



Fife Cultural Trust
(a company limited by guarantee)

Report and consolidated financial statements
for the year ended 31 March 2021

Company number – SC415704

Charity number – SC043442

FIFE CULTURAL TRUST
For the year ended 31 March 2021
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FIFE CULTURAL TRUST
Trustees' Report (incorporating the Trustees' Strategic Report)
For the year ended 31 March 2021

The Trustees are pleased to present their Report and Accounts for the year ended 31 March 2021. The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

STRATEGIC REPORT

Objectives and Activities

Fife Cultural Trust (the Company), established by Fife Council on 1 October 2012, delivers Libraries, Arts, Museums, Galleries, Archives, Theatres and Cultural Partnerships Services on behalf of Fife Council with a view to ensuring the long-term sustainability of these services.

A company limited by guarantee, Fife Cultural Trust's principal activity is the provision of cultural services for Fife. It is responsible for community development in the creative and cultural fields and for operating and delivering the following facilities and services:

- Libraries; inclusive of mobile libraries and a home delivery service
- Maintenance and development of library services within Fife Council's four integrated customer service facilities
- Museums, galleries, archives and local studies, heritage sites, and a mobile museum
- Stewardship and care for the objects and archives in Fife Council's collections
- Theatres and community venues

The work of Fife Cultural Trust is led by its Vision, Mission, Purpose and Values. Following on from work started in 2019-20, we worked with team members to review and refresh these, so they were more reflective of our current work and future aspirations. This included updating our values and harmonising our public-facing branding (OnFife) in 2020-21. The result is a bold and clear statement:

We are OnFife and we know how valuable creativity is to our communities. Whether we're helping people learn or making them laugh – we're here to bring people together and make them feel good. Our spaces are some of Fife's favourite places – from historic buildings to mobile libraries, award-winning new destinations to much-loved community hubs. Museums, theatres, galleries, libraries, and archives – we offer them all.

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Our Values

Fearless

We're a creative organisation full of adventure and imagination. We believe in ourselves and each other. We're here to learn, and we're never afraid to try new things.

Inviting

We believe inspiration is for everyone. We're inclusive, generous and customer-focused in everything we do – putting on enticing experiences and giving everyone a taste of our famous warm welcome.

Fair

We treat everyone with respect – listening to, accepting, and taking on board their opinions, no matter how different they are to our own. We act with integrity – taking responsibility, and doing what we say we will, every time.

Exciting

We aim to be a positive force in the lives of others. Motivated and proactive, our work stands out because of our passion and energy for what we do. We're in the business of inspiration – and that's an exciting place to be.

Our Strategic Objectives

Our Strategic Objectives for 2020-21, which are reflected in our achievements and performance below, were:

Create Inspiring Experiences

We are renowned for creating amazing experiences for our customers, delivering awe-inspiring events across our services. To deliver this we will:

- Deliver excellent customer experiences
- Position customer engagement at the heart of service planning
- Deliver high quality museums, archives and local history experiences
- Create wellbeing experiences
- Enhance Fife's festivals and events experiences
- Continue to evolve our digital experiences

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Seek Adventure

We are recognised as the 'go to' creative engine of Fife, providing dynamic, innovative and inspirational cultural leadership and services. To deliver this we will:

- Pioneer new approaches and partnerships
- Harness new income generation opportunities
- Contribute to the development of cultural tourism for Fife
- Implement innovative business models
- Embed creativity at the core of business planning
- Build relationships with a range of emerging and developing artists providing support, partnerships and co-production opportunities
- Energise our marketing and promotions, telling our stories through the building of our brand
- Identify digital opportunities

Nurture Our Communities

We are visible, valued and invested in Fife's Communities, nurturing environments that spark creative journeys. We promote growth and ambition providing pathways to employment. To deliver this we will:

- Develop opportunities which promote careers in the cultural sector
- Grow the range of volunteering opportunities we offer to the benefit of the individuals volunteering and add value to our customer experience
- Develop the Adam Smith Cultural and Creative Hub
- Embrace the legacy of our famous Fifers
- Deliver community centric libraries experiences
- Tackle social isolation by connecting people and communities
- Safeguard and develop the heritage of our diverse communities
- Connect people to their heritage collections and stories

Value and Support Our People

We are an organisation that is desirable to work for, supporting team members to reach their full potential, making them feel valued, trusted and empowered. To deliver this we will:

- Ensure our staff are at the heart of our policies
- Support our staff to feel valued, trusted and empowered
- Invest in developing our own talent
- Offer diverse opportunities to contribute to our organisation.

Achievement and Performance

Covid-19 response

On the 23 March 2020, the first national Covid-19 lockdown was announced and, as the country retreated into isolation, all our buildings and venues were closed overnight. Our customer-focused, dedicated and creative teams across the Trust, worked together to deliver new digital initiatives designed to Support, Inform, Entertain and Engage. In April 2020 our new ShineOnFife programme was established and was launched with this statement:

We are here for Fife. And while our house lights are off, we know that house lights all across Fife are still ON. As the kingdom's biggest cultural organisation, we want to bring the community together – to laugh, learn and let our imaginations run free. Through the magic of technology, we'll be bringing you the brightest and best in creativity, entertainment, learning and community support. Join us and get involved, as we shine the spotlight on inspiring activities from OnFife and beyond – sharing the best in virtual culture from across the globe.

Libraries

Within one week the Young People's Library team had mobilised, created the virtual **LibrarYAY** Facebook page as part of the ShineOnFife programme and launched what was to become an uplifting, entertaining and inspiring selection of online family activities that would grow in popularity and endure.

OnFife Cares calls were made to all our readers aged 70 and over, including some of our most vulnerable customers, during the first lockdown. More than 2,600 calls were made, with feedback showing that the calls were really welcomed, particularly by those who were on their own. The **Home Delivery service** adapted and rose to the challenge of delivering during a pandemic. We expanded our service during lockdown, offering it to people who were shielding or identified as vulnerable as part of the local response to Covid-19. Instead of the usual home visit, door-step delivery was introduced ensuring avid readers still received their bespoke collection of books, providing a lifeline to otherwise isolated members of our communities.

As the first lockdown restrictions were eased and staff could return to libraries, we responded very quickly to the news that we could offer a collection service, **Connect & Collect (C&C)**. The response was fantastic with 3,663 bags of books issued between 13 July and 4 August 2020.

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25 of the 29 OnFife Libraries re-opened for **limited browsing** in August 2020, although Scottish Government restrictions limited the number of people able to be in buildings at the same time and for how long.

Programming

2020 was like no other year in theatre programming history. As Covid-19 hit, our programme was initially rescheduled until August 2020 but in June we took the bold decision to take down all our theatre programming until spring 2021. This, sadly, included postponing our annual Christmas panto at Adam Smith Theatre and later our alternative The Magic of Christmas at Carnegie Hall as the guidance changed.

Funding sourced by the **Creative Development team** gave us the chance to support creative practitioners during a very difficult year. We secured **£230,000 from the Creative Scotland Performing Arts Venue Relief Fund** in September. The money was used to support a programme of events and workshops providing much needed income for artists and creatives as well as entertainment and learning for our own audiences. Activities included the **Create in Fife 2020 group**, which allowed creatives to share information on funding and their work and now has more than 300 members; monthly **Creative ConversatiONs** with guest speakers, and the **Create in Fife Instagram takeover**, which now has more than 1,460 followers.

Funding of **£2,400 from the Theatres Trust** in January allowed us to purchase further hand sanitising units, screens and masks to make sure that our staff and our customers feel safe in our buildings.

Cultural Heritage

As a stand-alone venue, **St Andrews Museum** re-opened on 3 August with **Dunfermline Carnegie Library & Galleries (DCL&G)** and **Kirkcaldy Galleries** following a week later. To meet the Scottish Government restrictions a booking system for visits was introduced. The museums and galleries areas in Kirkcaldy Galleries and DCL&G closed again on 24 November 2020 when the libraries in the shared buildings reverted to Connect & Collect. Museums and Galleries were only open for 96 days over the whole year. Visitor numbers, based on figures at Kirkcaldy Galleries, were at around 15% of what would have been expected in a normal year.

The major exhibition, **Jack Vettriano: The Early Years**, originally scheduled as the highlight of 2020, was moved forward, initially to 2021 and then, as the impact of the pandemic unfolded, to 2022.

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Museum outreach services were suspended for the whole year as risk assessments showed their users, mainly schools and care homes, to be at high risk. The mobile museum **MAC** was borrowed by Fife Council, along with our driver, to deliver vaccines to children at primary schools for 31 days.

In lockdown we continued to receive and answer enquiries from the public around our **collections**. Limited access to the collections meant it sometimes took us longer to reply but customers were understanding about the restrictions we were working under. Essential collections care work continued throughout the pandemic in our venues. Regular checks on collections and stores were carried out to deal with risks from building issues and changes in temperature/humidity. On one occasion possible damage to archives and museum objects, caused by excessive rainfall swamping pipework was avoided thanks to alertness and team working of staff.

In September, we moved hundreds of boxes of **local studies** books from our store in Cardenden library to the collections centre in Glenrothes where the climate-controlled store will help us to preserve these printed books about Fife.

The Cultural Heritage team continued to work throughout the year on revisioning and developing a wide range of ideas for the future direction and ethos of our museums, archives and local studies services to ensure what we offer from Fife Cultural Trust is vibrant, relevant and sustainable. A draft Cultural Heritage strategy for Fife went to the Board in March and will be finalised in 2021-22, led by the new Head of Cultural Heritage & Wellbeing

Creating Inspiring Experiences

The **Creative Scotland Performing Arts Venue Relief Fund** meant we could still create and curate a wonderful programme of **theatre events online** throughout the year, with performances from The MacDougalls, Shaper Caper and a wonderful adaptation of Dalloway by Dyad Theatre.

We were also able to bring back our monthly **Comedy cafes** through the medium of Zoom but sticking to our original formula of three comedians compered as ever by Raymond Mearns. The first two Comedy cafes exceeded all expectations selling more than 100 tickets, more than achieved in-venue, perhaps reflecting how happy people were to be enjoying a fun 'night out' at home. The funding also allowed us to use an events production company - and thereby provide another group of talented people with financial help at the same time - for tech support to make the Comedy Cafes an interactive experience for audiences.

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Artists in Residency - three artists worked over three months at the start of 2021 with three different groups, each with a very different focus. Fife singer-songwriter **David Latto** worked with older people recording their stories and made it into a song. Award-winning non-binary drag artist **Jordy Deelight** worked with the LGBTQ+ community and a local volunteer with a focus on their own experiences of Covid-19 and produced a short film. And queer, Scottish, disabled interdisciplinary artist **Eilidh Ellery** looked at barriers to the arts. They hosted online workshops for adult learners, in collaboration with a variety of disabled creatives, who either already performed, or wanted to learn.

RBDigital/Overdrive e-resources – our doors may have been closed during lockdown but our customers were still able to carry on reading thanks to RBDigital our eBook, eAudio and eMagazine service. There were 57,852 e-book and e-audio book issues in 2020-21 compared to 30,478 the previous year. There was a combined increase of 90% in eBook and eAudiobook issues from the previous year, perhaps proving that there is nothing quite like a good book to help lift your spirits. We also saw increased use of the eMagazine service, with an additional 30,742 checkouts during 2020-21. This year also saw our e-resource platform bought by their competitor, Overdrive. Our service migrated to the Libby app as a result. The move brings with it different functionality within the app such as dyslexia settings, and the option to buy graphic novels, read-along versions of children's titles and a wider range of magazines.

Exhibitions had to go online as the physical doors closed. Craft videos were filmed, quizzes and other digital challenges were made for exhibitions **Blooming Marvellous** and **Explore! Travellers and Trailblazers**. When we were able to re-open with reduced physical interactivity, free individual exhibition activity packs were offered to visitors to take away and do at home. More video screens were added to these exhibitions with content like recorded Bookbug sessions and the craft videos.

The pandemic disrupted exhibition scheduling. **Art-Tastic** at St Andrews Museum was installed just before Christmas in 2020 and had not yet opened to the public at the end of the financial year. Our partnership exhibition with **Fife Contemporary, Lines from Scotland**, closed after just two weeks at Dunfermline Carnegie Library & Galleries. It eventually re-opened for 10 weeks from August to October but inevitably visitor numbers were considerably lower than hoped pre-pandemic.

However, access to our wonderful art collection was enhanced on **Art UK**. Images of all our oil paintings and sculptures are accessible on this very popular website. Four 'Art Curations' - online exhibitions of paintings - were produced. One celebrated the 150th anniversary of the Scottish Colourist, **S.J. Peploe**. Another highlighted **women artists** in the collection. Images of our sculptures went online and sales of prints of works increased.

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A new **OnFife Film Club** was set up during the pandemic, featuring films on fortnightly basis followed by an opportunity to chat through responses to the screenings online. The club attracted just over 200 members.

The **ShineOn Spring Festival** on the 20-21 March was our first online festival. The two days were chosen to span International Day of Happiness which became the theme of the event. The festival started with a Bollywood dance workshop, which sold out quickly. We had an author talk from Badger the Mystical Mutt and two stand-up comedy workshops called Stand Up to Stand Out. The Saturday night was very special for us as the fabulous Fife singer songwriter Horse MacDonald performed a special gig for us, all the more special, as following all guidelines, Horse was able to come to Carnegie Hall. This was filmed, edited and shown with live audience interaction to well over 100 people. The festival culminated on the Sunday evening with a filmed performance of local breaking band Dancing on Tables and a film screening of *From Scotland With Love* with a Q&A with director Virginia Heath. The whole festival was compered by the wonderfully funny Craig Hill.

The LibrarYAY Facebook page launched in reaction to the first lockdown went on to become a fantastic and enduring success, with content attracting followers across the globe. At the end of the first full year we had just shy of 3,000 followers and now programmes seven days a week, offering live events for schools and families alongside story times, weekly Code clubs, Kids' dens activities, Lego clubs, Chatterbooks and much more. In such an extraordinary year our staff rose to the challenge in an amazing way. Highlights include Julia's wonderful Bookbug birthday party; Hannah's story times attracting over 300 people each week; Ailsa's Code Clubs and wonder author events with Az Dessau, ambassador for refugees; Roopa Farooki the busy junior doctor; Nick Arnold's Horrible Science Fun and the incredible popularity of Harry Potter Book night.

Bookbug virtual and live – being online during the last year has seen our Bookbug sessions soar to new heights. A staggering 291 sessions have been held, with views of over 59,000. It's been an exhilarating year of firsts for us as our first Bookbug week online received over 3,500 views. The first zoom Bookbug sessions began at Kirkcaldy Galleries, with 19 sessions entertaining an audience of over 400 since its October launch, and a fantastic partnership project with Kirkcaldy Community and Neighbourhood team, Bookbug and Craft@Home, kicking off on March 24 with the first of six sessions targeting vulnerable families in the area.

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Our first entirely virtual **Book Week Scotland** festival took place in November 2020.

With Fife under Level 3 Covid restrictions, children were in school and our programme was both ambitious and varied. The festival was grant funded in the main but with adult events charged. We also invited public donations via a button on our free event pages and invited schools to sponsor authors. The programme offered 28 events for schools, children and families, with 23 specially commissioned or created by the Young People's team. Our adult events were equally imaginative, including a celebration of Jackie magazine and Confessions of a Bookseller, as well as an online writing competition. Our 30 events enjoyed a total reach of 12,695 and views of 2,415, which represents an audience estimated at 7898.

For **Hallowe'en** we offered family-friendly film Dia de los Muertos at Carnegie Hall, some spooky storytelling and music from Glamourie, an exhibition by Heather Millar and a lecture on all things paranormal from local Fife expert Leonard Low.

Also, at Carnegie Hall was a **socially-distanced screening** of Coco. The capacity was drastically reduced but we still sold almost 80 tickets.

We marked **Valentine's Day** with poetry from Carly Brown and music from local band The Passing Sages.

International Women's Day was celebrated with a series of online events over the weekend, with a selection of workshops which covered Mindfulness and Dance, poetry and an evening of conversation with a panel of creatives.

Moving our **Kids' dens** from physical to virtual provided the opportunity to reach families and young people like never before. From April 2020-March 2021, we created over 21 Kids' dens Blocks – a staggering 200+ sessions – including Code clubs, Chatterbooks, Junk Modelling, Eco crafts, Science and Lego clubs to name but a few. All in all, our Kids' dens have exceeded well over 15,000 views to date, with a Facebook reach of over 150,000! Tying in with Children's University Scotland, we have given our LibrarYAY families plenty of opportunities to be entertained, learn new skills and to make the most of their time at home.

Every last Saturday in November, the day following Black Friday is **Fair Saturday/St Andrew's Day** where thousands of artists and cultural organisations around the world get together in a unique festival supporting social causes through their shows. This year we offered up a selection of family craft activities including making thistles and a Scottie dog, as well as premiering the wonderful Totem, a shadow puppet film of an original folktale film set in St Andrews by local writer Benjamin Storey. We also encouraged donations to the **Trussell Trust Foodbanks**.

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With many children unable to attend school for a portion of the year, supporting parents with **home schooling** became a major focus for us. In January 2021 we introduced a special programme from Monday to Friday on the LibrayAY Facebook page, with a weekly theme curating the best in age-appropriate learning from across the internet. This saw a surge in followers and great feedback. As schools began to reopen in March this became more classroom-friendly, with our first 'live' Teams event with Emily Dodd attracting a capacity audience of over 3,000 children.

Fun palaces support local people to create their own community events sharing and celebrating the genius in everyone so that everyone can be an artist or a scientist. They shine a light on the skills, passions and enthusiasms within the Fife community and all activities are free to attend. In October 2020, we took part in this national campaign for the fifth time. Restrictions meant that we could no longer hold Fun palaces in a library setting but we adapted – we went digital. By using staff content and contacting local creatives, we were able to produce a programme of videos and posts for the OnFife Libraries Facebook page. The content featured baking, arts and crafts, weaving, jewellery making and photography tips. Our Fun palaces posts had a combined reach of 17,149 and an engagement of 1683. The videos were also viewed for a combined total of 3,852 minutes.

Libraries Week 2020 showcased how libraries nationwide continue to engage communities with reading and how they help to create a nation of readers. This week-long awareness-raising campaign let us highlight services, in particular our online offer, and we engaged with our reading communities through a series of extreme reading posts on social media – encouraging readers to post pictures of where they read. Extreme reading posts reached 3,900 with 235 engagements and posts highlighting services reaching a further 3,600 with 52 engagements and overall total of 7,500 reach and 287 engagements. Our first online author event took place during Libraries Week with Fife author James Oswald meeting a small group of readers to celebrate both Libraries Week and Cupar 150, our year-long celebration of the Duncan Institute, home of Cupar Library. James chatted about his latest book, *Bury Them Deep*, and answered questions about his writing and his reading. Bestselling author Elly Griffiths joined us in conversation in February to celebrate the publication of the 13th Dr Ruth Galloway novel, *The Night Hawks*. This event was sold out with 40 people joining in with our first 'pay what you can' author event. Donations received amounted to £100. Elly's lively conversation and warmth made for an enjoyable event with online bookings from as far afield as Arlington and Indianapolis, USA and Callander to Colchester.

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The Public Library Improvement Fund awarded £88,350 for the **Investing in our digital offer** multi authority project in January 2021. Covid-19 has presented significant challenges for library services in Scotland as they responded by moving services online. Local authorities came together to develop this bid to provide the initial investment required to improve digital content and services, providing a better standard of online offer for our customers. The funding will provide equipment, resources, training for each local authority along with a Virtual Peer Support Network later in 2021 to enable capacity building, shared practice and knowledge/skills development across all benefiting local authorities.

Big Scottish Story Ripple funding was received from the Scottish Storytelling Forum facilitated by TRACS (Traditional Arts and Culture Scotland) to host a Big Scottish Story Ripple, where Fife storyteller Sheila Kinninmonth hosted an event for Cupar schools as part of 150th anniversary celebrations for the Duncan Institute, which houses Cupar Library, with another session for adults in the evening with traditional tales full of supernatural spirit. As part of the funding, we had to offer a good deed back to the community to continue the ripple of kindness.

A special **Moments in Time** recording was made and sent directly to care homes to act as a conversation starter and to provide those living with dementia an opportunity to revisit certain times in their lives. As our good deed for children, we transported Michelle Sloan into Cupar Library virtually with the help of green screen technology where she entertained little ones with her stories.

Nurturing Our Communities

Macmillan Cancer Information and Support had just established the two Macmillan volunteer-run drop-in services in Lochgelly and Leven Libraries when the pandemic started and both services had to cease and staff were furloughed. Macmillan helped us to keep the volunteers engaged throughout 2020 with virtual training sessions and all of the volunteers have remained with us and are keen to deliver the service once we can open it up again.

Connect & Collect (C&C) was introduced in response to lockdown but has now become a core part of the library service as readers are finding it a very convenient way of getting their books and have been very appreciative of the great selections staff are making for them, helping them to find books they may not have tried reading before.

25 of the 29 OnFife Libraries re-opened for **limited browsing** in August 2020. The branches had to adapt by installing screens at counters, clearing away seating that could encourage people to linger and ensuring hand sanitiser and face masks were available at all times. Customer surveys of safety

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held pre and post re-opening found that we were doing what our customers needed us to do and over 93% of customers were happy to return.

For **Black History Month** we created a programme that explored and celebrated black history, heritage, and culture – past and contemporary, local and global. The programme included commissioned stories, poems, and performances as well as suggested reading lists and links to online resources.

Walk ON and Reading Groups – despite the challenges of the last year, many of our Reading and Walk ON groups have continued to meet, albeit virtually. The passion and determination of the staff facilitating these groups shone through with some groups moving to online meetings as early as April 2020 as they embraced learning to host groups via Zoom, Messenger and even via email and phone. The most important goal for these groups was continuing to meet, to share the ups and downs of lockdown life through the group chats and to use books to uplift, comfort, engage and entertain. Credit goes to the staff whose flexibility and creativity has helped to develop our group offer and maintain the vital connections with our readers. Three Walk ON groups (Cupar, Duloch and Rothes Halls) continued to meet virtually – unable to come together for walks, participants shared their individual walking experiences with the rest of the group members and shared lively conversations about walking, gardening, books and much more. Walk ON groups met on 51 occasions with 443 attendances in total. Seven library-run reading groups moved to virtual meetings, these being Cadham, Cupar, Dunfermline Carnegie, Duloch, Kirkcaldy Galleries, Rothes Halls and St Andrews. Not all of these groups met regularly, the exceptions being Cupar and Duloch, whose groups have flourished online. Reading Groups met on 118 occasions with 773 attendances in total. Private reading groups meeting outwith our venues and who use our Reading group collections service continued to make use of the service. Many groups did not want to meet virtually; however, a number did with 47 groups from our 84 registered groups actively meeting and 250 boxes sent out to support them between August and December 2020 as Covid restrictions allowed. The reading groups co-ordinator kept in touch with all of the groups, sending reading recommendations for those groups who didn't make use of the collections and connecting with them via social media and email.

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The **Moments in Time** team moved its work online, providing prompts to start conversations which could be used in working and caring for those living with dementia. This included poetry, reminiscence and slide shows. As well as providing 19 conversations with prompt posts, an additional 24 posts signposted people to other organisations' dementia content or information that people might find useful. In total for 2020-21, 43 dementia-related Facebook posts had a combined reach of 54,137 and 3,222 engagements.

Funding has been received from the **Creating Better Lives in Fife** grant from the **Life Changes Trust** to develop a programme of dementia-friendly, intellectually stimulating activities for those with mild to moderate symptoms and their family, friends and carers. As part of the grant, accessibility to Kirkcaldy Galleries will also be improved, ensuring signage is dementia-friendly to help all visitors navigate their way around the building and have a relaxed and enjoyable visit. The project **Cultural Connections** will be launching in May 2021 as part of our Ways to Wellbeing festival and will continue until March 2022. In addition, a creative partnership has been formed with University of St Andrews Library and Leisure and Culture Dundee to engage those living with dementia and their wider circle of family and friends in a varied and stimulating programme of activities bringing archaeological and library collections to life. The collaboration will involve creating a series of sessions which explore different sensory activities to research their impact on the wellbeing of those living with dementia. During the pandemic the project was put on hold but will now continue in 2021. Funding for the project was provided by SLIC's Innovation and Development fund.

Volunteers and supporters were not forgotten despite not being able to meet face-to-face. Regular groups such as **the sewing circle** and **the archives volunteers** were contacted by email and phone to keep them informed and to check on their wellbeing. **The Friends of Kirkcaldy Galleries'** 30th anniversary was celebrated in the February 2021 edition of our Cultural Heritage behind the scenes videos released on social media.

Through our **ShineOn** social media engagement programme, the St Andrews museum Facebook attracted more followers thanks to the work of the Interpretation team. The #Wednesdayworkplace posts shared photographs and stories about businesses and shops in St Andrews while #Fineartfriday posts highlighted paintings from our collections. For example, a post in August about Spring Moonlight by John Henry had a reach of 4,700 and 324 engagements.

Archives and Local Studies team members scanned over 4,000 local photographs while working from home. Local Studies also created a new Flickr page to share some of these images. It has over 1,000 photographs of towns and villages across Fife. The site had 365,109 page views in 2020-21.

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The OnFife Archives Facebook page was used to share local photographs and to ask for help to identify people and objects. Over the year the number of people following the page increased from 625 followers to 1,922 followers. In March a **Local events, projects and contacts group** was added to put Fife local history groups in touch with each other. In the first week it gained 272 members.

A new contemporary collecting project, **Fife in Lockdown**, was launched. This aimed to collect a range of material – objects, archives and images – to create a permanent archive about the pandemic in Fife. Items collected included diaries, face masks, social distancing signage and film footage of clapping for the NHS on Thursday evenings.

In the **Eat Like an Earl project**, a team of 20 volunteers working from home have transcribed a diet book from Leslie House. The book lists the food eaten by the family and servants in the years 1721-23. This fantastic project went on to receive significant media coverage at national, regional and local level.

Conservation of collections is a vital aspect of our work. 2021 is the bicentenary of the birth of Dunfermline-born artist **Sir Joseph Noel Paton** and we are fortunate to have a number of artworks by him. These include nine large drawings of the Last Supper created for the stained-glass in Dunfermline Abbey. A project began to conserve them for their long-term preservation and display. A grant of £1750 from the Gordon Fraser Trust assisted treatment of three drawings – the central figure of Christ and images of some of the disciples, including a very striking Judas.

New additions to the collections continued, despite the difficulties. Bob Eadie donated the papers of his late wife, **Helen Eadie, MSP for Cowdenbeath**, and papers relating to the history of the Labour Party in Fife.

Added to the museum collection was a group of fascinating **medieval objects found by metal detectorists**. These included two papal bullae - lead seals with the names of popes on them. From earlier times, a hoard of 14 Roman coins was also acquired. All archaeological finds came through the Treasure Trove system and were funded by a grant from the National Fund for Acquisitions.

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Funding of £24,950 was originally awarded for the **Pause not Full Stop** project late in 2019 as part of the Carnegie UK Trust **Engaging Libraries** project, Phase 2. The length of the project has been extended due to Covid and is now due to end in September 2021 with final reports due October 2021. Engaging Libraries supports libraries to run public engagement activities on research within the themes of health, society, and culture. It helps to facilitate partnerships between public libraries and researchers, and spark people's curiosity around topics that are relevant or interesting to them. The programme is a partnership between the Carnegie UK Trust, Wellcome and the Wolfson Foundation. **Pause not Full Stop** focuses on breaking down the taboo surrounding the menopause and starting conversations about it. The launch of the project was delayed due to Covid but after moving online, comedian Janey Godley started the conversation in her own inimitable way. The programme for 2021-22 is wide and varied with drop-in sessions, live performances and other creative activities being used to put attendees at ease before starting menopause conversations. We are also fortunate to have been partnered with Dr Vanessa Beck, of the University of Bristol, who has carried out numerous pieces of research looking at how menopause is talked about and is now working on creating a **Let's Talk Menopause** toolkit as an offshoot of this project after gaining additional funding from the Brigstow Institute.

The **Ways to Wellbeing** festival, designed to bring people together and highlight all the ways Fife Cultural Trust can help with positive wellbeing, moved online and was a week-long programme connected to Mental Health Awareness week with the theme of kindness. In 2020, kindness was more than ever important for our wellbeing – connecting to each other and being kind to ourselves. OnFife libraries Facebook page saw a mix of practical, inspirational, fun and informational posts helping to keep Fife focused on positivity and wellbeing – from online book clubbers to puzzles and mindfulness. The week saw a massive rise of 63% in post engagement across the week with over 22,000 people reached, a rise of 16%.

This year **Make a noise in libraries** was rebranded as **Hi-Vis** and celebrated the word in all its formats for people with visual impairments. With Covid-19 taking the fortnight's campaign online, Hi-Vis in Fife probably had more impact and a wider reach than in previous years. A total of 29 posts on Facebook shared a mixture of informational and reading-related content with the most popular being a poetry reading of Daffodils by library member, Gladys, with a reach of 1,300 and 135 engagements; creating a sensory garden which reached 1,600 with 102 engagements, and RNIB library with a reach of 1,600 and 46 engagements.

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Posts signposted to local organisations, like SeeScape and national organisations such as RNIB and Calibre audio, brought audio content with poetry readings and author excerpts and continued engaging our listening audiences with episodes of Fifeanory, which brought reading aloud to our adult audiences. In total social media posts had a reach of over 26,000 with over 1,000 engagements – this awareness-raising campaign for library services to our visually impaired users was a success.

Scottish Government funding through SCVO proved crucial in allowing us to develop our online services to the most isolated and vulnerable adults and children in Fife. We purchased a wide selection of online books and audiobooks for all ages, and it supported our home delivery service, paying for delivery bags and other resources. For children, it funded 1,000 Wonderboxes – fun and learning packs developed by our partners Children's University Scotland to directly support children with little or no access to technology. This led to an increased uptake in our Summer Reading Challenge by children from less advantaged backgrounds of around 40%.

In December we were one of the groups chosen from across the nation to distribute the **Youth Arts Small Grants** on behalf of Creative Scotland and the Scottish Government. From the 19 applications received we were able to support 10 artists to deliver projects involving young people to a value of more than £44,000 in the coming year. Projects included, drama, outdoor skills, murals, e-zines, crafts and much more. All activities will take place throughout 2021 and will have an impact on those participating and their communities.

Through local organisation **Love Oor Langtoun** we were delighted to offer support to develop a promotional video for Kirkcaldy High Street. It was an upbeat reminder of what the High Street has to offer and encouraged everyone to shine a light in what have been difficult times for everyone.

Sadly, along with every other event in 2020, **Fife Pride** was cancelled BUT we did support the organisation in offering a Virtual Fife Pride online. Saturday 4 July saw our very own Drag Queen compere April introduce a mix of live and recorded acts that entertained an audience of over 11,000 people through the day. Fife Pride is a big presence on the LGBTQ+ calendar and we were pleased to see that engagement on the day did not disappoint.

The Shell-sponsored **Fife Art Exhibition** moved to the Rothes Halls, Glenrothes, in October. Covid did affect the number of entries, which was down to 90, but it did not take away from the quality of the artwork. The entire exhibition was filmed and shown online to ensure that all exhibitors and followers of the exhibition were still able to view the work.

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In all the online exhibition had 289 views. There were four awards made in total, two for visual arts, one for crafts and one for young person. There were also a series on online workshops for those looking for some information or to get involved, including natural inks and fused glass.

Borderlines by Pauline McGee and Mac Logan was a beautiful exhibition on display in our Community gallery at DCL&G. The work, a selection of paintings and drawings by Pauline accompanied by poems from Mac, explored visually and literally the meaning of lines through crossing the borders between prose, voice and images.

Seeking Adventure

As well as our online programme, some highlights include:

With the award of £32,500 external funding for **Children's University and Summer Reading Challenge** in 2019 we formed a strong partnership with **Children's University Scotland**. As an organisation which promotes and celebrates family learning, we planned to offer children the chance to sign up in libraries as they joined our popular Summer Reading Challenge (SRC). Of course, Covid-19 changed those plans but thanks to a flexible and imaginative approach we reverse engineered the project and offered a full programme of SRC activities online with children joining the challenge via the Children's University ASPIRE website.

OnFife Libraries were successful in being awarded over £48,000 from the Public Library Improvement Fund for a project called **Data-Led Library Leadership**. The funding has allowed us to work with The Research Group (TRG) to analyse the mass of information held in the library management system in order to understand our readers and other users better. The report from the data processing is due in June 2021 when a strategy of methodologies to target library audiences in a more meaningful way will be developed.

Cupar Common Good gave us a grant of £1,500 which we combined with a previous donation of £1,000 from Fife Family History Society to help us buy a new microfilm scanner for Cupar Library in its 150th anniversary year. Two grants from **Museums Galleries Scotland** helped us respond to the Covid pandemic - the first for £2,839, from the Digital Resilience Fund, helped the team with home working, and later the Covid Adaptation Fund granted us £7,379 for equipment to support us to open in a Covid-safe way to visitors.

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Helping us look to the future, funding from Creative Scotland allowed us to begin developing a Digital Evolution Strategy. Working with an external agency, we began reviewing all our digital communications – with each other and our audiences – and IT infrastructure to make sure any future investments are based on strategic priorities.

Valuing and Supporting Our People

A huge increase in home working took place. Our teams faced many challenges, from lack of face-to-face contact with colleagues to difficulties with hardware and connectivity. The work carried out over the year shows how they dealt with this superbly. New hardware and software assisted team members, thanks to two grants from Museums Galleries Scotland.

Upskilling our teams in digital was an obvious need. Beyond new experiences like video conferencing and creating and posting on new social media platforms, they became skilled in new graphics packages, audio and video recording and editing, and delivering on-line events.

We supported two team members to success with their Modern Apprenticeships, one in Business & Administration and the other in Digital Marketing.

Attendance at virtual training and conferences covered a broad range of topics including: crowdsource funding, Gaelic awareness, decolonising the collections, LGBTQIA+ engagement, natural history collections and working with community partners.

We have engaged with our team members consistently over the year, ensuring we are sharing information using a number of different platforms to ensure that everyone remains as connected as possible and kept up to date about any changes. A considerable investment in equipment and IT to enable home working has been made, alongside health and wellbeing support such as mindfulness classes to try and support our team through a difficult period, both in relation to their working lives but also their personal circumstances.

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FINANCIAL REVIEW

Review of the year

For the financial year 2020/21 the Consolidated Statement of Financial Activities shows net income of £433,653 (2020: net expenditure of £1,697,873). Included in this net income are charges for pension adjustment costs of £637,000 (2020: £1,080,000), giving a surplus before actuarial pension adjustments of £1,070,653 (2020: deficit of £617,873).

Actuarial movements on the estimated valuation of liabilities on the defined benefit pension scheme amounted to a drop by £1,489,000 (2020: gain of £4,518,000) and result in a reported net decrease of £418,347 (2020: net increase in funds of £2,820,127).

The Net decrease in Funds takes the Total funds carried forward at 31 March to £1,335,555 (2020: £1,753,902).

Within this, the increase on Restricted funds after allowing for transfers is £91,879 (2020: £129,745), taking the balance of Restricted funds at 31 March 2021 to £333,947 (2020: £242,068).

Unrestricted funds for the year before pension adjustments of £976,639 (2020: deficit of £747,618). These latter figures effectively represent the underlying operational performance of the group. This takes the balance at 31 March 2021 to £202,608 (2020: deficit £776,166).

When combined with the Pension reserve of £799,000 (2020: £2,288,000) the unrestricted funds carried forward amount to net assets of £1,001,608 (2020: £1,511,834).

The Directors and Executive Team have been and continue to actively pursue the development of additional revenue streams through the Trust's trading subsidiary, Fife Cultural Services Trading Ltd.

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.

Business Growth Strategy

The worldwide pandemic has had a significant impact on Fife Cultural Trust and the plans to progress with further growth through trading activity. However, whilst the majority of trading operations have been closed for the duration of the year, we have taken every opportunity to use the time to

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work on developing plans for a return to trading and business growth when this is possible within public health guidance.

Focus has been on integrating trading operations into venue management to ensure that team members are part of the wider team and we can ensure that staffing of each venue is done in a way that is efficient and customer focused. This has enabled business development to be separated and focus on strategy development that will support recovery post Covid-19. The strategy is targeted at the following areas:

- Corporate Partnerships
 - Concessions strategy for available spaces
 - Seeking support from local businesses linked to Corporate Social Responsibility and ensuring we are leading with our charitable aims
- Tourism
 - Ensuring we have a strong commercial offering for visitors to our large venues
 - Connected partnerships
- MICE (meetings, incentives, conferences and events)
 - Identify key venues across the estate for marketing to returning trade
 - Ensure we are focused on becoming a known provider of services for MICE
 - Maximising our assets and heritage (Adam Smith, Andrew Carnegie)
- Retail
 - Ensuring we have a strong offering that is linked to our collections and heritage
 - Providing a platform for other creatives in Fife and Scotland to reach the consumer market

Theatre

Even though Covid-19 has forced the closure of the theatres this has not stopped our work in this area of the business, and we have continued to liaise with TRG Arts to review our Theatres and Programming strategy. This will continue to develop throughout 2021/22 as we put in place forecasting tools, build key internal teams and apply our understanding of customer data to an emerging programming strategy that will support us to reopen our doors in a way that is not only safe but is well considered and focused on achieving the best returns from our theatres in terms of quality and income generation.

Investment policy

There has been no change to the investment policy since the Finance and Audit Committee reviewed and approved, on 18 February 2020, an Investment Strategy based on the following purpose, objectives and risks:

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The purpose of the Trust's financial investment is to yield the best financial return within the level of risk considered to be acceptable by the Board; this return will then be either retained to grow the fund or realised and re-invested to deliver the Company's aims.

Investment Objectives: The Board approves the investment policy and any proposed amendments and receives a report annually on investment performance.

Authority for the review of the policy, allocation of assets, assessment of risk, review of investment and investment manager's performance and withdrawal of funds is delegated to the Finance and Audit Committee.

Investment Risks: The Trust has adopted an ethically robust framework and a risk appetite which is scored as a level 5. It has a diversified portfolio which has some fixed income, some equities and some cash holdings.

Risk Management

Risk management has been a significant area of focus for Fife Cultural Trust, with new standard operation procedures for strategic and operational management being implemented alongside a review and management structure that ensures risk management is an integrated part of day-to-day business and team members are consistently reviewing scoring and monitoring mitigating actions.

The most significant risks facing the Trust over the course of the year have been financial solvency and managing public health guidance to ensure a safe environment for team members and the public. Over the course of the year both risks have been managed well and with positive results.

Principal funding sources: Contractual Relationships

The Company is contracted to deliver services for Fife Council; the contract sets out the funding due to the Company from Fife Council as well as the in-kind support offered to the Company including services such as Finance, IT, HR, building repairs and maintenance to the Trust. In return the Company delivers cultural services to a mutually agreed performance specification.

The Company's charitable status attracts non-domestic rating relief and VAT savings.

The contractual outcomes and outputs the Company is required to deliver to Fife Council are decided by the aspirations and objectives contained in appropriate policies, plans and strategies, for example the Plan 4 Fife 2017-2027.

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The Company is required to report annually on its operations to the Community and Housing Services Committee of Fife Council. In addition, the Chief Executive and senior staff engage regularly with the political administration and with local elected members individually and via Area Committees.

Reserves policy

The Company is atypical as a charity insofar as it receives in the order of 62% of its total revenue from its Sole Member, namely, Fife Council. The delivery of statutory public services constitutes 69% of total service spend and over 85% of our annual management fee for the Trust. Given this relationship and the fact that it delivers services directly on behalf of the Council, the Company does not require to accumulate a reserve equivalent to 6 months running costs in order to ensure its viability and sustainability.

Notwithstanding the foregoing, the Company is committed to reducing its reliance on local authority funding by generating unrestricted income where appropriate and managing cash balances and investment opportunities carefully and professionally.

Post Balance Sheet events

Covid-19 continues to have a significant impact, with Fife Cultural Trust unable to progress with some plans for re-opening until official guidance regarding theatre and live performances is published. Whilst a review is believed to be due on 7 June, updated guidance from the Scottish Government published on 21 May 2021 still indicates that 2m social distancing will be required in theatre spaces, meaning that plans for 2021-22 programming are under significant review and a return appears to remain financially unviable, in addition to considerations for the poor customer experience that an empty theatre space will bring.

Plans for Future Periods

The year of 2021-22 will be heavily focused on ensuring that Fife Cultural Trust can return to providing key community services in a manner that is reflective of post Covid-19 consumer behaviour and also strives to ensure financial sustainability for the organisation.

The Trust started an organisation-wide Change Programme in mid 2020 that seeks to achieve:

- Theatre review – ensuring all operations are fit for purpose with the right team members, skills mix and contractual arrangements in place to ensure we maximise income
- Creative Services restructure - ensuring that our community-based services are relevant and

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accessible to people across Fife

- Corporate Services review – ensuring all support functions are in a position to provide the necessary foundations for the organisation to operate
- Library operations review – ensuring that front line services are available and inviting to people across Fife
- Digital review – ensuring that Fife Cultural Trust is utilising the best digital platforms and systems internally and externally to bring good quality services to people in Fife

The Change Programme also has a savings target associated with its work, with ongoing reductions in the management fee from Fife Council there is a need to ensure that we are balancing our ambition and aspiration with the available financial envelope.

It is anticipated that the Change Programme will take over two years to complete and will continue to be a focus for the Trust in 2022-23.

Structure, Governance and Management

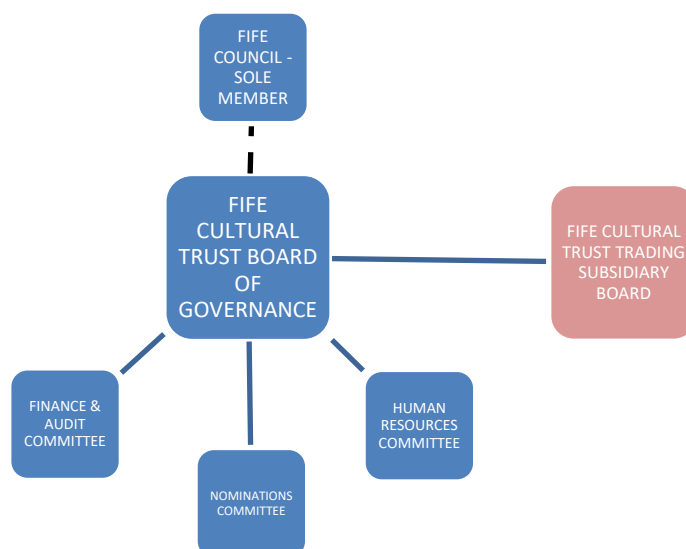
Fife Cultural Trust is a company limited by guarantee (SC415704), governed by its Memorandum and Articles of Association, and does not have share capital. Membership is open only to Fife Council and the member has undertaken to contribute an amount not exceeding one pound towards any deficit arising 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.

Governance Architecture

As alluded to above, the company has dual accountability to both Companies House and the Office of the Scottish Charity Regulator (OSCR) and this accountability requires and emphasises the need for strong governance across the Trust.

The undernoted schematic captures, in overview, the Governance Architecture of the Trust:

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Whilst all staff in the Trust, including senior management have salaries evaluated and paid under Fife Council terms and conditions, the Nominations Committee is also charged with progressing recruitment of directors and recommending board membership to the sole member, and for the recruitment and terms and conditions of the Chief Executive.

Directors

The Company's Board comprises 13 Directors, composed of 4 elected members of Fife Council, and 9 independent Directors. At March 2021 there was 1 vacancy on the Board; plans for recruitment of a new Board member (for Fife Cultural Trust and FCSTL) is currently on hold as the Trust navigates the COVID-19 crisis and timelines in relation to social distancing measures remain unknown.

The Company's trading subsidiary, Fife Cultural Services Trading Ltd, supports the Trust in its primary objects of carrying 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 3 of these places are taken up by directors drawn from the Board of the main Company and 2 external business partners.

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.

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

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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 supported by a written self-evaluation exercise which is co-ordinated by, and the results collated and shared by, the Chief Executive.

Director Insurance

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

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, as required by the Articles of Association, established a Nominations Committee which meets as required given the nature of its remit.

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Staffing and Structure

- Beneath the Board, sits the Executive Team. The Executive Team (ET) in 2020-2021 consisted of:
- Chief Executive
- Director of Corporate and Commercial Development
- Director of Creative Development and Delivery
- Chief Operating Officer (from September 2019)

The Executive Team lead, and are supported by, a Senior Leadership Team (SLT) which consist of the ET and six strategic leaders in the organisation:

- Head of Business Development
- Service Development Manager, Libraries
- Cultural Services Manager
- Programming Manager
- Customer Engagement Manager
- Corporate Business Manager

Additionally, there is the wider senior management team, comprising of all department leads / heads who join the SLT and are responsible for the day-to-day management decisions and oversight across the organisation:

- Head of Finance
- Team Leader HR
- Deputy Operations Manager
- Creative Development Manager

The Company currently employs around 290 staff, over the course of the year the Trust has not required any casual staffing support and as a result only permanent team members are considered in this number.

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.

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Reference and administration information

Trustees

The Trustees of the charity (who are also the directors of the charity for the purposes of company law) who held office during the period and to date are as follows:

Partner Directors

Councillor L R Backhouse

Councillor I Cameron

Councillor Dave Coleman

Councillor J A Liston

Independent Directors

D H Bottom (resigned 24 March 2021)

Dr D H Caldwell (Chair, resigned 21 September 2021)

F Davidson

B E Lawrie (Vice Chair)

F C Quinault

S E Scarlett (resigned 24 March 2021)

Z Brett

G Butterfield (resigned 9 July 2021)

J Coombes (22 September 2021)

Secretary

K Keay

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Administrative details

Bankers

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

Investment Advisors

Brewin Dolphin
144 Morrison Street,
EDINBURGH
EH3 8EX

Solicitors

Burness Paull LLP
50 Lothian Road
EDINBURGH
EH3 9WJ

Registered Office

Iona House
John Smith Business Park
Grantsmuir Road
KIRKCALDY
KY2 6NA

Auditors

Azets Audit Services
Exchange Place 3
Semple Street
EDINBURGH
EH3 8BL

Charity registration number:

SC043442

Company registration number:

SC415704

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Statement of Trustees' Responsibilities

The Trustees (who are the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' 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 Trustees 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 incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 charitable company will continue in business.

The Trustees 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 charitable company and the group and 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company website.

Disclosure of Information to the Auditor

To the knowledge and belief of each of the persons who are Trustees at the time the report is approved:

- So far as the trustee is aware, there is no relevant information of which the company's auditor is unaware; and
- He/she has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information, and to establish that the company's auditor is aware of the information.

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In approving the Trustees' Report, the Trustees are also approving the Strategic Report in their capacity as company directors.

Approved by the Board on 8 December 2021 and signed on its behalf by:

A handwritten signature in blue ink, appearing to read "Brian Lawrie", is written over a horizontal dotted line. The signature is fluid and cursive.

Brian Lawrie
Vice Chair

Date: 8 December 2021

FIFE CULTURAL TRUST
Independent Auditor's Report to the Trustees and Members of Fife Cultural Trust
For the year ended 31 March 2021

Opinion

We have audited the financial statements of Fife Cultural Trust (the 'parent charitable company') and its subsidiary (the group) for the year ended 31 March 2021 which comprise the Consolidated and Parent Charitable Company Statement of Financial Activities (incorporating the Income and Expenditure Account), the Consolidated and Parent Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows and the 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 Financial Reporting Standard 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 group's and the parent charitable company's affairs as at 31 March 2021 and of the group's and 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 requirements of 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).

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 group and charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 trustees' 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 group and charitable 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.

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Our responsibilities and the responsibilities of the trustees 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 Governors' Report, other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Trustees' Report (incorporating the Strategic Report), which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Trustees' Report (incorporating the Strategic Report) have been prepared in accordance with applicable legal requirements.

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Independent Auditor's Report to the Trustees and Members of Fife Cultural Trust
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Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (incorporating the Strategic Report).

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

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Responsibilities of the trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 29, the trustees (who are the directors for the purposes of company law and trustees 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, and for such internal control as the trustees determine 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 trustees are responsible for assessing the group's and the parent charitable 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 trustees either intend to liquidate the parent charitable 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

FIFE CULTURAL TRUST
Independent Auditor's Report to the Trustees and Members of Fife Cultural Trust
For the year ended 31 March 2021

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group and parent charitable company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

FIFE CULTURAL TRUST
Independent Auditor's Report to the Trustees and Members of Fife Cultural Trust
For the year ended 31 March 2021

The extent to which the audit was considered capable of detecting irregularities including fraud (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the charitable company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the board and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the parent charitable company's members, as a body, and the charitable company's trustees, 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 parent charitable company, the parent charitable company's members, as a body, and the parent charitable company's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

FIFE CULTURAL TRUST
Independent Auditor's Report to the Trustees and Members of Fife Cultural Trust
For the year ended 31 March 2021

Nick Bennett

Nick Bennett, *Senior Statutory Auditor*

For and on behalf of Azets Audit Services, Statutory Auditor

Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

8 December 2021

FIFE CULTURAL TRUST
Consolidated Statement of Financial Activities
(incorporating a consolidated income and expenditure account)
For the year ended 31 March 2021

	Note	Unrestricted Fund 2021 £	Restricted Funds 2021 £	Total 2021 £	Total 2020 £
Income from:					
Charitable activities	4	10,245,270	445,066	10,690,336	11,077,234
Other trading activities	3	345,512	-	345,512	1,109,617
Total income		10,590,782	445,066	11,035,848	12,186,851
Expenditure on:					
Charitable activities	5	(10,156,082)	(355,377)	(10,511,459)	(12,953,042)
Raising Funds	3	(174,930)	-	(174,930)	(895,089)
Total expenditure		(10,331,012)	(355,377)	(10,686,389)	(13,848,131)
Net gains/(losses) on investments		84,194	-	84,194	(36,593)
Net income/(expenditure)		343,964	89,689	433,653	(1,697,873)
Transfers between funds	19	(2,190)	2,190	-	-
Other recognised gains / (losses):					
Actuarial (losses)/gains on defined benefit pension schemes	17	(852,000)	-	(852,000)	4,518,000
Net movement in funds		(510,226)	91,879	(418,347)	2,820,127
Reconciliation of funds:	19				
Total funds brought forward		1,511,834	242,068	1,753,902	(1,066,225)
Total funds carried forward		1,001,608	333,947	1,335,555	1,753,902

The Statement of Financial Activities includes all gains and losses recognised in the year. None of the group's activities were acquired or discontinued during the above period.

The notes on pages 41-62 form part of these financial statements

FIFE CULTURAL TRUST
Charity Statement of Financial Activities
(incorporating an income and expenditure account)
For the year ended 31 March 2021

	Note	Unrestricted Fund 2021 £	Restricted Funds 2021 £	Total 2021 £	Total 2020 £
Income from:					
Charitable activities	4	10,343,270	445,066	10,788,336	11,177,234
Total income		10,343,270	445,066	10,788,336	11,177,234
Expenditure on:					
Charitable activities	5	(10,156,082)	(355,377)	(10,511,459)	(12,953,042)
Total expenditure		(10,156,082)	(355,377)	(10,511,459)	(12,953,042)
Net gains/(losses) on investments		84,194	-	84,194	(36,593)
Net income/(expenditure)		271,382	89,689	361,071	(1,812,401)
Transfers between funds	19	(2,190)	2,190	-	-
Other recognised gains / (losses):					
Actuarial (losses)/gains on defined benefit pension schemes	17	(852,000)	-	(852,000)	4,518,000
Net movement in funds		(582,808)	91,879	(490,929)	2,705,599
Reconciliation of funds:					
Total funds brought forward	19	1,378,975	242,068	1,621,043	(1,084,556)
Total funds carried forward		796,167	333,947	1,130,114	1,621,043

The Statement of Financial Activities includes all gains and losses recognised in the year. None of the Company's activities were acquired or discontinued during the above period.

The notes on pages 41-62 form part of these financial statements

FIFE CULTURAL TRUST
Balance Sheets
As at 31 March 2021

	Note	Group		Charity	
		2021 £	2020 £	2021 £	2020 £
Fixed assets					
Tangible assets	9	100,857	147,696	57,013	85,576
Investments	10	768,383	437,117	768,483	437,217
		<u>869,240</u>	<u>584,813</u>	<u>825,496</u>	<u>522,793</u>
Current assets					
Stock	11	41,444	58,071	-	-
Debtors	12	478,595	194,869	475,304	148,131
Cash at bank and in hand		643,200	174,672	525,059	147,310
		<u>1,163,239</u>	<u>427,612</u>	<u>1,000,363</u>	<u>295,441</u>
Liabilities					
Creditors: Amounts falling due within one year	13	(1,495,924)	(1,546,523)	(1,494,745)	(1,485,191)
Net current liabilities		<u>(332,685)</u>	<u>(1,118,911)</u>	<u>(494,382)</u>	<u>(1,189,750)</u>
Net assets/(liabilities) excluding pension liability		<u>536,555</u>	<u>(534,098)</u>	<u>331,114</u>	<u>(666,957)</u>
Defined benefit pension scheme asset	17	799,000	2,288,000	799,000	2,288,000
Total net assets	18	<u>1,335,555</u>	<u>1,753,902</u>	<u>1,130,114</u>	<u>1,621,043</u>
The funds of the charity:					
Restricted income funds	19	333,947	242,068	333,947	242,068
Unrestricted funds (excluding pension reserve)	19	202,608	(776,166)	(2,833)	(909,025)
Pension reserve	19	799,000	2,288,000	799,000	2,288,000
Funds		<u>1,335,555</u>	<u>1,753,902</u>	<u>1,130,114</u>	<u>1,621,043</u>

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



Brian Lawrie
Vice Chair

Registered number SC415704

FIFE CULTURAL TRUST
Consolidated Statement of Cash Flows
For the year ended 31 March 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	20	737,120	(358,862)
Cash flows from investing activities:			
Purchase of property, plant and equipment		(14,491)	(55,738)
Purchase of investments		(331,518)	(99,479)
Proceeds from sale of investments		77,417	164,718
Net cash (used in)/provided by investing activities		(268,592)	9,501
Change in cash and cash equivalents in the reporting period		468,528	(349,361)
Cash at the beginning of the reporting period		174,672	524,033
Cash at the end of the reporting period		643,200	174,672

The notes on pages 41-62 form part of these financial statements

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2021

1. Accounting policies

General information

Fife Cultural Trust is a charitable company limited by guarantee, registered in Scotland with company registration number SC415704 and with the Office of the Scottish Charity Regulator under charity number SC043442. The registered office is Iona House, John Smith Business Park, Grantsmuir Road, Kirkcaldy, KY2 6NA. The principal activity is the provision of cultural services for Fife.

Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard 102 as issued by the Financial Reporting Council, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)", the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended).

Fife Cultural Trust (the Company) meets the definition of a public benefit entity under FRS 102 and has taken advantage of paragraph 3(3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the Company's activities.

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the Company's transactions are denominated.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires directors to exercise their judgements in the process of applying accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertaking Fife Cultural Services Trading Limited made up to 31 March 2021.

Income and expenditure

Owing to the special nature of the business of the Company and in the interests of presenting the results clearly to the members, it is considered inappropriate to adhere to the income and expenditure format described under section 400 of the Companies Act 2006. A statement of financial activities has been prepared in a form which is considered to give the members a true and fair view of the results for the period and which also complies with the requirements of Section 400 of the Act and Statement of Recommended Practice applicable to charities (Charities SORP (FRS 102)).

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2021

Going concern

The financial statements have been prepared on the basis of accounting policies that are consistent with the treatment of the Company as a going concern.

In the Directors' opinion, the Company will be able to continue for the foreseeable future. Underpinning the confidence in this approach is strong and proactive liaison between the Trust and its sole member, Fife Council, as to service delivery and the funding thereof which has been confirmed in a Letter of Support to the Trust.

Fund Accounting

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.

Income

Income from charitable activities 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.

Expenditure

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.

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2021

Leases

Operating lease rentals are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and any provision for impairment. A minimum capitalisation threshold of £1,000 is applied. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, 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

Stocks

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

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed. Trade debtors are recognised at the un-discounted amount of cash receivable, which is normally invoice price, less any allowances for doubtful debts.

Cash and Liquid resources

Cash, for the purpose of the statement of cash flows, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired. They are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

Financial assets and financial liabilities

Financial instruments are recognised in the Statement of Financial Activities when the Company becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value.

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2021

Subsequent to initial recognition, they are accounted for as set out below. A financing transaction is measured at the present value of the future payment discounted at the market rate of interest for similar debt instrument.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS 102. The Trust only holds basic financial instruments.

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective rate method. All financial instruments not classified as basic are measured at fair value at the end of the reporting period with the resulting changes recognised in income or expenditure. Where the fair value cannot be reliably measured, they are recognised at cost less impairment.

Financial assets are derecognised when the contractual rights to the cash flows from assets expire, or when the Company has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

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.

Pensions

Fife Cultural Trust participates in Fife Council Pension Fund, a Local Government Pension Scheme, which is a defined benefit pension scheme. The Fund is administered by Fife Council in accordance with the Local Government Scheme (Scotland) Regulations 1998 as amended. All existing and new employees have the option of joining the Fund. The assets and liabilities of the scheme are held separately from those of the Trust in an independently administered fund.

The pension costs charged in the period are based on actuarial methods and assumptions designed to spread the anticipated pension costs over the service life of employees in the scheme, so as to ensure that the regular pension costs represent a substantially level percentage of the current and expected future pensionable payroll. Variations from regular costs are spread over the remaining service lives of current employees in the scheme.

The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date. Actuarial gains and losses arising from experience adjustments and changes in assumptions are recognised immediately in the Statement of Financial Activities. All costs related to the defined benefit scheme are recognised in the Statement of Financial Activities.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2021

Any asset resulting from the calculation is limited to the present value of available refunds and reductions in future contributions to the plan.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Termination benefits are recognised in the statement of financial activities when it is demonstrably committed to either (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or (ii) providing termination benefits as a result of an offer made to encourage voluntary redundancy.

2. Critical judgements and estimates

In preparing the financial statements, Trustees make estimates and assumptions which affect reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Critical judgements are made in the application of income recognition accounting policies, the timing of the recognition of income in accordance with the Charities SORP (FRS 102), and the assumptions applied in the actuarial valuation of the defined benefit pension scheme.

Defined benefit pension and other post-employment benefits

The present value of the defined benefit pension and other post-employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pension and other post-employment benefits include the discount rate. Any changes in these assumptions will have an effect on the carrying amount of pension and other post-employment benefits.

After taking appropriate professional advice, management determines the appropriate discount rate at the end of each reporting period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, consideration is given to the interest rates of high-quality corporate bonds that are denominated in the currency which the benefits are to be paid and that have terms to maturity approximating the terms of the related pension liability.

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2021

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 of its profits to the Company by Gift Aid. The Company owns the entire issued share capital of 100 ordinary shares of £1. A summary of the trading results is shown below.

	2021	2020
	£	£
Turnover	345,512	1,109,617
Cost of sales	(81,727)	(778,354)
	<hr/>	<hr/>
Gross profit	263,785	331,263
Administrative expenses	(93,203)	(116,735)
	<hr/>	<hr/>
Operating profit	170,582	214,528
	<hr/>	<hr/>
Profit for the year	170,582	214,528
	<hr/> <hr/>	<hr/> <hr/>
 The assets and liabilities of the subsidiary were:		
Fixed Assets	43,844	62,120
Current Assets	248,611	157,781
Current Liabilities	(86,915)	(86,942)
	<hr/>	<hr/>
Aggregate share capital and reserves	205,540	132,959
	<hr/> <hr/>	<hr/> <hr/>

Included above is a management service fee from Fife Council of £143,000 for the year (2020: £143,000).

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2021

4. Income from charitable activities is as follows:

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Theatres	997,620	2,452,744	997,620	2,452,744
Libraries and Museums	7,184,732	6,776,728	7,184,732	6,776,728
Cultural Partnerships	576,944	283,342	576,944	283,342
Administration	1,931,040	1,564,420	2,029,040	1,664,420
Total	10,690,336	11,077,234	10,788,336	11,177,234

A management service fee of £8,306,712 was received from Fife Council to Fife Cultural Trust in 2021 (2020: £7,306,012).

5. Expenditure on charitable activities- Group and Charity

	Activities undertaken directly	Support costs (note 6)	Total 2021 £	Activities undertaken directly	Support costs (note 6)	Total 2020 £
	2021 £	2021 £		2020 £	2020 £	
Theatres	1,057,371	272,102	1,329,473	2,352,948	548,654	2,740,602
Libraries and Museums	4,735,283	1,315,172	6,050,455	6,124,779	1,288,963	6,750,742
Cultural Partnerships	302,847	5,720	308,567	339,051	-	304,051
Administration	2,676,399	146,565	2,822,964	2,203,295	95,352	3,157,647
Total	8,771,900	1,739,559	10,511,459	11,020,073	1,932,969	12,953,042

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2021

6. Analysis of governance and support costs included in charitable activities – group and charity

	2021	2020
	£	£
Audit fees	13,000	8,655
Non audit fees	4,890	2,500
Legal, professional and consultants fees	159,977	78,261
	<hr/>	<hr/>
Total governance costs	177,867	89,416
Support provided by Fife Council	1,561,692	1,843,553
	<hr/>	<hr/>
	1,739,559	1,932,969
	<hr/> <hr/>	<hr/> <hr/>

Fife Cultural Trust receives support services from Fife Council free of charge. Fife Council has provided an estimated value of the services provided and they have been charged in line with the Charities Statement of Recommended Practice.

In addition to those disclosed above, services in kind of £32,625 (2020: £52,395) have also been recognised in the activities of the trading subsidiary disclosed in Note 3.

7. Net income/(expenditure)

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Net income/(expenditure) is stated after charging				
Auditors' remuneration (including expenses)				
- for audit	13,000	9,430	13,000	8,655
- for other services	4,890	2,750	3,780	2,500
Depreciation	61,329	63,929	39,730	50,159

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2021

8. Staff numbers and costs

The remuneration and associated costs of the Group were:

	2021	2020
	£	£
Wages and salaries	5,666,171	6,099,009
Social security costs	405,420	467,066
Pension contributions	1,138,042	1,053,747
FRS 102 pension scheme adjustments	637,000	1,080,000
	<u>7,846,633</u>	<u>8,699,822</u>

The average monthly number of employees during the year was:

	2021	2020
	Number	Number
Employees	<u>356</u>	<u>387</u>

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

	2021	2020
	Number	Number
£60,000 - £70,000	3	2
£90,001- £100,000	1	1
	<u>4</u>	<u>3</u>

The total employee benefits of the senior management team were £296,602 (2020: £297,462).

No member of the Board received remuneration or any expenses from Fife Cultural Trust other than Directors indemnity insurance (2019: nil).

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2021

9. Tangible assets

Fixtures, fittings & equipment	Group	Company
	£	£
Cost		
As at 1 April 2020	591,614	502,296
Additions	14,491	11,167
	<hr/>	<hr/>
As at 31 March 2021	606,105	513,463
	<hr/> <hr/>	<hr/> <hr/>
Depreciation		
As at 1 April 2020	(443,918)	(416,720)
Charge	(61,330)	(39,730)
	<hr/>	<hr/>
As at 31 March 2021	(505,248)	(456,450)
	<hr/> <hr/>	<hr/> <hr/>
Net book value		
As at 31 March 2020	147,696	85,576
As at 31 March 2021	100,857	57,013
	<hr/> <hr/>	<hr/> <hr/>

10. Investments

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Investment in subsidiary	-	-	100	100
Listed investment portfolio	768,383	437,117	768,383	437,117
	<hr/>	<hr/>	<hr/>	<hr/>
	768,383	437,117	768,483	437,217
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Fife Cultural Services Trading Limited is a wholly owned subsidiary, incorporated in Scotland. The results for the year are detailed at note 3.

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2021

10. Investments (continued)

Listed investment portfolio

	Group and Charity 2020 £
Fair value of portfolio at 1 April 2020	437,117
Additions at cost	331,518
Disposals	(77,417)
Unrealised gain on revaluation	77,165
	<hr/>
Fair value of portfolio at 31 March 2021	<u>768,383</u>

11. Stock

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

12. Debtors

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	71,459	88,514	29,990	20,025
Prepayments and accrued income	407,136	106,355	404,319	102,496
Amounts due from subsidiary	-	-	40,995	25,610
	<hr/>	<hr/>	<hr/>	<hr/>
	478,595	194,869	475,304	148,131
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2021

13. Creditors: amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	115,957	75,042	114,868	50,939
Fife Council	212,130	196,514	212,130	196,514
Accruals and deferred income	850,001	1,040,884	850,001	1,005,787
VAT	317,836	234,083	317,746	231,951
	<u>1,495,924</u>	<u>1,546,523</u>	<u>1,494,745</u>	<u>1,485,191</u>

14. Deferred income

Deferred income comprises advanced ticket sales.

	Group and Charity
	2021
	£
Balance as at 1 April 2020	235,044
Amounts released to income during the year	(235,044)
Amounts deferred in year	137,888
Balance at 31 March 2021	<u>137,888</u>

15. Financial assets and liabilities held at fair value through net income/(expenditure)

	Group and Charity	
	2021	2020
	£	£
Listed investment portfolio	<u>768,383</u>	<u>437,117</u>

16. Commitments

Peppercorn rental is 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 Financial Statements
For the year ended 31 March 2021

17. Pension Scheme

Fife Cultural Trust is an admitted body of the Fife Council Pension Fund. The Superannuation Fund is a defined benefit scheme into which employee' and employer's contributions, and interest and dividends from investments are paid and from which pensions, lump sums and superannuation benefits are paid out. Employees' contributions are tiered, and employer's basic contributions are assessed every three years by an actuary and are fixed to ensure the fund remains solvent and in a position to meet its future liabilities. The actuarial method used is known as Projected Unit Credit Method.

The movement in the defined benefit obligation over the year is as follows:

	31 March 2021	31 March 2020
	£'000	£'000
Opening defined benefit obligation	44,583	48,797
Current service cost	1,860	2,354
Past service cost (including curtailments)	-	(99)
Interest cost on defined benefit obligation	1,039	1,195
Contributions by members	313	320
Actuarial losses/(gain)	13,043	(7,265)
Benefits paid	(935)	(717)
Unfunded benefits paid	(2)	(2)
	<hr/>	<hr/>
Closing defined benefit obligation	59,901	44,583
	<hr/> <hr/>	<hr/> <hr/>

The movement in the fair value of plan assets in the year is as follows:

	31 March 2021	31 March 2020
	£'000	£'000
Opening fair value of plan assets	46,871	47,647
Interest income on plan assets	1,084	1,153
Contributions by members	313	320
Contributions by the employer	1,176	1,215
Contributions in respect of unfunded benefits	-	2
Actuarial (losses) /gain	12,191	(2,747)
Benefits paid	(935)	(717)
Unfunded benefits paid	-	(2)
	<hr/>	<hr/>
Closing fair value of plan assets	60,700	46,871
	<hr/> <hr/>	<hr/> <hr/>
Defined benefit pension scheme asset	799	2,288
	<hr/> <hr/>	<hr/> <hr/>

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2021

17. Pension Scheme (continued)

Amounts recognised in net income/expenditure (per SOFA):

	31 March 2021	31 March 2020
	£'000	£'000
Current service cost	(1,860)	(2,354)
Past service cost (including curtailments)	-	101
	<hr/>	<hr/>
Total service cost	(1,860)	(2,253)
Net interest		
Interest income on plan assets	1,084	1,153
Interest cost on defined benefit obligation	(1,039)	(1,195)
	<hr/>	<hr/>
Total net interest	45	(42)
Total defined benefit cost recognised in net income/expenditure per the SOFA	(1,815)	(2,295)
	<hr/> <hr/>	<hr/> <hr/>

The major categories of plan assets as a % of the total plan assets are as follows:

	31 March 2021	31 March 2020
	%	%
Equities	66	70
Bonds	23	16
Property	6	9
Cash	5	5

The estimated employer contributions for the year to 31 March 2021 are £1,176,000.

The principal actuarial assumptions used in the calculations are:

	31 March 2021	31 March 2020
	% per annum	% per annum
Pension Increase Rate	2.85	1.9
Salary Increase Rate	3.35	3.0
Discount Rate	2.0	2.3

Mortality

Vita curves with improvements in line with CMI 2020 model assuming the current rate of improvements has peaked and will converge to a long-term rate of 1.5%. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	20.3	23.1
Future Pensioners	21.5	25.1

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Notes to the Financial Statements
For the year ended 31 March 2021

18. Analysis of net assets between funds

Group	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds		Funds	Funds	
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Balance at 31 March						
Represented by:						
Fixed assets	869,240	-	869,240	584,813	-	584,813
Net current liabilities	(666,632)	333,947	(332,685)	(1,360,979)	242,068	(1,118,911)
Retirement benefit scheme	799,000	-	799,000	2,288,000	-	2,288,000
	<u>1,001,608</u>	<u>333,947</u>	<u>1,335,555</u>	<u>1,511,834</u>	<u>242,068</u>	<u>1,753,902</u>

Charity	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	Funds	Funds		Funds	Funds	
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Balance at 31 March						
Represented by:						
Fixed assets	825,496	-	825,496	522,793	-	522,793
Net current liabilities	(828,329)	333,947	(494,382)	(1,431,818)	242,068	(1,189,750)
Retirement benefit scheme	799,000	-	799,000	2,288,000	-	2,288,000
	<u>796,167</u>	<u>333,947</u>	<u>1,130,114</u>	<u>1,378,975</u>	<u>242,068</u>	<u>1,621,043</u>

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2021

19. Reserves

Unrestricted reserves year ended 31 March 2021

Group	Opening Balance at 1 April 2020	Income	Expenditure	Transfers	Gains/ (Losses)	Closing Balance at 31 March 2021
	£	£	£	£	£	£
Unrestricted	(776,166)	10,590,782	(9,694,012)	(2,190)	84,194	202,608
Pension reserve	2,288,000	-	(637,000)	-	(852,000)	799,000
	<u>(1,511,834)</u>	<u>10,590,782</u>	<u>(10,331,012)</u>	<u>(2,190)</u>	<u>(767,806)</u>	<u>1,001,608</u>

Charity	Opening Balance at 1 April 2020	Income	Expenditure	Transfers	Gains/ (Losses)	Closing Balance at 31 March 2021
	£	£	£	£	£	£
Unrestricted	(909,025)	10,343,270	(9,519,082)	(2,190)	84,194	(2,833)
Pension reserve	2,288,000	-	(637,000)	-	(852,000)	799,000
	<u>1,378,975</u>	<u>10,343,270</u>	<u>(10,156,082)</u>	<u>(2,190)</u>	<u>(767,806)</u>	<u>796,167</u>

Unrestricted reserves year ended 31 March 2020

Group	Opening Balance at 1 April 2019	Income	Expenditure	Transfers	Gains/ (Losses)	Closing Balance at 31 March 2020
	£	£	£	£	£	£
Unrestricted	(28,548)	11,852,749	(12,468,737)	(95,037)	(36,593)	(776,166)
Pension reserve	(1,150,000)	-	(1,080,000)	-	4,518,000	2,288,000
	<u>(1,178,548)</u>	<u>11,852,749</u>	<u>(13,548,737)</u>	<u>(95,037)</u>	<u>4,481,407</u>	<u>1,511,834</u>

Charity	Opening Balance at 1 April 2019	Income	Expenditure	Transfers	Gains/ (Losses)	Closing Balance at 31 March 2020
	£	£	£	£	£	£
Unrestricted	(46,879)	10,843,132	(11,573,648)	(95,037)	(36,593)	(909,025)
Pension reserve	(1,150,000)	-	(1,080,000)	-	4,518,000	2,288,000
	<u>(1,196,879)</u>	<u>10,843,132</u>	<u>(12,653,648)</u>	<u>(95,037)</u>	<u>4,481,407</u>	<u>1,378,975</u>

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2021

19. Reserves (continued)

Restricted funds year ended 31 March 2021

	Opening Balance at 1 April 2020	Income	Expenditure	Transfers	Closing Balance at 31 March 2021
	£	£	£	£	£
CS Youth Arts Small Grants Scheme	-	45,000	-	-	45,000
In the Footsteps	29,391	21,166	(15,894)	-	34,663
Creative Scotland – Performing Arts Venue Relief Fund	-	232,955	(202,599)	-	30,356
The Arts Hub	25,686	-	-	-	25,686
Janet Brown Bequest	20,214	-	-	-	20,214
Creative Scotland – Small Scale Capital Project	18,532	-	-	-	18,532
Comic Con	15,236	-	-	-	15,236
Moments in time	13,128	1,200	(211)	-	14,117
Heights Machine	13,900	-	-	-	13,900
Fife Art Exhibition	8,923	6,000	(1,805)	-	13,118
Public Library Improvement Fund – PLIF	-	29,260	(17,150)	-	12,110
Childrens University	15,250	9,750	(16,511)	-	8,489
SCVO Wellbeing Fund (Corra Foundation)	-	24,500	(19,749)	-	4,751
McMillian Cancer Project	5,855	45,671	(51,866)	-	(340)
Small funds (<£10,000)	75,953	29,564	(29,592)	2,190	78,116
	242,068	445,066	(355,377)	2,190	333,947

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2021

19. Reserves (continued)

Restricted Funds year ended 31 March 2020

	Opening Balance at 1 April 2019	Income	Expenditure	Transfers	Closing Balance at 31 March 2020
	£	£	£	£	£
Childrens University	-	22,750	(7,500)	-	15,250
Comic Con	15,008	160	68	-	15,236
Creative Scotland – Small Scale Capital Project	18,532	-	-	-	18,532
Fife Art Exhibition	(3,261)	17,756	(5,572)	-	8,923
Height machine	-	-	-	13,900	13,900
In the Footsteps	-	117,057	(155,422)	67,756	29,391
Janet Brown Bequest	20,214	-	-	-	20,214
Macmillan Cancer Project	6,312	73,608	(74,065)	-	5,855
Menopause Project	-	10,709	(133)	-	10,576
Moments in time	10,269	5,750	(2,891)	-	13,128
The Arts Hub	4,873	31,804	(10,991)	-	25,686
Visit Scotland Growth Fund Dunfermline	-	20,500	(13,000)	-	7,500
Small funds (<£10,000)	40,376	34,008	(29,888)	13,381	57,877
	112,323	334,102	(299,394)	95,037	242,068

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2021

19. Reserves (continued)

Purposes of restricted funds

The restricted funds relate to funds received from other bodies as contributions to specific projects:

Children’s university	Funding Secured from the Public Library Improvement Fund to implement system changes to allow and encourage children to join the Children’s University through public Library membership and projects
Fife Art Exhibition	The money was secured from Shell UK to pay for non-core staffing costs, payments to artists, advertising and promotional costs and purchasing the 6 winning pieces of artwork plus cash prizes for the winners.
Comic Con	Fife Council, Kingdom Centre and Go Glenrothes provided funding to support the creation and running of Glenrothes Comic Con.
Height Machine	Funds from the DCL&G capital project fund, for the provision of a working at height machine for use in the Galleries and Museum spaces.
In the Footsteps	A project funded primarily by Scottish Enterprise, Fife Council and Carnegie Dunfermline Trust. Two parts- one to create a virtual reality app for Fife’s royal linked heritage sites, two to develop a series of Digital Tours and Welcome Walks as part of the Dunfermline Heritage Partnership
Janet Brown Bequest	Funds bequeathed to museums by Janet Brown in June 2010
Macmillan Cancer Project	Funded by MacMillan the funding provides a project officer and volunteer coordinator, along with the necessary furniture and equipment to create information points within libraries with volunteers to provide support for those living with cancer
Menopause Project	“Pause not Full stop” funded by Carnegie UK this project encourages people to challenge their own and society’s view of the menopause, using creative activities to encourage discussion about the subject.
Moments in Time	Money secured from Dementia Strategy Group to provide support and activities for those living with Dementia and their carers.
The Arts Hub	This is income from the children's classes that we offer at Lochgelly and Adam Smith. We work in partnership with YMTS to offer some of these classes and pay them accordingly.
Visit Scotland Growth Fund Dunfermline	A Dunfermline Heritage Partnership project in which the Trust is lead partner. Funding is from Visit Scotland for a digital marketing campaign.

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2021

20. Notes to the statement of cash flows

Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021	2020
	£	£
Net income/(expenditure) for the reporting period (as per the SOFA)	433,653	(1,697,873)
Adjustments for:		
Depreciation	61,330	63,929
Net cost in respect of pensions	637,000	1,080,000
decrease in stock	16,627	6,135
(Increase)/decrease in debtors	(283,726)	129,261
(Decrease)/increase in creditors	(50,599)	23,093
(Increase)/decrease in value of investment	(77,165)	36,593
	<u>737,120</u>	<u>(358,862)</u>
Net cash provided by/(used in) operating activities	<u>737,120</u>	<u>(358,862)</u>

Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash at bank and in hand	643,200	174,672
	<u>643,200</u>	<u>174,672</u>
Total cash and cash equivalents	<u>643,200</u>	<u>174,672</u>

The group has no debt financing.

21. Related Parties

Fife Council made a contribution in line with the Services Agreement of £8,306,712 (2020: £7,449,012). Facilities were leased to Fife Cultural Trust for a peppercorn rent. Fife Council also provided various support functions including Legal, Finance and IT which the Company received free of charge. Services in kind of this nature have been given a value and are recognised in the financial statements as disclosed at Note 6. Details of sums due to/from Fife Council are disclosed in notes 12 and 13.

22. Ultimate Holding Organisation

The sole member of Fife Cultural Trust is Fife Council. The directors are appointed by the members and 4 of the 13 directors of Fife Cultural Trust are appointed from the Council.

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2021

23. Comparative Statements of Financial Activities

Group	Unrestricted Fund 2020 £	Restricted Funds 2020 £	Total 2020 £
Income from:			
Charitable activities	10,743,132	334,102	11,077,234
Other trading activities	1,109,617	-	1,109,617
	<u> </u>	<u> </u>	<u> </u>
Total income	11,852,749	334,102	12,186,851
Expenditure on:			
Charitable activities	(12,653,648)	(299,394)	(12,953,042)
Raising Funds	(895,089)	-	(895,089)
	<u> </u>	<u> </u>	<u> </u>
Total expenditure	(13,548,737)	(299,394)	(13,848,131)
Net losses on investments	(36,593)	-	(36,593)
	<u> </u>	<u> </u>	<u> </u>
Net (expenditure)/income	(1,732,581)	34,708	(1,697,873)
Transfers between funds	(95,037)	95,037	-
Other recognised losses:			
Actuarial gains on defined benefit pension schemes	4,518,000	-	4,518,000
	<u> </u>	<u> </u>	<u> </u>
Net movement in funds	2,690,382	129,745	2,820,127
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

FIFE CULTURAL TRUST
Notes to the Financial Statements
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Comparative Statement of Financial Activities – Charity

Charity	Unrestricted Fund 2020 £	Restricted Funds 2020 £	Total 2020 £
Income from:			
Charitable activities	10,843,132	334,102	11,177,234
Total income	10,843,132	334,102	11,177,234
Expenditure on:			
Charitable activities	(12,653,648)	(299,394)	(12,953,042)
Total expenditure	(12,653,648)	(299,394)	(12,953,042)
Net losses on investments	(36,593)	-	(36,593)
Net (expenditure)/income	(1,847,109)	34,708	(1,812,401)
Transfers between funds	(95,037)	95,037	-
Other recognised losses:			
Actuarial gains on defined benefit pension schemes	4,518,000	-	4,518,000
Net movement in funds	2,575,854	129,745	2,705,599