January to June 2015 working with over 200 young dancers; and a range of other projects have taken place including working with young curators from Fife College and Dunfermline's Tower House Centre developing creative digital work around the **Diane Arbus** exhibition in Kirkcaldy Galleries.

26 Connectors and Directors, all young people, have been recruited to lead and manage the projects.

## **Fife Cultural Trust**

### **Directors' report (continued)**

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#### **Fife Art Exhibition**

The Fife Art Exhibition, the Kingdom's most popular amateur art exhibition, is now in its 31st year. The exhibition was launched on Friday 10th October 2014 with a special prize-giving ceremony to honour the talented contributors. The exhibition ran at Lochgelly Centre from Saturday 11th October to Wednesday 26th November 2014.

The Fife Art Exhibition is sponsored by Shell, in a unique partnership with Fife Cultural Trust. A selection panel, comprising jeweller Angie Young and Joyce Gunn Cairns MBE, a local artist, judged the exhibition to determine the winning works. The artists responsible for these pieces received a Shell award of £200 (in addition to the purchase price), and the purchased works will be presented to Fife hospitals and health care facilities by Shell.

At the launch, prizes were awarded to six deserving winners. In June 2014, Shell funded a series of free art classes across the Kingdom as part of Fife Art, aimed at inspiring and encouraging new people to create and participate. Over 100 people attended the sessions on offer. The exhibition was put together from a series of over 200 submissions by local artists, following on from these classes, in September.

#### **Cultural Strategy**

The first cultural strategy for Fife was successfully launched in June 2009. 'Celebrating Fife 2010' built on that ambition with the extremely successful year-long celebration of culture evidencing economic, wellbeing and community outcomes that exceeded all expectation. In 2011 the Cultural Consortium Steering Group undertook a review of the strategy and action plan, producing an updated plan designed to meet future challenges, and based on the shared values of: fairness, wellbeing and creativity.

A review of the strategy was undertaken during 2014. The data gathered demonstrated that Fife's public, private, community and voluntary sectors have worked successfully together to increase involvement in, and access to, an expanding cultural life. Local people and visitors, have created, explored, interpreted, celebrated, enjoyed, expressed, learned about, acknowledged and respected the diversity of their lives, communities and environments. In short, they have brought alive Fife's definition of culture.

Work to develop the new strategy with partners has already started with a view to a refreshed strategy being launched early in Spring 2015. With key partners, 4 key themes for the new strategy have been developed:

- Cultural Communities
- Health & Wellbeing
- Cultural Economy
- Cultural Knowledge

#### **The Real Bothy**

The Real Bothy is an art project, a portable, flat-pack structure inspired by Scottish Bothies; remote shelters that are free and open for anyone to use all year-round. The project has travelled around Fife over the past 18 months, collecting stories and objects from visitors during its journey, and last week saw the opening of The Real Bothy at Kirkcaldy Galleries.

## **Fife Cultural Trust**

### **Directors' report (continued)**

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Three talented artists were involved in the project: award-winning animator Claire Lamond created an animated fire to keep the bothy warm, and also ran animation workshops inspired by Bothy Beasties; fine artist Andrew Lennie created mixed media works using the bothy as his starting point; and Fife-based artist Alan Grieve collected the many tales and artefacts on show, and made a series of works inspired by his experiences in the fake shelter. The Bothy toured Fife communities during summer 2013, when local people were encouraged to drop in to share their memories and experiences, as well as a 'bothy brew'.

This year, the project has been developed to include a traditional music strand whereby the stories people brought to the Bothy have been transformed into bothy ballads. All of these elements come together in fantastic exhibition on show at Kirkcaldy Galleries, which runs until Sunday 18<sup>th</sup> January 2015, at which point the project concludes. The Real Bothy was produced by Fife Cultural Trust in collaboration with Creative Scotland and Glow Arts.

### **Local Arts**

FCT continues to support a thriving local arts scene, providing space, support and assistance to companies across Fife, including Dunfermline Arts Guild, Kirkcaldy Amateur Operatic Society, Carnegie Youth Theatre, Why Not? Musical Theatre Company, East Fife Ladies Choir, Kelty Musical Association, Rosyth & District Musical Society, Dunfermline Dramatic Society, Fife Brass Band Festival, Cowdenbeath Theatre Company, Lochgelly and District Amateur Musical Association, Youth Music Theatre Scotland, Glenrothes Amateur Musical Association, The Gilbert and Sullivan Societies and many more.

We also work in partnership with a wide range of community groups to offer a full programme of more than 50 weekly arts based courses and classes across a range of subjects such as drama, pottery, dance, aerial, drawing and painting.

### **Cultural Roadshow**

FCT organised the most recent in a recurring programme of cultural roadshows in November 2014 which was attended by 95 participants and brought together for the first time a range of organisations from across Fife's Cultural Consortium as well as a range of creative practitioners and businesses drawn from the Create in Fife network, both supported by FCT.

There were a range of information stalls for those attending which were supported by key partners including Arts and Business Scotland, Business Gateway, Heritage Lottery Funding, Fife Contemporary Arts and Crafts, Voluntary Arts Scotland, and Fife Voluntary Action. 100% of those attending agreed it had been an informative and valuable day. The roadshow also saw the launch of the Cultural Strategy Report which discovered that £24.5m had been invested in cultural activity between 2011 and 2013, the period covered by the most recent cultural strategy for Fife.

### **Service Delivery Highlights**

#### **PC Use**

There has been an increase in PC use consistently at a Fife level over the last 2 years reflecting changing use relating to welfare reform changes and job online job search requirements. Whilst increases have still taken place during 2014-15 at the level of some individual facilities, in fact bookings have fallen by 36,751 over the last year to 251,349. The reasons for this are currently being analysed. This may relate partially to increased availability of wi-fi across all library facilities.

## **Fife Cultural Trust**

### **Directors' report (continued)**

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Also, during the year 458 individuals were provided with specific support in relation to resolving IT issues relating to welfare reform across 12 facilities.

#### **Job Clubs**

FCT's partnership with Fife Council Community Learning & Development (CLD) continues to impact positively on customers throughout Fife. In the past year, 415 job clubs have taken place across 10 facilities, with 3,638 customers taking advantage of the help and advice they can obtain from the staff available at these sessions.

#### **Schools Library Service (SLS)**

In 2014/15 the Schools Library Service Issued 93,118 books, an increase of 16,481 on 2013/14 (up 21.5%). This is mainly because of increased demand for project loans but part of the increase is due to ensuring that all renewals are properly logged. The number of schools using the SLS during 2014/15 for project loans was 139. This figure represents 100% uptake by the Primary Schools, a great success, alongside uptake from the John Fergus Special School.

#### **Bookbug**

FCT staff sang, read and rhymed to over 6,637 children over the last year as we offered 688 of our ever-popular Bookbug sessions. Total participation in sessions across 31 branch libraries was 12,623 in our libraries, including adults, with a further 902 children and 367 adults attending outreach sessions across 50 locations.

Overall participation in Bookbug was 13,911, which represents a small decrease on 2013/14 of 2.9%. This was mainly due to a temporary reduction in staffing capacity to deliver the sessions due to vacancies during the year and most of that reduction related to the outreach provision with the number of sessions reducing from the previous 57 to this year's total of 50, with the impact mitigated to an extent by an increased number of library based sessions.

#### **Reading Groups**

Meeting to talk about books continues to be a popular past-time in Fife. FCT's libraries provide collections of books to 86 reading groups which meet outside libraries, over and above the 19 reading groups led by our staff. As well as the more formal reading groups, the coffee break and book blether sessions held in libraries also continue to be well attended. The social aspect of these groups is highly valued by those attending.

#### **Housebound Services**

Not everyone is able to visit our libraries, but still want to be able to read on a regular basis. To ensure reading a variety of material is still available to those not able to visit our buildings, we deliver books to them. Bespoke collections of books are supplied to both individual readers and residential homes throughout Fife. The Fife-wide service supplied 29,358 books compared to 18,537 in 2013/14 to 279 individuals and 44 residential homes.



## Fife Cultural Trust

### Directors' report (continued)

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#### Capital Projects

**Dunfermline Carnegie Library and Galleries** With a mix of Heritage Lottery Fund, Fife Council and Carnegie Dunfermline Trust funding, FCT are actively involved in developing the new £12.8m **Dunfermline Carnegie Library and Galleries** project, and which FCT will operate on behalf of Fife Council, which adjoins and integrates with the world's first Carnegie Library. The project was inspired by the belief that Dunfermline's heritage sector will receive a much-needed boost by providing a modern, fit-for-purpose, attractive venue in the Heritage Quarter. The main museum displays will focus on Dunfermline's more recent industrial and social history and the whole integrated library, archive/local history, and museum building will act as a signpost to all the cultural and heritage attractions in the city. The new build is expected to be completed in 2016.

#### **Reserves policy**

The Board approved the FCT Reserves Policy in February 2014 which defines requirements to generate reserves over the period to 31 March 2019 and clarifies directors' responsibilities for monitoring.

#### **Plans for future periods**

FCT have approved their Strategic Plan which is set out in Action Plan 2014-2019. The Trust has defined its 4 key strategic priorities as:

**PRIORITY 1.** Enhancing & promoting Fife's cultural profile and reputation **PRIORITY 2.** Enhancing equality of opportunity

**PRIORITY 3.** Caring for, developing, and celebrating Fife's cultural and heritage

**PRIORITY 4.** Helping Fife to achieve its economic potential.

Within each priority there are 5 key areas for action which are replicated within service area business plans to define key actions for teams to ensure all objectives and activities are in line with the strategic plan throughout the organisation. Some examples of key areas of work and projects over the next 12 months within each of the priorities are set out below.

#### ***In Priority 1 – Enhancing and promoting Fife's cultural profile and reputation –***

FCT secured the top level (£400,000) of Creative Scotland funding to develop a Fife Youth Arts Hub network across all 7 areas of Fife over the period 2014-2016. In 2015-16 we will build on what the Hubs offer to create youth-led opportunities to engage children and young people aged 0-25 years with all performing, presenting and creative arts. The work of the Hubs will also be used to create a unique Cultural Festival for Young People during the summer of 2016, and, by the end of the project, development of a Youth Arts Strategy for Fife.

In addition the Trust will continue to develop on the strengths of the various festivals including Comedy and Film and also to continue to enhance and deliver children's theatre including Tot-fest throughout Fife. Library Services will continue to develop programmes in line with the demographics of Fife and will work particularly to increase engagement with teenagers and through launch of digital services .

The Cultural Consortium Strategy will be relaunched in 2015-16 which will deliver and promote a series of capacity enriching opportunities for Cultural Consortium members and enhance skills across the sector.

## **Fife Cultural Trust**

### **Directors' report (continued)**

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The Trust will develop in 2015-16 a strategy to improve and promote the breadth of Family History and the Ancestral Tourism offer in Fife which will provide key actions for this area.

#### ***Priority 2 – Enhancing equality of opportunity***

The Trust will be undertaking a formal 'How Good is Our Public Library Service?' review (the formal national performance improvement framework for libraries) over the coming two years.

Preparation will commence in 2015-16 which will review and develop our service provision and look at the 'what' and the 'how' of our library service.

The Trust launched its Equality and Diversity Mainstreaming report in April 2015 and a Strategic Group is being formed to take forward our actions in this area involving staff and managers from across the organisation to ensure its effective delivery and good practice in this area across the organisation.

A new programming strategy and Artistic strategy will be developed which will include a focus on customer needs enhancing customer engagement and service provision to target specific focus groups and current non-users of our services and facilities.

The Financial Strategy will be underpinned by detailed Equality Impact Assessments across the key characteristics to inform our development and ensure that equality of opportunity is maintained and enhanced.

#### ***Priority 3- Caring for, developing, and celebrating Fife's cultural and heritage***

In 2015-16 the Museum Services will be working towards achieving and maintaining Full Accreditation status for all eligible FCT managed museums.

In addition they will be developing museum, archive and gallery learning resources to improve visitor experience for families and children across FCT Museums through interactivity and electronic mediums.

The Museum Collections Information System will be developed and be made available for searching on the ONFife website. This will enhance availability and knowledge of our collections.

A centralised specialist museum and archives storage facility is being progressed in partnership with Fife Council at Bankhead in Glenrothes which will ensure fit for purpose storage conditions for a range of items currently stored across Fife and improved conservation for these items.

#### ***Priority 4- Helping Fife to achieve its economic potential***

The Trust has developed a financial strategy for 2015-16 to 2017-18 which will ensure flexibility and efficiency and financial stability moving forward. In line with this we are moving forward with income generation, retail development, and opening hours, which will help to mitigate the impact of delivering the significant savings FCT is facing and will also grow and develop the business ensuring the longer term financial and operational sustainability of the business. The Board feel this strategic and managed approach is essential to ensure the long term viability of the organisation. FCT is also recruiting additional non-executive directors to the Trading Subsidiary with specialist expertise which will enhance the organisation's ongoing development.

## **Fife Cultural Trust**

### **Directors' report (continued)**

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A key focus in 2015-16 will be to continue to focus on funding development opportunities, particularly unrestricted funding opportunities, as well as improving retail and catering provision over our facilities. This is paramount to the long term financial sustainability of the Trust.

FCT also levers in financial benefit from the funding received from Fife Council of over £2.5m per year through a combination of income, external funding, and sponsorship.

More widely FCT will continue to support the delivery of Fife's creative and cultural industries strategy 2013-2017 launched in February 2014. The strategy focuses on strengthening Fife's creative economy.

### **Employees**

The company maintains a policy of regularly providing all employees and, where represented, trade unions with information on the company's performance. The company operates an Equal Opportunities policy and applies this policy to all employees and job applicants. The policy seeks to ensure that everyone receives equality of opportunity, regardless of age, carer responsibility, colour, disability, ethnic origin, gender, marital status, nationality, politics, race, religion, sexuality, social/economic status, trade union membership/activity or any other unjustifiable grounds. All persons employed by the company have the opportunity for training, development and career progression.

Effective communication on an ongoing basis is a key priority for the Board and Executive Team. Alongside a staff newsletter and a weekly bulletin on key issues, the second annual staff event for FCT took place at Lochgelly Centre on 1 October 2014. The event was well-attended with almost 200 staff coming along. Feedback regarding the event was very positive.


Third party indemnity insurance was paid by the company during the period for the benefit of the directors of the company.

### **Auditors**

So far as each director is aware, there is no relevant audit information of which the auditors are unaware.

Each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the auditors are aware of it.

By order of the Board



**SR Cross**  
Chairman  
26 August 2015

## **Fife Cultural Trust**

### **Statement of directors' responsibilities**

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The directors (who are the trustees of the charity for the purposes of charity law) are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the group incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing those financial statements, the directors 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 United Kingdom 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 company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Fife Cultural Trust**

### **Independent Auditor's Report to the Members and Directors of Fife Cultural Trust**

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We have audited the financial statements of Fife Cultural Trust for the year ended 31 March 2015, which comprise the group and parent charitable company income and expenditure account, the group and parent charitable company statement of financial activities, the group and parent charitable company balance sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's directors, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, its members as a body and its directors as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 23, the directors' (who are also the trustees of the charity for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditors under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APBs) Ethical Standard for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Fife Cultural Trust**

### **Independent Auditor's Report to the Members and Directors of Fife Cultural Trust (continued)**

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#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2015 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and the parent charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report (including the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**George M Hay** (Senior Statutory Auditor)

For and on behalf of Henderson Loggie, Statutory Auditor  
Dundee

Henderson Loggie is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

26 August 2015

## Fife Cultural Trust

### Group and parent charitable company income and expenditure account for the year ended 31 March 2015

	Note	Group £	2015 Company £	Group £	2014 Company £
<b>Turnover</b>		<b>10,964,456</b>	<b>9,948,642</b>	12,787,216	12,147,255
<b>Administrative costs</b>		<b>(10,911,253)</b>	<b>(10,252,803)</b>	(12,544,285)	(12,161,173)
<b>Operating surplus/(deficit)</b>	8	<b>53,203</b>	<b>(304,161)</b>	242,931	(13,918)
Interest (paid)/receivable		<b>2,859</b>	<b>2,859</b>	(2,385)	(2,385)
<b>Net surplus/(deficit) for the year before Gift Aid</b>		<b>56,062</b>	<b>(301,302)</b>	240,546	(16,303)
Gift Aid Received		-	<b>357,364</b>	-	256,849
<b>Net income for the year</b>		<b>56,062</b>	<b>56,062</b>	240,546	240,546
<b>Statement of total recognised gains and losses</b>					
Net income for the year		<b>56,062</b>	<b>56,062</b>	240,546	240,546
Actuarial loss on retirement benefit scheme		<b>(1,511,000)</b>	<b>(1,511,000)</b>	(941,000)	(941,000)
<b>Total recognised losses relating to the financial year</b>		<b>(1,454,938)</b>	<b>(1,454,938)</b>	(700,454)	(700,454)

The financial statements have been prepared on the basis that all activities are continuing.

The notes on pages 25 to 36 form part of these financial statements.

# Fife Cultural Trust

## Company balance sheet at 31 March 2015

	Note	£	2015 £	£	2014 £
<b>Fixed assets</b>					
Tangible assets	10		275,725		283,189
Investments	11		100		100
			<u>275,825</u>		<u>283,289</u>
<b>Current assets</b>					
Stock	12	58,161		56,285	
Debtors	13	277,244		429,225	
Cash in hand		1,099,254		777,818	
		<u>1,434,659</u>		<u>1,263,328</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due in one year	14	1,361,934		1,211,129	
			<u>72,725</u>		<u>52,199</u>
<b>Net current assets</b>					
			<u>348,550</u>		<u>335,488</u>
<b>Net assets excluding pension deficit</b>					
Pension deficit	16		(3,633,000)		(2,165,000)
<b>Net liabilities including pension deficit</b>					
			<u>(3,284,450)</u>		<u>(1,829,512)</u>
<b>Funds</b>					
Unrestricted funds		114,095		100,781	
Pension reserve		(3,633,000)		(2,165,000)	
<b>Total unrestricted funds</b>					
			<u>(3,518,905)</u>		<u>(2,064,219)</u>
Restricted funds	18		234,455		234,707
<b>Total deficit</b>					
			<u>(3,284,450)</u>		<u>(1,829,512)</u>

The financial statements were approved and authorised for issue by the Board on 26 August 2015 and signed on its behalf by:

  
SR Cross  
Chairman



## Fife Cultural Trust

### Consolidated balance sheet at 31 March 2015

	Note	£	2015 £	£	2014 £
<b>Fixed assets</b>					
Tangible assets	10		275,725		283,189
<b>Current assets</b>					
Stock	12	58,161		56,285	
Debtors	13	278,269		429,225	
Cash in hand		1,099,354		777,918	
		<u>1,435,784</u>		<u>1,263,428</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due in one year	14	1,362,959		1,211,129	
		<u>1,362,959</u>		<u>1,211,129</u>	
<b>Net current assets</b>			<u>72,825</u>		<u>52,299</u>
<b>Net assets excluding pension deficit</b>			<u>348,550</u>		<u>385,488</u>
Pension deficit	16		(3,633,000)		(2,165,000)
<b>Net liabilities including pension deficit</b>			<u>(3,284,450)</u>		<u>(1,829,512)</u>
<b>Funds</b>					
Unrestricted funds		114,095		100,781	
Pension reserve		(3,633,000)		(2,165,000)	
<b>Total unrestricted funds</b>			<u>(3,518,905)</u>		<u>(2,064,219)</u>
Restricted funds	18		234,455		234,707
<b>Total deficit</b>			<u>(3,284,450)</u>		<u>(1,829,512)</u>

The financial statements were approved and authorised for issue by the Board on 26 August 2015 and signed on its behalf by:

  
SR Cross  
Chairman

## Fife Cultural Trust

### Consolidated statement of financial activities for the year ended 31 March 2015

	Note	Unrestricted fund £	Restricted fund £	Total 2015 £	Total 2014 £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds:</b>					
Grants and donations	4	43,179	412,322	455,501	387,275
Donated from Fife Council					
- assets		-	-	-	88,373
- pension - voluntary severance		-	-	-	1,027,301
		<u>43,179</u>	<u>412,322</u>	<u>455,501</u>	<u>1,502,949</u>
<b>Incoming resources from charitable activities:</b>					
Provision of cultural facilities	5	2,218,788	-	2,218,788	2,695,423
Contract with Fife Council		8,293,026	-	8,293,026	8,696,655
		<u>10,511,814</u>	<u>-</u>	<u>10,511,814</u>	<u>11,392,078</u>
<b>Total incoming resources</b>		<u>10,554,993</u>	<u>412,322</u>	<u>10,967,315</u>	<u>12,895,027</u>
<b>Resources Expended</b>					
<b>Charitable activities</b>					
Provision of cultural facilities	6	10,404,430	417,199	10,821,629	12,460,283
Governance	7	89,624	-	89,624	86,387
<b>Total resources expended</b>		<u>10,494,054</u>	<u>417,199</u>	<u>10,911,253</u>	<u>12,546,670</u>
Net movement in funds and net income/(expenditure) for the year before transfers		60,939	(4,877)	56,062	348,357
Transfers	18	(4,625)	4,625	-	-
Actuarial loss on Fife Council Pension Fund	16	(1,511,000)	-	(1,511,000)	(941,000)
<b>Net movement in funds (after transfers and actuarial loss on pension scheme)</b>		<u>(1,454,686)</u>	<u>(252)</u>	<u>(1,454,938)</u>	<u>(592,643)</u>
<b>Fund balances at 1 April 2014</b>		<u>(2,064,219)</u>	<u>234,707</u>	<u>(1,829,512)</u>	<u>(1,236,869)</u>
<b>Fund balances carried forward at 31 March 2015</b>		<u>(3,518,905)</u>	<u>234,455</u>	<u>(3,284,450)</u>	<u>(1,829,512)</u>

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

# Fife Cultural Trust

## Notes to the consolidated financial statements

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### 1 Accounting policies

#### Basis of accounting

The financial statements have been prepared under the historical cost basis of accounting and in accordance with applicable accounting standards. The financial statements are set out so as to comply with the Statement of Recommended Practice: Accounting and Reporting by Charities approved by the Accounting Standards Board in April 2005. The charity has availed itself of Paragraph 3(3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities.

#### Cash flow statement

The group has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cashflow statement on the grounds that the group's figures are included in the consolidated accounts of Fife Council.

#### Group financial statements

These financial statements consolidated the results of the charitable company and its wholly owned subsidiary Fife Cultural Services Trading Limited, on a line by line basis.

#### Funds

Funds are classified as either restricted funds or unrestricted funds, defined as follows:

**Restricted funds** are funds subject to specific trusts, which may be declared by the donor or with their authority. Some are restricted income funds expendable at the discretion of the Board in furtherance of a particular activity, such as government grants for a specific centre, and funds raised for particular client groups or activities. Others are capital funds where the assets are required to be invested for long term use.

**Unrestricted funds** are expendable at the discretion of the Board in furtherance of the objectives of the group. If part of the unrestricted funds is earmarked at the discretion of the Board for a particular project it is designated as a separate fund. This designation has an administrative purpose only, and does not legally restrict the Board's discretion to apply the fund.

A transfer is made from unrestricted funds to restricted funds to compensate fully all restricted funds which would otherwise be in deficit at the accounting date unless it is only a short term deficit and that subsequent funds are received to remove the deficit.

#### Incoming resources

**Activities for generating income** is accounted for on an accruals basis.

**Income from the Fife Council** is accounted for on an accruals basis and is agreed in advance based on the level of service provided.

# Fife Cultural Trust

## Notes to the consolidated accounts (continued)

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### 1 Accounting policies (continued)

#### Resources Expended

All expenditure is accounted for on an accruals basis. Where costs cannot be directly attributed to a cost heading, they have been allocated on a basis consistent with use of the resources.

#### Depreciation

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

IT Software	-	6 years
IT Hardware	-	4 years
Equipment (Short Life)	-	4 years
Equipment (Medium Life)	-	5 to 8 years
Equipment (Long Life)	-	10 years
Fixtures and Fittings	-	5 years

#### Pension

The Authority participates in the Fife Council Pension Fund by virtue of its status as an "admitted body". This is a defined benefit scheme, and the assets are invested in external funds.

The costs of providing pensions are charged to the profit and loss account on a consistent basis over the working life-time of the members. These costs are determined by a qualified actuary and any variations from the regular costs are spread over the remaining working life-time of the current members.

#### Leases

Operating lease rentals are charged to the income and expenditure account on a straight line basis over the period of the lease.

#### Stocks

Stocks of materials and consumables are stated at the lower of cost and net realisable value in the ordinary course of operating.

#### Taxation

The charitable company is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

#### Related party transactions

The charity has taken advantage of the exemption in Financial Reporting Statement No 8 from disclosing transactions with other group companies on the grounds that consolidated financial statements are produced.

# Fife Cultural Trust

## Notes to the consolidated financial statements (continued)

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### 2 Financial activities of the charity

The financial activities shown in the consolidated statement includes those of the charity's wholly owned subsidiary, Fife Cultural Services Trading Limited.

The summary of the financial activities undertaken by the charity is set out below:

	2015 £	2014 £
Gross incoming resources	10,308,865	12,511,915
Total expenditure on charitable activities	(11,675,204)	(13,019,196)
Governance costs	(88,599)	(85,362)
<b>Net outgoing resources</b>	<b>(1,454,938)</b>	<b>(592,643)</b>
Total funds brought forward	(1,829,512)	(1,236,869)
<b>Total funds carried forward</b>	<b>(3,284,450)</b> =====	<b>(1,829,512)</b> =====
<b>Represented by</b>		
Unrestricted funds	(3,518,905)	(2,064,219)
Restricted funds	234,455	234,707
	<b>(3,284,450)</b> =====	<b>(1,829,512)</b> =====

## Fife Cultural Trust

### Notes to the consolidated financial statements (continued)

#### 3 Commercial trading operations and investment in trading subsidiary

The wholly owned trading subsidiary, Fife Cultural Services Trading Limited, which is incorporated in Scotland, pays all its profits to the charity by Gift Aid. The Charity owns the entire issued share capital of 100 ordinary shares of £1. A summary of the trading results is shown below:

	2015 £	2014 £
<b>Summary profit and loss account</b>		
Turnover	1,015,814	639,961
Administrative expenses	(658,450)	(383,112)
<b>Net profit before Gift Aid</b>	<b>357,364</b>	<b>256,849</b>
<b>Amount gifted to the charity</b>	<b>(357,364)</b>	<b>(256,849)</b>
<b>Net profit after Gift Aid</b>	<b>-</b>	<b>-</b>
	=====	=====
<b>The assets and liabilities of the subsidiary were:</b>		
<b>Current assets</b>	<b>35,100</b>	<b>1,125</b>
<b>Creditors</b>		
Amounts falling due within one year	(35,000)	(1,025)
	<b>100</b>	<b>100</b>
	=====	=====
<b>Aggregate share capital and reserves</b>	<b>100</b>	<b>100</b>
	=====	=====

#### 4 Grants and donations

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Other grants and donations	43,179	412,322	455,501	387,275
	<b>43,179</b>	<b>412,322</b>	<b>455,501</b>	<b>387,275</b>
	=====	=====	=====	=====

## Fife Cultural Trust

### Notes to the consolidated financial statements (continued)

<b>5 Incoming resources</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2015 £</b>	<b>Total 2014 £</b>
Arts programme	-	-	-	80,212
Theatre production	1,388,290	-	1,388,290	1,410,250
Catering and bar facilities	154,789	-	154,789	129,629
Libraries and museums	64,363	-	64,363	561,176
Hire and let income	318,017	-	318,017	290,812
Course fees	-	-	-	17,832
Other income	293,329	-	293,329	205,512
	<u>2,218,788</u>	<u>-</u>	<u>2,218,788</u>	<u>2,695,423</u>
	=====	=====	=====	=====
<b>6 Costs of providing service</b>				
Arts programme	102,625	198,551	301,176	149,843
Theatre production	1,017,509	8,865	1,026,374	1,228,659
Catering and bar facilities	199,515	276	199,791	205,480
Libraries and museums	673,764	-	673,764	754,498
Employee costs	5,801,368	98,978	5,900,346	7,596,625
Pension costs	1,438,000	-	1,438,000	1,393,000
Property costs	148,665	20,554	169,219	147,825
Supplies and services	890,092	70,792	960,884	860,627
Transport costs	92,322	3,785	96,107	89,033
Depreciation	40,570	15,398	55,968	34,693
	<u>10,404,430</u>	<u>417,199</u>	<u>10,821,629</u>	<u>12,460,283</u>
	=====	=====	=====	=====
<b>7 Governance</b>				
Audit fees	16,450	-	16,450	15,975
Non audit fees	3,649	-	3,649	19,220
Legal fees	69,525	-	69,525	51,192
	<u>89,624</u>	<u>-</u>	<u>89,624</u>	<u>86,387</u>
	=====	=====	=====	=====

## Fife Cultural Trust

### Notes to the consolidated financial statements (continued)

#### 8 Operating surplus

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
<b>This is stated after charging/(crediting):</b>				
Depreciation	<b>55,968</b>	34,693	<b>55,968</b>	34,693
Auditor's remuneration	<b>16,450</b>	15,975	<b>15,425</b>	14,950
	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

#### 9 Staff numbers and costs

	2015	2014
	£	£
Wages and salaries	<b>5,480,811</b>	6,351,700
Redundancy costs - voluntary severance	-	362,599
Social security costs	<b>320,557</b>	357,326
Pension costs - service charge cost	<b>1,438,000</b>	1,393,000
Pension costs - curtailment re voluntary severance	-	525,000
	<b>7,239,368</b>	<b>8,989,625</b>
	<b>=====</b>	<b>=====</b>

No member of the Board received remuneration or any expenses from Fife Cultural Trust other than Directors indemnity insurance.

The average monthly full-time equivalent number of employees of the company during the period was:

	2015	2014
	Number	Number
Employees	<b>331</b>	<b>458</b>
	<b>=====</b>	<b>=====</b>

The number of employees whose emoluments as defined for taxation purposes amounted to £60,000 or more in the year were as follows:

	2015	2014
	Number	Number
£60,000 - £70,000	-	2
£70,001 - £80,000	-	1
£80,001 - £90,000	<b>1</b>	-
	<b>1</b>	<b>3</b>
	<b>=====</b>	<b>=====</b>



## Fife Cultural Trust

### Notes to the consolidated financial statements (continued)

<b>10</b>	<b>Fixed assets</b>				
					<b>Fixtures, fittings &amp; equipment £</b>
	<b>Cost</b>				
	At 1 April 2014				352,262
	Additions				48,504
	<b>At 31 March 2015</b>				<b>400,766</b>
	<b>Depreciation</b>				
	At 1 April 2014				69,073
	Charge for year				55,968
	<b>At 31 March 2015</b>				<b>125,041</b>
	<b>Net book value</b>				
	At 31 March 2015				<b>275,725</b>
	At 31 March 2014				283,189

<b>11</b>	<b>Investments</b>				
		<b>Group</b>		<b>Company</b>	
		<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
		£	£	£	£
		<b>100</b>	-	<b>100</b>	100
		=====	=====	=====	=====

Fife Cultural Services Trading Limited is a wholly owned subsidiary, incorporated in Scotland. The profit for the year in Fife Cultural Services Trading Limited is £Nil (2014 – £Nil) and closing shareholders' funds are £100 (2014 – £100).

<b>12</b>	<b>Stock</b>				
		<b>Group</b>		<b>Company</b>	
		<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
		£	£	£	£
	Stock	<b>58,161</b>	56,285	<b>58,161</b>	56,285
		=====	=====	=====	=====

## Fife Cultural Trust

### Notes to the consolidated financial statements (continued)

#### 13 Debtors

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Trade debtors	60,447	51,735	60,447	51,735
Prepayments and accrued income	145,642	204,849	110,642	204,849
Fife Council	72,160	113,850	72,180	113,850
VAT	-	58,791	-	58,791
Amounts due from subsidiary	-	-	33,975	-
	<u>278,269</u>	<u>429,225</u>	<u>277,244</u>	<u>429,225</u>

#### 14 Creditors

Amounts falling due within one year:

Trade creditors	85,041	221,846	85,041	221,846
Fife Council	157,490	206,388	157,490	206,388
Accruals and deferred income	760,424	782,895	759,399	781,870
Amounts due to subsidiary	-	-	-	1,025
VAT	360,004	-	360,004	-
	<u>1,362,959</u>	<u>1,211,129</u>	<u>1,361,934</u>	<u>1,211,129</u>

#### 15 Commitments

	Land and buildings £	Other £	2015 Total £	2014 Total £
<i>Annual commitments under non-cancellable operating leases are as follows:</i>				
Operating leases which expire:				
Within one year	-	-	-	-
Over five years	66	-	66	66
	<u>66</u>	<u>-</u>	<u>66</u>	<u>66</u>

The £66 included under land and buildings is the peppercorn rent paid to Fife Council for the use of the premises for the provision of the services on behalf of the Council.

## Fife Cultural Trust

### Notes to the consolidated financial statements (continued)

#### 16 Retirement benefit scheme

##### FRS17 disclosures

The valuation of the final salary scheme was carried out as at 31 March 2014 and has been updated on an approximate basis to 31 March 2015 by a qualified independent actuary.

The principal assumptions used by the actuary were as follows:

	31 March 2015	31 March 2014
Price increases	2.4%	2.8%
Salary increases	3.5%	5.1%
Expected return on assets	3.2%	6.0%
Discount rate	3.2%	4.3%
	=====	=====
<b>Life expectancy from age 65</b>	<b>Years</b>	<b>Years</b>
Current pensioners:		
Males	22.0	23.0
Females	23.7	25.8
Future pensioners:		
Males	24.1	24.9
Females	26.4	27.7
	=====	=====
The assets of the scheme were:	2015	2014
	%	%
<b>Asset category</b>		
Equities	72%	71%
Bonds	16%	16%
Property	8%	9%
Cash	4%	4%
	-----	-----
	100%	100%
	=====	=====
	2015	2014
	£'000	£'000
Amounts included in the fair value of assets are:		
Equities	23,176	20,058
Bonds	5,150	4,520
Property	2,575	2,543
Cash	1,288	1,130
	-----	-----
Total market value of assets	32,189	28,251
	=====	=====

## Fife Cultural Trust

### Notes to the consolidated financial statements (continued)

#### 16 Retirement benefit scheme (continued)

	2015 £'000	2014 £'000	
<b>Change in benefit obligation</b>			
Benefit obligation at beginning of the period	30,416	25,645	
Current service cost	1,438	1,393	
Interest cost	1,333	1,204	
Actuarial (gains)/loss	2,835	1,328	
Contributions – employee	298	321	
Losses/(gains) on curtailments	-	525	
Past service costs	35	-	
Estimated benefits paid	(533)	-	
<b>Benefit obligations at end of the period</b>	<b>35,822</b>	<b>30,416</b>	
<b>Change in scheme assets</b>			
Fair value of scheme assets at beginning of the period	28,251	24,023	
Expected return on scheme assets	1,720	1,314	
Actuarial (loss)/gains	1,324	387	
Contributions – employee	298	321	
Contributions - employer	1,129	2,206	
Estimated benefits paid	(533)	-	
<b>Fair value of scheme assets at end of the period</b>	<b>32,189</b>	<b>28,251</b>	
<b>Retirement benefit deficit</b>	<b>3,633</b>	<b>2,165</b>	
<b>History</b>			
	2015 £000	2014 £000	2013 £000
Defined benefit obligation	(35,822)	(30,416)	(25,645)
Plan assets	32,189	28,251	24,023
Deficit	(3,633)	(2,165)	(1,622)
Experience adjustments on plan assets	1,324	387	1,928
Experience adjustments on plan liabilities	(324)	1	-

## Fife Cultural Trust

### Notes to the consolidated financial statements (continued)

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<b>16 Retirement benefit scheme (continued)</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>History of experience gains and losses</b>		
<b>Difference between actuarial and expected returns on assets</b>		
Amount (£)	<b>1,324</b>	<b>387</b>
As a percentage of assets (%)	<b>4.1%</b>	<b>1.4%</b>
<b>Experience of gains and losses on scheme liabilities</b>		
Amount (£)	<b>(324)</b>	<b>1</b>
As a percentage on scheme liabilities (%)	<b>8.9%</b>	<b>0.003%</b>
<b>Total amount recognised in statement of financial activities</b>		
Amount (£)	<b>(1,511)</b>	<b>(941)</b>
As a percentage of liabilities (%)	<b>41.6%</b>	<b>43.5%</b>

### 17 Control

The sole member of Fife Cultural Trust is Fife Council.

The trustees are appointed by the members and 4 of the 13 trustees of Fife Cultural Trust are appointed from the Council (30.8%).

## Fife Cultural Trust

### Notes to the consolidated financial statements (continued)

#### 18 Restricted funds - group and company

Fund	Balance at 31 March 2014 £	Income in period £	Expenditure in period £	Transfer from unrestricted funds £	Balance at 31 March 2015 £
Patronbase system	12,336	-	(2,847)	-	9,489
Mobile Staging	13,077	-	(2,179)	-	10,898
Creative Scotland Project – Re:move - Residency	20,230	-	(3,372)	-	16,858
Creative Scotland - Visual Arts & Crafts	-	23,850	(47,459)	-	(23,609)
Janet Brown Bequest	20,214	-	-	-	20,214
Side Entrance Improvement Project	37,933	-	(32,814)	-	5,119
Treasure Trove	-	2,960	(2,290)	-	670
Public Library Improvement Fund (PLIF)	10,000	-	-	-	10,000
Kirkcaldy Film Festival	-	1,875	-	-	1,875
The Bothy & Bothy Ballads	20,634	5,000	(16,725)	-	8,909
Creative Economy Development Fund	-	-	(3,110)	-	(3,110)
Get Fife Dancing	35,000	5,000	(23,023)	-	16,977
Creative Identities Dance	4,155	-	-	-	4,155
Creative Scotland - Small Scale Capital Project	53,532	-	(7,000)	-	46,532
Fife Challenge	4,856	5,500	(21,845)	-	(11,489)
Cultural Prescriptions	-	13,735	(7,861)	-	5,874
WW1	1,898	-	(29,795)	-	(27,897)
Creative Learning Network	842	2,650	(7,233)	-	(4,583)
In the Kingdom that Danced	-	62,500	(65,490)	2,990	-
Library Network WiFi Installation	-	37,157	(38,792)	1,635	-
The Arts Hub	-	240,000	(83,306)	-	156,694
Creative Development Network	842	-	(12,477)	-	(11,635)
Cultural Consortium	-	-	(7,207)	-	(7,207)
Think Innovation	-	-	(206)	-	(206)
Treasure Plus	-	2,850	(2,170)	-	680
NHS	-	1,000	-	-	1,000
Dianne Arbus	-	3,245	-	-	3,245
Lochgelly improvements	-	5,000	-	-	5,000
	234,707	412,322	(417,199)	4,625	234,455
	=====	=====	=====	=====	=====

#### Purposes of restricted funds

The Restricted funds at 31 March 2015 relate to funds received from other bodies as contributions to specific arts and museum projects.