

Company Registration No. SC433176 (Scotland)

Fife Cultural Services Trading Limited

Directors' report and financial statements

for the year ended 31 March 2021

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Reference and Administrative Information

The Directors who were in office during the year and up to the date of signing of the financial statements were:

B Lawrie (Chair)
Dr FC Quinault
S Scarlett (until 24 March 2021)
D Bottom
L Brown (until 26 May 2021)
J Silcock
L Maule (appointed 12 July 2021)
P Sykes (appointed 12 July 2021)
J Carnegie (appointed 29 July 2021)
J Coombes (appointed 29 July 2021)
Lisa Yvonne Maule (appointed 12 July 2021)

Secretary

K Keay

Key Management Personnel

Heather Stuart
Chief Executive

Kirsty Keay
Director of Corporate and Commercial Development

Bankers

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

Solicitors

Burness Paull
50 Lothian Road
Edinburgh
EH3 9WJ

Registered Office

Iona House
John Smith Business Park
Grantsmuir Road
Kirkcaldy
Fife
Scotland
KY2 6NA

Auditor

Azets Audit Services (formerly Scott
Moncrieff)
Exchange Place 3
Semple Street

Edinburgh
EH3 8BL

Company registration number:

SC433176

Directors' Report

The Directors present their report and the financial statements for the year ended 31st March 2021.

Principal Activity

Fife Cultural Services Trading Limited (FCSTL) is the trading subsidiary of Fife Cultural Trust. FCSTL oversees the management and development of commercial activities of Fife Cultural Trust that are more appropriately managed outwith the Trust. FCSTL creates income through the following activities; catering and bar services in flagship venues and theatres; retail in flagship venues and some library sites; venue and room hire; and events and conferences. Any surplus generated through FCSTL is gift aided to Fife Cultural Trust to strengthen the delivery of cultural services across Fife.

Results for the Year

During the year to 31 March 2021 FCSTL made an operating profit of £170,581 (2020: £214,528) and made a distribution under gift aid of £98,000 (2020: £100,000) to Fife Cultural Trust.

Turnover and operating profit are lower than the previous year due to the closure of almost all trading operations as a response to public health restrictions due to COVID-19.

The impact of COVID-19 led to turnover being lower than the previous year £345,512 (2020 £1,109,617).

As a result of this at 31 March 2021 the company had net assets of £205,540 (2020 £132,859).

Key Achievements for the year

2021 was a difficult year for FCSTL, all of the trading activities that are usually undertaken across the business were required to shut at the end of the March 2020 as part of the UK wide 'lock down' measures to try and curb the spread of the coronavirus. The following services all had to cease:

- All café services
- All meeting room hire
- All pre-booked conferences / events
- All bar services
- All retail activity
- The escape room

However, a key achievement was the opening of a 'pop up' summer time offering in Kirkcaldy at the Adam Smith Theatre – The Advantage Café Bar and an online shopping platform trialled to support ongoing local retail in the Kirkcaldy area – Shopappy.

The Advantage Café Bar

The Advantage was a new hospitality offering that utilised an outdoor space to the front of one of our venues allowing us to reopen during the summer of 2020 in line with public health guidelines. There were a number of different aims for taking forward this new venture:



- Ensuring ongoing engagement with our customers
- Supporting town centre regeneration and encouraging footfall post lock down
- Supporting other local businesses (suppliers)
- Raise our profile
- Developing and maintaining staff skills (guarding against skills fade)
- Test a new delivery model
- Support the Charity (FCT) to remain connected with customers through using an iconic Theatre that was closed due to COVID-19.

It meant that we could bring team members back to work using the flexi-furlough scheme and trial a new business concept at a time when the ability to trade was severely limited.

Performance:

The investment required for The Advantage was considered long term, it would enable FCSTL to bring a 'pop up' outdoor offering to life again if wanted and would be a future asset.

Profit and Loss

Income	
Food/ Café/Bar	9,174.34
Total Income	9,174.34
Expenditure	
Staff costs	9,063.34
Food costs	4,282.76
Total Expenditure	13,346.10
Net loss	4,171.76

Points of note from the P&L:

- 1) New furniture and kitchen equipment costing £2,946.54 was purchased to support the new style of outdoor service and cook to order food experience. As it is planned to use the equipment during 2021/2022 as part of an outdoor catering offer during the spring /summer it was not appropriate to show this as a charge to The Advantage.
- 2) The Government's Eat out to help out campaign (50% off at participating cafes/restaurants Monday – Wednesday) which ran through out August. This impacted on footfall and customer spend dropping during these 5 weekends as customers took advantage of the scheme.
- 3) Schools went back mid-August. Both Friday and Saturday sales suffered from fewer families using the café/ bar at this time
- 4) The high staff costs reflect the increased levels required per day to support an outdoor catering table service offer, additional staff were required to help with set up and break down of the outdoor furniture (due to caretakers being deployed elsewhere across the estate), recording for the track and trace system, directing customers to theirs tables, providing full table service within Scottish Government guidelines and maintaining a dedicated supervisor back of house to manage the beverage orders and payments.

Key Performance Indicators

KPI	Result
Bring an outdoor catering offering to our customers during the summer season	The Advantage Café was open for an 8 week period for Friday and Saturday service
Generate Cashflow for FCSTL	The venture generated £9,174 of food and beverage sales
Target sales - £10,200 for the duration of opening	The first 3 weekends exceeded sales target by 22% The first 3 weekends exceeded sales target by 22%
Positive customer engagement	95% positive customer feedback received through engagement by the catering staff either at the beginning, during or prior to the customers leaving

New local providers and partnerships to support the venture	Exceeded new partnerships target of 5 (6 new partners)
Engage key partners who encourage footfall at The Advantage	Partners involved came from across Fife, some with established customer brand loyalty i.e.: Carnie Fruit Farm, Jannetta's Gelateria, Eden Mill Gin and St Andrew's Brewing Co.

Shopappy

The shopappy was an online app / web platform that we were invited to join at the start of lock down. The app was local to Kirkcaldy and allowed us to make retail items available for sale to local people once click and collect was an option.

Whilst sales from this platform were low, it was another way of trying to stay connected with customers and generate income for FCSTL. The total net sales after VAT and deductions for Shopappy were £607.37



Additional Income

Whilst normal trading activity was halted in light of covid-19 restrictions FCSTL was able to maintain a level of income over the period from long term office and concession rentals in addition to negotiating long term temporary occupancy to support the NHS winter flu vaccination programme, leading onto the covid-19 vaccination programme. These sources of income were a key factor in creating financial sustainability over the difficult year.

Strategic Planning

Whilst FCSTL has not been able to trade as normal this year a lot of time has been invested in planning for the future of the business and ensuring it is well placed to return to trading in the future.

This has involved dividing the operational aspects of FCSTL from business development and creating clear lines of accountability for planning and delivery.

Business Development

The ability to invest time in taking forward business development ideas, engaging new partners and possible customers and bringing new products to market is a key part of the ongoing aspirations of OnFife and also integral to ongoing financial success of the Trading subsidiary.

When we can invest in business development it brings new and exciting offerings to OnFife, such as the Escape Room at Rothes Halls. This project is a successful new business area that repurposed a meeting room that was not being used, attracting a new customer base to the Rothes Halls and allowing us to use our theatrical knowledge in an exciting format. Greater time spent on these endeavours will mean OnFife can realise the full potential of such opportunities.

Business Development Scope:

Business development will focus on the following areas:

MICE (Meetings, Incentive, Conference and Events) market

OnFife has a wide range of venues and spaces that are currently underutilised, and whilst the MICE market has been hit hard by COVID there will come a time when people return to seeking space for their meetings and events (especially those businesses that no longer have significant office premises, moving to more flexible working as the norm). We have one of the largest conference spaces in Fife (Rothes Halls) alongside historically valuable and interesting buildings (Carnegie Hall and DCLG) that present opportunities to attract people from a more diverse market – those seeking 'alternative' locations for events.

Tourism

Whilst OnFife is connected with the Fife Tourism Partnership (Chief Executive sits on the partnership) and Local Tourist Associations the organisation has the scope to do far more in relation to promoting and maximising these connections both in relation to contributing to the aims of the partnership but also through utilising this avenue to promote the different offerings available in the Trust and 'package' our services to be enticing to tourists (both local and from further afield).

Retail

Given the diverse collections that OnFife curates there is a greater scope to create retail lines that are exclusive to the organisation and resonate on a greater level with customers, either due their own local history and connections or through heritage tourism which is linked to tourism development. A move towards online platforms for retail is also a significant area for investment and growth for OnFife and the Trading subsidiary.

Escape Room / Experience market

OnFife has a range of different experiences that it could offer, whilst further development of the escape room is key, there is room to expand on the experiential market within the different areas that OnFife operates (we have had requests previously from people who want to hire the stage for a day so they can use it as a different location for a birthday party for example).

Partnerships

As OnFife develops its brand and seeks to use its story to encourage greater community support in relation to donations and fundraising, there is scope to expand this approach in relation to corporate partnerships and seek to capitalise on corporate social responsibility aspirations that companies might seek to achieve.

Trading Operations

There are a number of areas in the Trading subsidiary that are focused on front line service delivery with customers. Currently these are delivered in our venues, but there is little overlap with the operational day to day management and overview of the other services that also happen in the venues such as library and theatre services.

To overcome the separation that currently exists it is proposed to integrate trading operations into the main operational structure in the Trust. This will allow venue managers to be able to 'manage' and influence all areas of what happens in the venue and support improved customer experience, and a more effective and efficient use of staffing and other resources.

Trading Operations Scope:

It is proposed that the day to day management of the following is moved 'across' to operations:

- Café services
- Bar services

- Retail services
- Escape room operations

Future Plans

A return to trading in the coming year is a key focus for FCSTL with activities centred across operational and business development plans:

Operational

- The reopening of The Advantage for Spring / Summer at the Adam Smith Theatre
- Reopening Café offerings at Rothes Halls and Lochgelly centre
- Return to retail trading with staff being trained to take on extra roles to ensure maximum efficiency and return on these posts
- Return to bar operations when Theatres re-open
- Re-open the Escape room

Business Development

- Establish a clear pricing policy in support of return to room /events hires
- Create marketing materials to enable a strong return to market
- Product development for new retail lines and ahead of Jack Vettriano exhibition at the Kirkcaldy Galleries in Spring 2022
- Supporting charitable activities with commercial offerings

There will also be an investment in systems and procedural improvement to ensure that there is a strong foundation in place to enable activities to resume successfully.

Directors

The directors of FCSTL are shown on page 1. Unless otherwise indicated, these directors held office throughout the year and to the date of approval for these financial statements.

Directors Indemnities

Third party indemnity insurance was paid by Fife Cultural Trust during the period for the benefit of the directors of FCSTL.

Disclosure of information to the auditor

Each of the persons who are directors at the time when this Directors Report is approved has confirmed that:

- So far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- Each director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Azets will therefore continue in office. (please note we will be seeking a new auditor for 2021 -22 so this section will need checking with a view to updating if required).

Small Companies Note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Board on 8th December 2021 and signed on its behalf by:

A handwritten signature in blue ink, appearing to read 'B Lawrie', is written over a horizontal dotted line.

B Lawrie
Director

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent; 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Opinion

We have audited the financial statements of Fife Cultural Services Trading Limited (the 'company') for the year ended 31 March 2021 which comprise Statement of Income and Retained Earnings, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit 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 requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors of the company are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:
www.frc.org.uk/auditorsresponsibilities. The description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members, as a body, 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 company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Nick Bennett, *Senior Statutory Auditor*

For and on behalf of Azets Audit Services, Statutory Auditor

Chartered Accountants
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Date: 8 December 2021

Fife Cultural Services Trading Limited
Statement of Comprehensive Income and Retained Earnings
Year Ended 31 March 2021

Statement of Income and Retained Earnings
Year ended 31 March 2021

	Note	2021 £	2020 £
Turnover	5	345,512	1,109,617
Cost of sales		(81,727)	(778,354)
Gross profit		263,785	331,263
Administrative expenses		(93,204)	(116,735)
Operating profit		170,581	214,528
Profit for the year		170,581	214,528
Retained earnings at the beginning of the year		132,859	18,331
Profit for the year		170,581	214,528
Distribution under gift aid to charitable parent		(98,000)	(100,000)
Retained earnings at the end of the year		205,440	132,859

All results derive from continuing operations.

The notes on pages 17 - 22 form part of these financial statements

Fife Cultural Services Trading Limited.
Balance Sheet
Year Ended 31 March 2021

Balance Sheet
As at 31 March 2021

	Note	2021 £	2020 £
Fixed Assets			
Tangible Assets	8	43,844	62,120
		<u>43,844</u>	<u>62,120</u>
Current assets			
Stock	9	41,444	58,071
Debtors	10	44,027	72,348
Cash at bank and in hand	11	163,141	27,362
		<u>248,612</u>	<u>157,781</u>
Liabilities			
Creditors: Amounts falling due within one year	12	(86,916)	(86,942)
		<u>161,696</u>	<u>70,839</u>
Net current assets/(liabilities)			
		<u>205,540</u>	<u>132,959</u>
Net assets			
		<u>205,540</u>	<u>132,959</u>
Capital and reserves			
Called up share capital	13	100	100
Profit and loss account		205,440	132,859
		<u>205,540</u>	<u>132,959</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board on 8th December 2021 and signed on its behalf by:



B Lawrie
Chair

Registered number: SC433176

Notes on pages 17 - 22 form part of the financial statements

Notes to the Financial Statements

1 GENERAL INFORMATION

The principal activities of Fife Cultural Services Trading Limited (FCSTL) are the management and development of commercial activities of Fife Cultural Trust that are more appropriately managed out with the Trust. FCSTL generates income through a number of activities that are centred on enhancing the customer / visitor experience such as catering, hospitality, events, and retail. Going forward FCSTL is exploring new ways of expanding activities to build on these business areas.

FCSTL is a United Kingdom company limited by shares. It is both incorporated and domiciled in Scotland. The address of its registered office is Iona House, John Smith Business Park, Grantsmuir Road, Kirkcaldy, Fife, KY2 6NA.

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which FCSTL's transactions are denominated. They comprise the financial statements of FCSTL drawn up for the year ended 31 March 2021.

2 STATEMENT OF COMPLIANCE

The financial statements are prepared in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' issued by the Financial Reporting Council and the Companies Act 2006.

3 ACCOUNTING POLICIES

Basis of preparation of the financial statements

The financial statements are prepared under historical cost convention and in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' and the Companies Act 2006. The principal accounting policies are summarised below and have been applied consistently through the current and preceding year, unless otherwise stated.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying FCSTL's accounting policies (see note 4).

Going concern

The financial statements have been prepared on a going concern basis. In the spring of 2020, the COVID-19 virus resulted in the closure of trading activities which continued for the entire year. The going concern basis is due to the ongoing support of related parties with lifting of restrictions hopefully leading to an increase in activity once more.

Notes to the Financial Statements

Cash Flow Statement

FCSTL has not presented a cash flow statement. It has taken advantage of the exemption contained in FRS 102 as the parent company, Fife Cultural Trust, has included a consolidated cash flow statement within its group financial statements for the year ended 31 March 2021.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to FCSTL and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that FCSTL will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and
- the costs incurred and the costs to complete the contract can be measured reliably.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Financial instruments

FCSTL only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Notes to the Financial Statements

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and balances with banks.

4 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying FCSTL's accounting policies.

The directors are confident that all accounting judgements made relating to this financial year are evidenced and appropriate, given that these relate to further clarifying the basis of the apportionments between the parent company and the trading subsidiary. The directors are satisfied that accounting policies are appropriate and applied consistently.

5 ANALYSIS OF TURNOVER

An analysis of turnover by class of business is as follows	2021 £	2020 £
Rendering of services	345,512	1,109,617

6 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Operating profit is stated after charging:

	2021 £	2020 £
Auditor's remuneration: audit of these financial statements	1,025	1,025

Fife Cultural Services Trading Ltd receives support services from Fife Council free of charge. Fife Council has provided an estimated value of the services provided for the year ended 31 March 2021. The value has been included in turnover and administrative expenses and amounts to £32,625 (2020: £52,395).

Notes to the Financial Statements

7 INFORMATION REGARDING STAFF AND DIRECTORS

In 2021 staff costs totalled £9,532 (2020: £403,521). Staff costs are recharged from Fife Cultural Trust.

No Directors received any remuneration or payments from FCSTL during the year.

8 TANGIBLE ASSETS

	Vehicles, Plant & equipment £
Cost	
As at 1 April 2020	89,317
Additions	3,324
	<hr/>
As at 31 March 2021	92,641
	<hr/>
Depreciation	
As at 1 April 2020	(27,198)
Charge in year	(21,599)
	<hr/>
As at 31 March 2021	(48,797)
	<hr/>
Net book value	
As at 31 March 2020	62,120
As at 31 March 2021	43,844
	<hr/>

9 STOCK

	2021 £	2020 £
Stock	41,444	58,071
	<hr/>	<hr/>

Notes to the Financial Statements

10 DEBTORS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	41,210	68,489
Other debtors and prepayments	2,817	3,859
	44,027	72,348

11 CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash at bank and in hand	163,141	27,362

12 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Amounts owed to Parent Company	40,736	25,610
Trade Creditors	1,089	24,103
Accruals	45,001	35,097
Taxation and social security	90	2,132
	86,916	86,942

13 CALLED UP SHARE CAPITAL

	2021 £	2020 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

14 RESERVES

The profit and loss account includes all current period retained profits and losses.

15 TAXATION

FCSTL gift aids all available profits to Fife Cultural Trust and has no liability to tax.

Notes to the Financial Statements

16 ULTIMATE PARENT COMPANY

FCSTL is a subsidiary of Fife Cultural Trust, a company limited by guarantee, registered in Scotland and a registered charity (number SC043442).

The largest group into which the results of the FCSTL are consolidated is Fife Council. The consolidated financial statements of Fife Council may be obtained from Fife House North Street Glenrothes Fife KY7 5LT.

17 RELATED PARTIES

FCSTL has elected to take advantage of the exemption from disclosure of transactions with group companies and investees of the group qualifying as related parties, available to wholly owned subsidiary under FRS 102 on the basis that the group financial statements are publicly available.