



Fife Cultural Trust
(a company limited by guarantee)

Report and consolidated financial statements
for the year ended 31 March 2022

Company number – SC415704

Charity number – SC043442

Fife Cultural Trust

For the year ended 31 March 2022

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**Trustees' Report (incorporating the Trustees' Strategic Report)
For the year ended 31 March 2022**

Joint foreword from the Chair and Chief Executive

Welcome to our 2021/22 Review. This has been an interesting report to pull together due to the ongoing impact of Covid with a series of lockdowns which closed our buildings and venues. We moved to reopen them to our customers as quickly as we safely could.

We are proud of the ShineOn Fife programme, launched in April 2020 in response to Covid-19, which continued during this year. Our teams worked tirelessly to deliver a wide range of high quality content, adapting our programmes at speed, to support our communities. The positive feedback on our OnFife Cares calls was particularly humbling. The team made over 2600 calls to our more vulnerable library users.

Our doors may have been closed but our message was loud and clear 'Our lights are still on' and throughout we continued to engage with customers of all ages resulting in a reach of over 10.2m through our social media posts. We brought Christmas to communities throughout Fife via our outdoor Travelling Cranberries Christmas Roadshow. We also secured in excess of £1m of external funding to support our activities.

We were delighted to put two new smaller, eye-catching mobile libraries on the road in December 2021 with the support of Fife Council. The new mobiles ensure our services continue to be free, fair, and accessible to everyone.

Work has continued on the capital project to redevelop the well-loved Adam Smith Theatre in Kirkcaldy into a vibrant cultural and community hub. We are excited to be working towards reopening in 2023 to celebrate the tricentenary of Adam Smith's birth. We have worked hard to keep our key stakeholders updated via a series of meetings and briefings, video footage of progress, and news features. We were delighted to auction the chairs saved from the auditorium giving people a chance to own a piece of Adam Smith history!

At board level, Esther was delighted to take on the role as Chair, and welcomed several new board members, all committed to delivering the best possible cultural offer for Fife.

Our key focus now is on Bringing People Back into our venues to enjoy our services and experiences. This remains challenging given the changes in customer behaviour resulting from the pandemic, and the cost of living squeeze. We continue to balance our response to these challenges through our Recovery and Renewal Strategy. Our work continues to be underpinned by our key values of being Fearless, Inviting, Fair, and Exciting (FIFE).

As always, none of what we deliver would be possible without the dedication, knowledge, and skills of the OnFife staff. The last word goes to them with a huge thank you for all that they have done to keep our doors open going above and beyond to keep our customers engaged, and ensure a strong future for culture in Fife.

**Trustees' Report (incorporating the Trustees' Strategic Report)
For the year ended 31 March 2022**

The Trustees are pleased to present their Report and Accounts for the year ended 31 March 2022. 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.

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 2021-22, 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

Our continuing response to Covid-19

As we entered 2021-22, it was after a year of adapting to lengthy lockdowns, during which all our buildings and venues were closed and then, except for our theatres, were re-opened as soon possible in a safe and phased approach.

Under our ShineOnFife programme - launched in April 2020 in response to Covid-19 - our customer-focused, dedicated and creative teams across the Trust had already been working collaboratively for the best part of a year to provide support to those who were isolated within our communities via our OnFifeCares approach as well as delivering new digital initiatives designed to Support, Inform, Entertain and Engage.

As we would discover, the stated ethos and intention of ShineOnFife would continue to remain relevant for another year: *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.*

However, as our Theatres, Cultural Heritage & Library services began to reopen again, albeit with varying Covid restrictions and our audiences began to return, we turned our attention to the development of our Recovery & Renewal strategy which will guide us out of the pandemic. Our key focus now is on **Bringing People Back** to our venues and our services.

Libraries

The virtual online LibrarYAY group, which had proved invaluable in supporting families with uplifting, entertaining and inspiring activities the previous year, also began to provide content aligned to the curriculum to offer support for home schooling and grew to have more than 3,000 members. By the start of 2021-22, we were back in lockdown and had restarted our Home Delivery service for our most vulnerable members and were again offering the Connect & Collect service. Limited browsing was introduced at the end of April 2021 in 25 of our 29 branches and full browsing by the summer, when we were also able to reopen the remaining four branches, which had been delayed by staffing resources. Where possible we were also able to offer outdoor activities in the summer – such as the ever-popular Bookbug and craft workshops, with customers enjoying in-person activities inside branches again from October. December 2021 saw the launch of our two new Mobile Libraries - a considerable achievement given much of the procurement and finishing was undertaken during strict Covid-19 measures.

Museums & Galleries

Museums and galleries began to reopen from the end of April with pre-booked visits which allowed us to limit numbers and length of visits in line with the Scottish Government guidance. This continued until October when we were able to open our doors fully and go on to offer new exhibitions at Dunfermline Carnegie Library & Galleries (DCL&G), Kirkcaldy Galleries, St Andrews Museum and in our community gallery spaces at Rothes Halls and Dunfermline Carnegie Library & Galleries.

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Theatre Programming

In the early months of the pandemic, we had taken the decision to postpone theatre programming until spring 2021. At the time this was seen as a bold move but as 2021 began in lockdown again, even this was to prove optimistic and a new target was set for autumn 2021. When programming did return, our focus was local to support our amateur companies. The first shows at Lochgelly Centre in October were fantastic successes for audiences eager to be back enjoying theatre again and with performers enjoying being back on stage. We were delighted to also be able to bring the *Magic of Christmas* to Carnegie Hall while the *Travelling Cranberries* outdoor touring show – using the MAC Bus (mobile museum) - entertained hundreds of children and families for free throughout the kingdom in December. Both were made possible by funding from Creative Scotland Performing Arts Venue Relief Fund.

Finally, by March 2022 we were at last able to raise the curtain on professional shows again at Carnegie Hall, Rothes Hall and Lochgelly Centre. After a slow return, audiences gradually gained their confidence to come back out and support our theatres. With shows such as *Islands in The Stream* and *Sweet Caroline* entertaining over 400 people at each show. Sales continue to look positive but we have noticed a change in buying patterns, with fewer advance sales and more last-minute before shows. A two-year major refurbishment project at the Adam Smith Theatre in Kirkcaldy began in the summer of 2021 and we embarked on ongoing work to keep stakeholders up to date on the progress of the work and to stay engaged with audiences while its doors are closed.

Creating Inspiring Experiences

Despite the challenging conditions created by the pandemic, our teams still achieved tremendous results during 2021/22, Creating Inspiring Experiences for people in Fife through imaginative creative support, wellbeing events and online digital activities.

Successes included a wellbeing festival, dementia-friendly projects, workshops for performing artists, summer holiday provision, new mobile libraries and exhibitions and magical Christmas shows.



Supported by Creative Scotland with funding from Scottish Government, the **Fife Song Project** showcased songs written and produced by Kirkcaldy-based singer/songwriter David Latto. David completed a four-week artist residency with the Trust at the beginning of 2021 which focused on creating four songs based on the experiences, stories, and lives of four older members of the Fife community. He performed the four songs in the iconic setting of Kirkcaldy Galleries and a film of the performance featured his participants reactions when they hear the songs for the very first time.

During our first round of funding from the Performing Arts Venue Relief Fund, we hosted a series of online **Digital Marketing Workshops for Performing Artists** that helped Fife-based freelancers working in performing arts to find their online audiences, develop their tone of voice and test out one big idea. The friendly and informal sessions happened on Zoom and were led by Jan McTaggart, Deputy Director, Head of Programme and Marketing at The Byre Theatre in St Andrews. In total, 52 participants benefited from the workshops across three dates. We have since received further financial support in the second round of the Performing Arts Venue Relief Fund, which enabled us to create and tour *The Travelling Cranberries* Christmas show across outdoor venues in Fife, as well as work with Pitlochry Festival Theatre on *Magic of Christmas* at Carnegie Hall.

Inspired by Channel 4's popular TV programme, Gogglebox, we invited three 'weel kent' faces from Dunfermline to take part in **Zoom In On Dunfermline** by commenting on archive film from the town and recording them chatting using Zoom. Combining footage from our own archive with home videos, a 15-minute video was produced documenting outdoor events that took place in the town from the 1960s through to 1990s. The aim was to prompt audiences to reminisce and comment on the archive footage as well as on our commentators' own recollections and reflections of Scotland's ancient capital city. The project also received funding through Film Hub Scotland's Pitch Pot Fund.

In November 2021 we renewed for the next five years our long-standing partnership with **Ancestry**, a global organisation that operates a network of genealogical, historical records, and related genetic genealogy websites. This partnership gives our public-access PC users free access to the wealth of family history

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sources available on the Ancestry Institution website. Ancestry will digitise more of our electoral registers, school registers and police records.

Museums Galleries Scotland (MGS) provided us with funding to expand on our **summer holiday provision** by piloting outdoor activities. This allowed us to invest in equipment (including gazebos and floor cushions) that will be re-used for holiday activities. It also allowed us to deliver outdoor Bookbug storytelling sessions for families with children aged 0-4 years at Dunfermline Carnegie Library & Galleries and at St Andrews Museum in July and August 2021. These were some of the first 'in person' Bookbugs to be re-launched and we combined these with a series of craft activities at each museum. At St Andrews Museum this was the first time craft activities on this scale had been delivered. In total, these activities attracted 447 participants (adults and children). We also distributed 550 Activity Packs to families across Fife, working with Food Banks with bases in Glenrothes, Levenmouth, Dunfermline and Kirkcaldy and whose distribution areas also included the towns of Leslie, Methil, Benarty, Cowdenbeath, Rosyth, and Inverkeithing.

The ***Blooming Marvellous*** exhibition ended its run at Kirkcaldy Galleries in October 2021 and was followed by ***Kirkcaldy Art Club 60: Joy & Creativity***. Celebrating its 60th anniversary, this marked a big year for Kirkcaldy Art Club, which had come back with classes after being closed for 18 months to share how creative members had been in lockdown. The exhibition sold 157 items to a value of £2,724, with 30 artists paid a total of £1,906.

In March 2022, **Fife Contemporary launched its REsolve exhibition** with a *Creative Approach to the Circular Economy* curated by artist-curator Mella Shaw. This exhibition at Kirkcaldy Galleries was part of its commitment to put the climate emergency at the heart of its programming. The exhibition showcased the work of contemporary artists, designers and makers and encouraged new perspectives on resources, waste and how we live. There were also online links via our website to free *Circular Economy* resources for school and home learning.

We were pleased to support **Kirkcaldy & District Motor Club** in celebrating its centenary year in 2022, when its usual annual two-day event could not take place due to Covid-19 restrictions. This small display at Kirkcaldy Galleries from April to May featured three classic motorcycles, the oldest an early 1930s International Norton, together with film footage of club activities including racing on the sands at Kirkcaldy. In our ambition to ensure **Fife-wide access to our exhibitions**, *Explore! Travellers and Trailblazers* moved from DCL&G to St Andrews Museum and *Art-tastic* moved from St Andrews to DCL&G. We opened *Art-tastic* on March 19 incorporating our work with Clydebuilt Puppet Theatre who made a brand-new film for the exhibition, *The Lighthouse Keeper & the Seal*, which is inspired by our painting *Low Lighthouse, Isle of May* by David Mackie Cook. Clydebuilt created a theatre set in the gallery for visitors to use its puppets to make up their own seaworthy story. The exhibition, which runs to August 2022, as always is supported by online film and art and craft activities.

In July 2021, DCL&G also hosted the ***Dunfermline Tapestry Exhibition***. Created by a Dunfermline community weaving project, this was part of a three-year project (Great Places Scheme) to make the most of the town's history, with a significant financial award to the Dunfermline Heritage Partnership (DHP) from the National Lottery Heritage Fund. The Dunfermline Tapestry project brought together the artistic contributions of more than 700 people to create the tapestry, celebrating the town's rich weaving history. The final piece made up from over 900 individual miniature woven looms was displayed at DCL&G with the run extended by one month to give everyone who took part time to bring friends and family to view it.

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We are grateful to **Fife Family History Society** for its generous donation that has enabled us to promote our local and family history work in Cupar Library, DCL&G and Kirkcaldy Galleries. This has allowed us to buy two new scanners and other equipment that will help us and our volunteers to share more stories and images from our Local Studies Collections and an after-school History Club is to be piloted in 2022/23.

The Collections team worked on **Uncovered**, a project to document some of the fascinating social and industrial history objects in the Collections Centre in Glenrothes. Objects were unwrapped following the move to the new store in 2017. Whilst the team made good progress updating locations for our Art collections and boxed objects, they were unable to start updating our unboxed objects, which are too large or unusually shaped to fit inside a box. Around 800 objects were photographed and catalogued, and some were 'uncovered' on social media. A grant from Museums Galleries Scotland enabled the purchase of software to assist the project.

Two **new mobile libraries** were launched in December 2021 with capital investment by Fife Council, replacing the old vehicles that had come to the end of the road. The new, smaller eye-catching mobile libraries are able to access more communities and have made sure that library services in Fife continue to be free, fair and accessible to everyone. We operate two routes with scheduled stops advertised on our website and in early 2022 we helped by adding a stop near Waid Campus, Anstruther, where library hours had been restricted due to Covid-19 guidelines for the school.

Data Led Library Leadership, a Scottish Libraries Information Council (SLIC) funded project, has involved working with consultants TRG to objectively analyse the huge volume of library data we hold on those who access library services. The project aims to better understand book-borrowing patterns, cross over between those who borrow books and use other library services, attend events in any of our venues and ultimately establish an evidence-based marketing plan to better engage with our audience in a meaningful and relevant way. The analysis has been completed and will shape our marketing plans. It also identified gaps in data collection which we are now rectifying as much as possible. We have used the data analysis to inform the target groups for the SLIC-funded **Work in Progress: Changing Your Library Service** project.

Finally, Wellbeing has always been a key focus of our delivery and this ramped up even more during lockdown with a particular focus on mental health, dementia and menopause.

We were successful in receiving funding for our **Cultural Connections** work from the **Life Changes Trust - Creating Better Lives in Fife** to develop a programme of dementia-friendly, intellectually stimulating activities for those with mild to moderate symptoms and their family, friends and carers. Our face-to-face programme launched in early 2022, including sessions exploring local history and Cultural Wellbeing sessions to explore Kirkcaldy Galleries, starting with a dementia-friendly tour.

Connecting Communities Through Cultural Heritage is a creative partnership formed between the Trust, 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. During the pandemic the project was put on hold but the partnership has continued to meet. The project is to be adapted with online training for university staff led by Sam MacDougall from the Trust and Tanya Duthie from Dundee Libraries. An Integrex Flex – a **portable interactive system** has also been purchased to help explore different sensory activities. Funding for the project was provided by SLIC's Innovation and Development fund. While this was originally a library-focused project, we are delighted to have expanded the reach of the project to include the museum team. The lifespan of the project has now been extended until October 2022.

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Adventures from Your Armchair provides a travel-from-home adventure within local communities using Go Pro equipment. We wanted to help those who couldn't make journeys to be able to 'travel' further afield from the comfort of their armchair. We've taken viewers to Beveridge Park, Kirkcaldy, Rosyth, North Queensferry, Pittencrieff Park, Dunfermline and even up the Birks of Aberfeldy.

We were successful in securing funding from the Communities Mental Health & Wellbeing Fund to add to our **Magic Moments Dementia resources** to install and use a Tovertafel - or Magic Table - at Duloch Library. The Magic Table has proved effective in helping reduce social isolation and works well for those living with dementia. It works by projecting light games and images on to table, with games co-designed by players, and creates an interactive experience that stimulates connection and communication. The activities help lower anxiety, increase focus and can have a mood enhancing effect and are part of a range of activities that we offer to support health and wellbeing across Fife.

By offering safe spaces to start the conversation about menopause, the **Pause not Full Stop, Engaging Libraries Carnegie UK** project has given women the opportunity to share experiences and the confidence to talk to friends and loved ones about their menopause. Most importantly, it normalised a phase in women's lives which should be talked about openly and not consigned to being something not to be named. We launched the project with comedian Janey Godley, held mindfulness sessions, creative workshops and drama to start conversations. Most of the sessions were online, except for a drama creation and performance produced in partnership with Tricky Hat drama company.

In all, 229 people attended the online activities and 76 attended the drama workshops and performance. Feedback on the project included "eye-opening" and "motivating" from participants to this from specialist physiotherapist and comedian Elaine Miller, who hosted one of the creative workshops:

"These events do work for women, they give them self-help strategies and they encourage help-seeking. One 73-year-old is happier because you are doing important outreach. And she'll evangelise to her friends and then they speak to their GP. It's just great."

While the project has come to an official end, we plan to continue offering opportunities to talk about menopause. We also plan to hold a postponed cabaret night in May 2022. The experience of being part of Carnegie UK's Engaging Libraries has been incredibly positive, encouraging us to think wider about the activities we offer and has given the confidence to take risks. We've met with staff from other library authorities the length and breadth of the UK and been able to take advantage of various continuous professional development opportunities throughout the course of the project. Working with a researcher from Bristol University also allowed us to attract £6,952 in funding from the Brigstow Institute, which has been used to create the *How to Talk Menopause* toolkit which will be available from our website once completed.

The Trust, through the Dunfermline Heritage Partnership, is developing a range of activities to support and improve the mental health and wellbeing of local people in most need in Dunfermline and West Fife through facilitated and self-led activities, volunteering and engagement. The project, **Dunfermline Wellbeing Through Heritage**, with financial support from the National Lottery Heritage Fund, will be targeting young people and adults with mental health issues, people living with dementia and encouraging greater mobility through heritage walks and will make use of Dunfermline's Heritage Quarter and the West Fife villages' natural heritage. It will also use the intangible heritage and social history of the area to support a Covid-19 recovery focusing on access to heritage through a series of facilitated and enriched activities to promote wellbeing.

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Walk ON sessions where participants go on a short walk with walk leaders before heading back to the library for a coffee and chat about books have been taking place throughout most of the pandemic, albeit at times online with tours of participants' gardens! Cupar, Rothes Halls and Duloch group members have supported each other throughout the last year, enjoying the opportunity to meet, exercise and chat. 234 participants walked and talked throughout the last year.

Our annual **Ways to Wellbeing Festival** from 1-31 May brings people together and highlights all the ways we can help with positive wellbeing and 2021 was no different only we went digital. OnFife Libraries Facebook page saw a mix of practical, inspirational, fun and informational posts helping to keep Fife focused on positivity and wellbeing from **BookBug's Big Splash** and inspiring exhibitions to fascinating talks on the menopause and dementia-friendly mindfulness sessions.

We supported **Mental Health Awareness Week** with Facebook posts focusing on the positive benefits the natural world can have on wellbeing. We also included a nature-themed **Community Moments in Time** specifically for care homes. Sam MacDougall from the Libraries team gave a talk on **Wellbeing and Nature**, how we are connecting with nature and the role of the Walk ON Groups, as part of a series of drop-in sessions organised by Fife Health and Social Care partnership specifically for practitioners and workers. Our Ways to Wellbeing posts had a combined reach of 25,959 and 880 engagements. During the festival the post reach for the month went up by 36% and engagement went up 9%.

HiVIS fortnight (formerly Make A Noise in Libraries) seeks each year to highlight the wonderful world of accessible reading. Reading is something that can and does bring us together, regardless of what or how we read. Throughout HiVIS fortnight (7-20 June) we highlighted how to keep library services accessible for readers with a vision or print impairment, featuring the different formats OnFife Libraries offer in physical books to digital offer via Libby and its accessibility features. Organisations such as SeeScape, RNIB and Clearvision, who support those with a visual impairment, were also highlighted. Taking the campaign online probably saw greater impact with a wider reach than in pre-Covid years with our main library Facebook page reaching 10,511 during the fortnight with 304 engagements. The most popular post was a poetry reading of *Smiling Is Infectious* by a library member, which had a reach of 1131 with 126 engagements. And we received the following comment: "very apt in the time of this virus, but just what we need! To be infected with something positive."

Nurturing Our Communities

Work involved in Nurturing Our Communities includes tackling social isolation, community exhibitions, our collections, supporting volunteers and creating an exciting new creative hub in the heart of Kirkcaldy.



Work continues at **Adam Smith Theatre** and we have worked hard to keep our key stakeholders updated via a series of meetings and sharing regular [video footage of progress](#). A robust communications strategy is in place which is designed to make sure that the theatre is kept alive to the community during its closure with news stories and features, such as the auction of chairs saved during the refurbishment of the auditorium. This gave fans of the theatre a chance to own a piece of Adam Smith history as well as raise funds to improve access to all our theatres.

Alongside the building refurbishment works taking place, which will see the 120-year-old theatre reopen in 2023 as a revitalised creative hub for the community, we have also been building meaningful partnerships through the project. Initial discussions have taken place with Fife College's Faculty of Digital and Creative Industries to explore how a joined-up approach would benefit the community, students and creative industries and are already developing design links with the V&A. Finally, exciting plans are already afoot for the reopening of the theatre in Summer 2023 when we're very much looking forward to welcoming the community back to this much-loved space.

In April 2021 we launched the Youth Arts Small Grants with funding secured from Creative Scotland. These grants were to support creative artists and practitioners to deliver work which would have an impact on the lives of young people across Fife, with the voices of the young people being at the heart of the projects. We received over 30 enquiries and 20 applications for support. Ten creatives were awarded funding for their projects. Each of the practitioners worked with local organisations to deliver their idea, consulting with the young people along the way and shaping and changing the offer to suit. Successful projects included arts and crafts, e-zines, music and movement, outdoor skills, drama, painting and design and they involved children and young from across Fife including Leven, Dunfermline, Kirkcaldy and Glenrothes.

We supported the delivery of a **Virtual Fife Pride** on 3 July 2021. The day featured a variety of live performances and a Kirkcaldy High School-led quiz, alongside videos of performances and talks which were shared throughout the day.

While our theatres were closed and in-person activities in Libraries were unavailable, we worked with Fife Council and the other Trusts over the summer on a **GoFife** programme, a joined-up approach to summer

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entertainment and activities which was designed to offer an accessible one-stop booking experience for our communities.

With funding from the Esmée Fairbairn Collections Fund, administered by the Museums Association, we appointed Lily Barnes as Curator (Engagement) to lead on **Flooring the World**, a two-year project to review our internationally significant linoleum collection. This is developing the collection further by working with communities in Fife and using it to engage, involve and inspire people. We want to reveal the major role the linoleum industry has played in the industrial and social history of the UK and in the collective memory of Fife's people. The main focus of the curator's post is to engage with linoleum workers (former and current), people with linoleum memories as well as organisations across the globe with linoleum collections.

Loans from the Museum collection - we took great pride in lending some of our significant paintings to high profile exhibitions in 2021/22. The Walker Art Gallery in Liverpool borrowed *What Shall We Do for the Rent* by Walter Sickert for a major retrospective of the artist's work. Remedial conservation of the artwork was also carried out and more than 12,000 people viewed the work. Later in the year, three works were lent to the City Art Centre in Edinburgh for the exhibition *Reflections: The Light and Life of John Henry Lorimer*. Nearly 19,000 people attended the show. One of our works was *Spring Moonlight* and conservation of this painting included treatment to the frame, funded by the Friends of Kirkcaldy Galleries. Curator Jane Freil gave an online talk as part of the exhibition attended by 132 people. Attendees were from across the globe, including the UAE, California, New York and, of course, Kirkcaldy!

New acquisitions to the Museum collection included a wide range of material from the Adam Smith Theatre. The refurbishment of the venue gave the opportunity to collect posters, leaflets, programmes and photographs from many past shows and events. These complement material already in the collection, creating an historical archive that will stir memories for researchers and visitors to displays in the future. In spring 2020 in response to the Covid-19 pandemic, we launched a new contemporary collecting project **Fife in Lockdown** to collect a permanent archive of people's experiences of Covid and various lockdowns. The archive has developed over the last two years with 30 submissions from people and organisations in Fife. These consist of responses of people to the pandemic and include photographs, posters, film, diaries and objects. This material is currently being assessed and catalogued by Kirke Kook, Collections Curator, and we can still assess any new offers. Once fully catalogued, the Fife in Lockdown archive will be available for research and can also be used in future exhibitions.

Two paintings that had been on long-term loan were donated to the Museum collection. Portraits of **Robert Hutchison**, a Kirkcaldy industrialist, and his wife Mary Oliphant were generously gifted to the collection by a member of the family.

New additions to our Archive Collections included, in August 2021, **Glenrothes Amateur Musical Association** depositing its archive with the Trust. There are minutes, photographs, posters and press cuttings of all its shows from 1967 to 2016. The **Jimmie Edmiston MBE Collection** was donated to us in March 2022, a collection Jimmie built over a lifetime spent researching the history of Kinghorn. It includes his research notes, photographs, and original documents he gathered as a local historian and councillor. Three Estates Cupar donated five display boxes and four document holders for a new **community display space** at Cupar Library & Local Studies. The first display was opened in September 2021 by the Lord Lyon – a display about Sir David Lyndsay, author of *The Thrie Estates*, using images supplied by the National Library of Scotland, the University of St Andrews and from our own collections.

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A vibrant and colourful display of arts and crafts by members of **Glenrothes Art Club Annual Exhibition** was officially opened by local artist Pat Beveridge in the FifeSpace Gallery at Rothes Halls. Guests at the opening included local councillors and two MSPs.

An exceptional display of over 60 artworks by members of the **Fife Dunfermline Printmakers Workshop** was held in the Community Gallery at DCL&G and we were privileged to host a stunning annual display from the **Scottish Nature Photographer of the Year Award**, in our FifeSpace Gallery at Rothes Halls. This included nature photography submitted by both professional and amateur photographers based throughout Scotland

Thought-provoking paintings by Kirkcaldy-based artist Michelle Clark, who used her own personal experience to highlight the prevalence of sexual assault, were exhibited in her exhibition ***Isn't It Funny*** at FifeSpace in Rothes Halls. Her atmospheric, abstract paintings invited people to draw their own interpretations and experience their own emotional response. The exhibition was partnered with further work from **SAJE Scotland**, a charity which aims to empower women to make positive choices about their lives.

The theme of **International Women's Day 2022** was #Break the Bias and Local Studies turned to the past for inspiration. They shared new blogs about Vonda Sturrock, a missionary who came from Dunfermline, and suffragist Anna Munro, also from Dunfermline, as well as other forgotten female Fife authors from the archives. At the Community Gallery in Dunfermline Carnegie Library & Galleries, a new exhibition opened in March called *Consciously Rising*, featuring work produced by a group of women brought together by the pandemic. Writer Marie Louise Cochrane hosted an online workshop called *Menopause: Creating a Destination No Matter the Journey* and drew on the stories, poems and inspiration of women who have something meaningful to say on the subject.

For Black History Month 2021, Local Studies created a set of resources, including video, and weblinks that relate to Scotland and Fife's involvement in slavery, empire and colonialism. Meantime Abz Mills, a Scottish-Jamaican tattoo and graffiti artist based in Kirkcaldy, took over our Create in Fife Instagram for the month.

Social isolation is an issue we continue to target and a grant from the Scottish Government Public Library Covid Relief Fund will help us tackle it in two groups of people. We secured £60,000, the maximum award available from the Fund, administered by the Scottish Libraries Information Council (SLIC), for **Work in Progress: Changing Your Library Service**. Launched February 2022, the project will run to December 2022 and will focus on tackling social isolation, promoting mental health and wellbeing and nurturing the creative industries at local level.

We will work with lapsed users and new users (specifically teen parents aged 16-25 and older men) through three libraries: Cowdenbeath, Templehall and Cupar. We identified these groups as we know through other research (our Date-Led Library project) that we are less engaged with them and that in some cases they have experienced greater social isolation exacerbated by lockdowns and other restrictions during the pandemic. We have appointed consultants Nomad to work with us and our target groups taking a co-created approach to changing the shape of library services in these areas.

Despite the challenges of the pandemic, our Archives and Local Studies Team have continued to support **volunteers** transcribing resources and helping to identify photographs including two young volunteers working on a family history donation of WW1 material. The team have also helped with the career development of a student studying to become an Archivist by providing hands-on experience sorting newspaper articles about Robert Burns in DCL&G's Murison Burns collection. In Kirkcaldy Galleries, a

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volunteer has been researching the stories within a shoebox of 19th century diaries and letters relating to the Hutchison, Ferrier and Oliphant families of Kirkcaldy.

The Trust has been working as part of the Dunfermline Heritage Partnership (DHP) since 2016. The DHP is a grouping of all the bodies who have an interest in promoting Dunfermline as a tourism destination and using Heritage as its unique selling point. It has been successful in securing external funding from Scottish Government, Scottish Enterprise and Heritage Lottery Fund to develop Dunfermline's heritage to aid future economic regeneration with a range of projects including the Great Places Scheme, creating community exhibitions, online resources, guided tours and generating impact through social media influencers and bloggers. **Dunfermline Wellbeing Through Heritage** is our latest DHP initiative working in partnership with Carnegie Dunfermline Trust, Fife Council, Fife Coast & Countryside Trust and NHS Fife Health & Social Care Partnership over three years from 2021 to improve the mental health and wellbeing of people in most need in Dunfermline and West Fife.

Seeking Adventure

The launch of a world-class exhibition, bringing new energy and life to Fife's oldest amateur art event and climate change awareness were all undertaken in Seeking Adventure.



In March 2022 we launched our ambitious marketing campaign for **Jack Vettriano: The Early Years** with a SkyAdsmart TV advertisement, radio adverts across Scotland on Classic and Kingdom FM, digital and large printed formats within train stations and bus backs in and around Fife, Glasgow, Edinburgh & Perth. Additionally, a vibrant social media campaign has kicked off to further enhance reach. Jack visited Kirkcaldy Galleries in March 2022 to record a filmed interview, excerpts of which will be used in the exhibition and in social media promotions. To grow and develop new audiences during the exhibition, three specific business areas have been developed and will be on offer during the run. Corporate Hospitality packages were launched in February 2022, the content of which reflect the relationship between the landscape of Fife, the art and the food and offer once-in-a-lifetime experiences with three different packages. A commercial pop-up shop will be available during the day and evenings and the exhibition will be reflected in layout and menu of a themed cafe menu. **The exhibition opened on 17 June 2022.**

Since the OnFife brand refresh, which was completed by the end of 2020 and included a clear set of brand guidelines inclusive of work on our values, personality and tone of voice. Since then, the marketing team has been creating fortnightly reports in infographic format on the events and activities taking place across the organisation, including data driven performance statistics and shared with key stakeholders. This has lifted the ability to tell the story of our activities in a visually accessible way and shows the impact of our work within our communities.

We partnered with The Leven Programme to be one of Scotland's seven **Climate Beacons for COP26**. The project, created by Creative Carbon Scotland, used culture, heritage and the arts to bring more people into the conversation about climate change. This project was inspired by COP26 – a global conference about climate change which was hosted in Glasgow. As part of our work as Fife's Beacon, we hosted an exhibition of photographs of the River Leven submitted by local amateur photographers, and arranged a film screening at The Kino, Leven, which featured work from Levenmouth Academy students alongside the documentary *Living Proof*, an exploration of Scotland's complex relationship to the global climate crisis told through archive footage.

Building on our partnership work with The Leven Programme, we are hosting one of 13 *Unexpected Gardens* that will be springing up across the country during 2022 as part of the **Dandelion** programme. The Dandelion project, funded by the Scottish Government, is an innovative new initiative inviting people all over the country to get growing, sharing and celebrating food, music, and ideas with their communities. The project will culminate in a harvest festival and food and performance in September 2022. Our partnership work on these two national projects highlights a commitment to increase our footprint in the Levenmouth area and our desire to work with the community to find out how we can be more relevant in our offer there.

The pandemic provided an opportunity to take a fresh look at **Fife Art**, Fife's longest-running amateur art competition, and how it could be refreshed with a new approach. Sponsor Shell provided funding for us to commission Programme & Arts Consultant Janet Smyth to lead on community consultation and engage with local communities, spreading the word that 'art' is for everyone to enjoy, from selfies snapped on a phone to crafts helping with wellbeing. People of all ages and from all walks of life are being asked to take part in a survey as the first step to revise and revitalise Fife Art. Best-selling Fife author **Val McDermid** gave the survey her backing. She recorded a special message urging Fifers to say how they want to tell their own stories through art, whether that's through painting or words. Winning Artworks from **Fife Art 2020** were on display in Kirkcaldy Galleries before being presented to NHS Fife for display in facilities throughout the region.

Valuing and Supporting Our People

People are at the heart of the Trust and in delivering great customer service and inspiring experiences to our communities. As we look to a post-pandemic future, investing in our people has never been more important.

As we began to move out of the pandemic, a key part of our **Recovery & Renewal Strategy** was making sure our team members had the skills required to lead teams and to deliver services to achieve our overriding priority of Bringing People Back to our venues and services. This has involved investment in training at all levels and is taking in everything from customer care and operational skills, such as GDPR and child protection, through to leadership and management training. This will eventually give staff at all levels of the business the skills they need to help us thrive post-Covid.

In addition, we have recognised the need to reshape the organisation so that it is well placed to thrive post-Covid and in doing so have worked with those involved to develop services which are customer-centric and experience-led.

Funding from **Museums Galleries Scotland (MGS): Connecting Communities** enabled us to appoint two consultants to work with frontline staff across our three museums – St Andrews, Kirkcaldy Galleries and DCL&G – to **build their skills and confidence** in gathering data from visitors. Staff became part of the decision-making and design process in how we gather data and have been able to readily embed methodology in their core work. We gathered feedback from staff who told us “I enjoyed the chance to experiment with different things and have the chance to work on our own wee project. This made me feel more engaged and ready to put the ideas into action.” “Our team were pleased to be included in developing the design of our feedback methods. It gave them ownership of, and interest in, the outcome of the feedback.” This work is now helping shape the approach to gathering data and feedback during our summer 2022 exhibitions *Jack Vettriano: The Early Years* and *Brushstrokes*, both at Kirkcaldy Galleries, and ongoing visitor engagement and data gathering across all museums.

In August 2021 we set up a new internal staff group, called **Libraries Moving Forward**, which aims to pave the way for a new way of delivering our Library Service, providing clarity and reassurance for all those affected, and sharing information and communication with wider teams. The group includes staff from across Libraries, Operations, Customer Engagement, Creative Development and Cultural Heritage & Wellbeing and has been meeting monthly to allow participants to share concerns, ideas and insights to our library service. Most recently the group has been contributing to the Recovery & Renewal Strategy.

Throughout the year and in the face of continuing uncertainty caused by Covid-19, and with many team members still having to work from home, we continued to commit to internal communications and engaged with our people consistently. We shared information using several different platforms to make sure everyone remained as connected as possible and was kept up to date about any changes. As well as investment in equipment and IT to enable home working, we offered health and wellbeing support to try and support our team through a difficult period, both in relation to their working lives but also their personal circumstances.

FINANCIAL REVIEW

Review of the year

For the financial year 2021-22 the Company's consolidated financial position shows net expenditure of £1,582,241 (2021: net income of £433,653). Other recognised gains and losses amounting to a gain of £7,033,000 (2021: loss of £852,000) resulted in a reported net increase in funds of £5,450,759 (2021: net decrease of £418,347). These other recognised gains and losses represent actuarial movements on the estimated valuation of liabilities on the defined benefit pension scheme.

Included in the net expenditure are further pension adjustment costs of £1,765,000 (2021: £637,000), giving a surplus before actuarial pension adjustments of £182,759 (2021: £1,070,653).

The deficit on restricted funds after allowing for transfers is £13,234 (2021: surplus of £91,879), taking the surplus on restricted funds to £320,713 (2021: £333,947).

Unrestricted funds carried forward amount to £6,465,601 (2021: £1,001,608). These latter figures effectively represent the underlying operational performance of the Trust.

The Directors and Executive Team 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 and ongoing restrictions relating to public health continued throughout 2021-22, with a second 'lock down' occurring towards the end of 2021 that had an impact on consumer confidence and significantly impacted on the slow return to trading that had been ongoing.

Business Growth has been focused on the Jack Vettriano exhibition at Kirkcaldy Galleries that was launched in June 2022. This was a significant change for OnFife as the first ticketed exhibition that has ever been organised. Planning has been focused on maximising income from ticket sales alongside ensuring a strong café, retail and corporate offerings would be on offer to bring a full visitor experience to anyone attending.

The café area has been fully refurbished, with a new menu offering developed and connections to local suppliers has been put in place to ensure a high quality offering is available for all visitors – both regular and those attending for the Jack Vettriano exhibition.

A new retail area has been designed and introduced to provide visitors with gifts and memorabilia to take away from the event. This has been developed in partnership with the Jack Vettriano Publishing team to ensure that all products are reflective of the JV brand and quality.

Additionally corporate packages, with Hickory's as a delivery partner, have been designed and launched to the market to engage new customers and develop new business opportunities. This is with a view to the

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event being a launch pad for future MICE (Meetings, Incentives, Conferences and Events) development and growth.

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:

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.

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 an Arms Length External Organisation, with Fife Council as its sole member. It is through this relationship that the Company is provided with a management fee to deliver public services on behalf of the Council. Over the past 2 years Fife Council has provided a letter of comfort in relation to financial sustainability and this is reflective of its responsibilities as the sole member. Given this relationship, 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

The local elections in May 2022 resulted in a change of Board members for Fife Cultural Trust, with 4 new partner directors appointed by Fife Council in early July 2022. This presents a significant post balance sheet event for the organisation.

Alongside this we also received notice of a resignation from a Board member, bringing total Board vacancies to two and resulting in the nominations committee being called to initiate recruitment for new Board members.

Plans for Future Periods

The year of 2022-23 will focus heavily on ensuring that Fife Cultural Trust is 'fit for business' post covid. This is in relation to operational capabilities and service offerings. We will be investing time in our team members and making sure we have the right people in the right place and that our people feel supported and connected after such a significant period of upheaval.

We will be working with our communities to ensure our work is relevant and meets their needs, whilst ensuring our ways of working are adaptable and able to change to reflect those needs.

We are aware that financial challenges lie ahead for the public sector and this will also be a factor in our planning and ensuring that the organisation is sustainable.

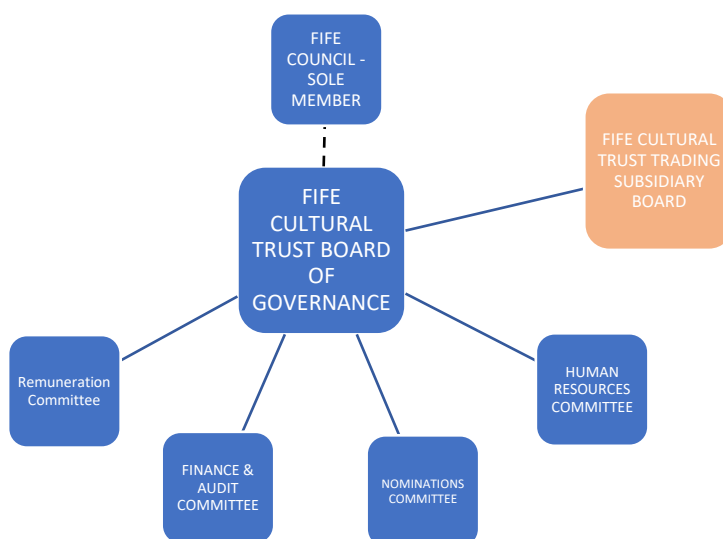
Structure, Governance and Management

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:



To ensure best governance, previously the Nominations committee was charged with progressing the recruitment and terms and conditions of the Chief Executive, this has now been removed and a separate Remunerations Committee established, this committee also has the authority to review the terms and conditions of directors where appropriate within the parameters of being an associated employer.

This was the first full year that the MOU between Fife Cultural Trust and Fife Cultural Services Trading Ltd was in place. The MOU clearly provides a framework for the governance between the two entities in relation to payments for services, occupation of premises and allocation of costs.

Directors

The Company's Board comprises 13 Directors, composed of 4 elected members of Fife Council, and 9 independent Directors.

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 3 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.

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

Policies and procedures for induction and training of Directors

An induction process is in place for new Directors, which is reviewed and updated on an annual basis. This covers the strategic and operational issues affecting the Company. The ongoing training needs of Directors are considered by the Board as required and on an annual basis, a process led by the Chair through engagement with individual Directors 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 and Remuneration Committee, which meet as required given the nature of their remit.

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Staffing and Structure

- Beneath the Board, sits the Executive Team. The Executive Team (ET) in 2021-22 consisted of:
- Chief Executive
- Director of Corporate and Commercial Development
- Director of Creative Development and Delivery
- Chief Operating Officer

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

- Head of Business Development
- Head of Cultural Services and Wellbeing
- Programming Manager
- Customer Engagement Manager
- Corporate Business Manager
- HR Manager
- Head of Finance
- Head of Creative Services
- Deputy Operations Manager – Venues
- Deputy Operations Manager - Libraries

The Company currently employs around 220 staff, over the course of the year the Trust has not required the usual levels of 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.

Fife Cultural Trust

Trustees' Report (incorporating the Trustees' Strategic Report) For the year ended 31 March 2022

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 (Resigned – 4 May 2022)
Councillor I Cameron (Resigned – 4 May 2022)
Councillor Dave Coleman (Resigned – 4 May 2022)
Councillor J A Liston (Resigned – 4 May 2022)
Councillor J Teppett (Appointed 13th July 2022)
Councillor L Mowatt (Appointed 27th July 2022)
Councillor G Pryde (Appointed 26th August 2022)
Councillor Patrick Browne (Appointed 13th July 2022 & Resigned 10 August 2022 due to conflict of interest)

Independent Directors

Dr D H Caldwell (Chair – Resigned Sept 2021)
F Davidson
B E Lawrie (Vice Chair – Resigned March 2022)
F C Quinault (Resigned March 2022)
Z Brett (Resigned June 2022)
Katie Eagleton (Joined June 2021) Vice Chair – June 2022
Esther Robertson (Joined June 2021) Chair – September 2021
Jenny Combes (Joined June 2021)
Steve Renwick (Joined June 2021)
Jaki Carnegie (Joined June 2021)
Claire Dow (Joined May 2022)
Paul Sykes (Joined June 2022)

Secretary

K Keay

Fife Cultural Trust

Trustees' Report (incorporating the Trustees' Strategic Report) For the year ended 31 March 2022

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

Henderson Loggie LLP
The Vision Building
20 Greenmarket
DUNDEE
DD1 4QB

Charity registration number:

SC043442

Company registration number:

SC415704

**Trustees' Report (incorporating the Trustees' Strategic Report)
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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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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.

In approving the Trustees' Report, the Trustees are also approving the Strategic Report in their capacity as Company Directors.

Approved by the Board 30 September 2022 and signed on its behalf by:



Esther Robertson
Chair

**Independent Auditor's Report to the Trustees and Members of Fife Cultural Trust
For the year ended 31 March 2022**

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 2022 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 2022 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.

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.

**Independent Auditor's Report to the Trustees and Members of Fife Cultural Trust
For the year ended 31 March 2022**

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.

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

**Independent Auditor's Report to the Trustees and Members of Fife Cultural Trust
For the year ended 31 March 2022**

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.

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.

- Inquiry of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing compliance and checking appropriate theatre licenses are in place;
- Reviewing details of any food hygiene inspections and checking appropriate alcohol licenses are in place;
- Reviewing board meeting minutes for evidence of non-compliance with laws and regulations and fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular the valuation of tangible fixed assets and stock, recoverability of debtors, and the application of accruals and deferred income; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

As a result of the nature of the group's operations, we identified the following areas as those most likely to have a material impact on the financial statements: health and safety regulations; regulations from the food standards agency; compliance with theatre and alcohol licences; OSCR requirements; Data Protection Act 2018; employment law (including payroll and pension regulations), and compliance with the UK Companies Act.

Owing to the inherent limitations of an audit, there is unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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.

**Independent Auditor's Report to the Trustees and Members of Fife Cultural Trust
For the year ended 31 March 2022**

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.



David Taylor (Senior statutory Auditor)
For and on behalf of Henderson Loggie LLP
Chartered Accountants & Statutory Auditors
Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006
The Vision Building
20 Greenmarket
Dundee DD1 4QB

30 September 2022

Fife Cultural Trust

Consolidated Statement of Financial Activities (incorporating a consolidated income and expenditure account) For the year ended 31 March 2022

	Note	Unrestricted Fund 2022 £	Restricted Funds 2022 £	Total 2022 £	Total 2021 £
Income from:					
Charitable activities	4	9,325,119	204,043	9,529,162	10,690,336
Other trading activities	3	646,167	-	646,167	345,512
Total income		9,971,286	204,043	10,175,329	11,035,848
Expenditure on:					
Charitable activities	5	(11,167,743)	(181,361)	(11,349,104)	(10,511,459)
Raising Funds	3	(433,696)	-	(433,696)	(174,930)
Total expenditure		(11,601,439)	(181,361)	(11,782,800)	(10,686,389)
Net gains/(losses) on investments		25,230	-	25,230	84,194
Net income/(expenditure)		(1,604,923)	22,682	(1,582,241)	433,653
Transfers between funds	19	35,916	(35,916)	-	-
Other recognised gains / (losses):					
Actuarial (losses)/gains on defined benefit pension schemes	17	7,033,000	-	7,033,000	(852,000)
Net movement in funds		5,463,993	(13,234)	5,450,759	(418,347)
Reconciliation of funds:	19				
Total funds brought forward		1,001,608	333,947	1,335,555	1,753,902
Total funds carried forward		6,465,601	320,713	6,786,314	1,335,555

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 35-52 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 2022

	Note	Unrestricted Fund 2022 £	Restricted Funds 2022 £	Total 2022 £	Total 2021 £
Income from:					
Charitable activities	4	9,583,162	204,043	9,787,205	10,788,336
Total income		9,583,162	204,043	9,787,205	10,788,336
Expenditure on:					
Charitable activities	5	(11,167,743)	(181,361)	(11,349,104)	(10,511,459)
Total expenditure		(11,167,743)	(181,361)	(11,349,104)	(10,511,459)
Net gains/(losses) on investments		25,230	-	25,230	84,194
Net (expenditure)/income		(1,559,351)	22,682	(1,536,669)	361,071
Transfers between funds	19	35,916	(35,916)	-	-
Other recognised gains / (losses):					
Actuarial (losses)/gains on defined benefit pension schemes	17	7,033,000	-	7,033,000	(852,000)
Net movement in funds		5,509,565	(13,234)	5,496,331	(490,929)
Reconciliation of funds:	19				
Total funds brought forward		796,167	333,947	1,130,114	1,621,043
Total funds carried forward		6,305,732	320,713	6,626,445	1,130,114

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 35-52 form part of these financial statements

Fife Cultural Trust

Balance Sheets at 31 March 2022

		Group		Charity	
	Note	2022	2021	2022	2021
		£	£	£	£
Fixed assets					
Tangible assets	9	59,802	100,857	25,256	57,013
Investments	10	802,949	768,383	803,049	768,483
		862,751	869,240	828,305	825,496
Current assets					
Stock	11	45,855	41,444	-	-
Debtors	12	287,464	478,595	385,003	475,304
Cash at bank and in hand		545,611	643,200	334,837	525,059
		878,930	1,163,239	719,840	1,000,363
Liabilities					
Creditors: Amounts falling due within one year	13	(1,022,367)	(1,495,924)	(988,700)	(1,494,745)
Net current liabilities		(143,437)	(332,685)	(268,860)	(494,382)
Net assets/(liabilities) excluding pension liability		719,314	(536,555)	559,445	331,114
Defined benefit pension scheme asset	17	6,067,000	799,000	6,067,000	799,000
Total net assets	18	6,786,314	1,335,555	6,626,445	1,130,114
The funds of the charity:					
Restricted income funds	19	320,713	336,082	320,713	336,082
Unrestricted funds (excluding pension reserve)	19	398,601	200,473	238,732	(4,968)
Pension reserve	19	6,067,000	799,000	6,067,000	799,000
Funds		6,786,314	1,335,555	6,626,445	1,130,114

The financial statements were approved and authorised for issue by the Board on 30 September 2022 and signed on its behalf by:



Esther Robertson
Chair
Registered number SC415704

Fife Cultural Trust

Consolidated Statement of Cash Flows for the year ended 31 March 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash provided by/(used in) operating activities	20	(71,271)	737,120
Cash flows from investing activities:			
Purchase of property, plant and equipment		(11,181)	(14,491)
Purchase of investments		(98,809)	(331,518)
Proceeds from sale of investments		83,672	77,417
Net cash (used in)/provided by investing activities		(26,318)	(268,592)
Change in cash and cash equivalents in the reporting period		(97,589)	468,528
Cash at the beginning of the reporting period		643,200	174,672
Cash at the end of the reporting period		545,611	643,200

The notes on pages 35-52 form part of these financial statements

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 2022.

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.

Having received Fife Council's letter of support dated 19th May 2022 the Directors are of the opinion that the Trust can continue to meet its obligations as they fall due for the next 12 months. As part of the assurance to Directors, Fife Council has provided a commitment to underwrite the Trust's cash flow position for the 2022-23 period and beyond, at least until September 2023, subject to efforts to be made to minimise costs, where possible, and until such time as a sustainable funding package for the services provided can be agreed for the post-pandemic recovery period.

Notes to the financial statements

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. In addition, Fife Council has agreed top-up support to eliminate any deficit incurred, excluding the accounting impact of pensions, during the pandemic and the ongoing recovery period.

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.

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. 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.

Notes to the financial statements

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. 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.

Notes to the financial statements

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.

	2022 £	2021 £
Turnover	646,167	345,512
Cost of sales	(163,531)	(81,727)
Gross profit	482,636	263,785
Administrative expenses	(348,708)	(93,203)
Operating profit	133,928	170,582
Profit for the year	133,928	170,582

The assets and liabilities of the subsidiary were:

Fixed Assets	34,546	43,844
Current Assets	306,034	248,611
Current Liabilities	(180,617)	(86,915)
Aggregate share capital and reserves	159,963	205,540

Included in administrative expenses is a management fee of £78,589 from Fife Cultural Trust which has been removed in the consolidated figures.

Included above is a management service fee from Fife Council of £233,960 for the year (2021: £143,000).

4 Income from charitable activities is as follows:

	2022 £	Group 2021 £	Charity 2022 £	2021 £
Theatres	1,334,691	997,620	1,334,691	997,620
Libraries and Museums	5,991,152	7,184,732	5,991,152	7,184,732
Cultural Partnerships	265,146	576,944	265,146	576,944
Administration	1,938,173	1,931,040	2,196,216	2,029,040
Total	9,529,162	10,690,336	9,787,205	10,778,336

A management service fee of £7,861,363 was received from Fife Council to Fife Cultural Trust in 2022 (2021: £8,306,712).

Notes to the financial statements

5 Expenditure on charitable activities - Group and charity

	Activities undertaken directly £	Support costs (note 6) £	2022 Total £	Activities undertaken directly £	Support costs (note 6) £	2021 Total £
Theatres	1,494,556	68,073	1,562,629	1,057,371	272,102	1,329,473
Libraries and Museums	5,728,231	1,158,168	6,886,399	4,735,283	1,315,172	6,050,455
Cultural Partnerships	341,653	18,122	359,775	302,847	5,720	308,567
Administration	2,264,135	276,166	2,540,301	2,676,399	146,565	2,822,964
Total	9,828,575	1,520,529	11,349,104	8,771,900	1,739,559	10,511,459

**6 Analysis of governance and support costs included in charitable activities
- group and charity**

	2022 £	2021 £
Audit fees	20,000	13,000
Non audit fees	1,200	4,890
Legal, professional and consultants fees	280,727	159,977
Total governance costs	301,927	177,867
Support provided by Fife Council	1,218,602	1,561,692
	1,520,529	1,739,559

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 £38,158 (2021: £32,625) have also been recognised in the activities of the trading subsidiary disclosed in Note 3.

7 Net income/(expenditure)

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Net income/(expenditure) is stated after charging				
Auditors' remuneration (including expenses) for audit	20,000	13,000	20,000	13,000
for other services	1,200	4,890	-	3,780
Depreciation	52,236	61,329	31,757	39,730

Notes to the financial statements

8 Staff numbers and costs

	2022	2021
	£	£
The remuneration and associated costs of the Group were:		
Wages and salaries	5,053,056	5,666,171
Social security costs	361,551	405,420
Pension contributions	1,014,899	1,138,042
FRS 102 pension scheme adjustments	1,765,000	637,000
	8,194,506	7,846,633

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
Employees	261	356

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

	2022	2021
	Number	Number
£60,000 - £70,000	3	3
£90,001- £100,000	-	1
£100,001-£110,000	1	-
	4	4

The total employee benefits of the senior management team were £410,660 (2021: £296,602).

No member of the Board received remuneration or any expenses from Fife Cultural Trust other than Directors indemnity insurance (2021: nil).

9 Tangible assets

	Group	Company
	£	£
Cost		
As at 1 April 2021	606,105	513,463
Additions	11,181	-
As at 31 March 2022	617,286	513,463
Depreciation		
As at 1 April 2021	(505,248)	(456,450)
Charge	(52,236)	(31,757)
As at 31 March 2022	557,484	(488,207)
Net book value		
As at 31 March 2021	100,857	57,013
As at 31 March 2022	59,802	25,256

Notes to the financial statements

10 Investments

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Investment in subsidiary	-	-	100	100
Listed investment portfolio	802,949	768,383	802,949	768,383
	<u>802,949</u>	<u>768,383</u>	<u>803,049</u>	<u>768,483</u>

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

	Group & Charity 2022 £
Fair value of portfolio at 1 April 2021	768,383
Additions at cost	98,809
Disposals	(83,672)
Unrealised gain on revaluation	<u>19,429</u>
Fair value of portfolio at 31 March 2022	<u>802,949</u>

11 Stock

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Stock	<u>45,855</u>	<u>41,444</u>	<u>-</u>	<u>-</u>

12 Debtors

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	217,396	71,459	183,295	29,990
Prepayments and accrued income	70,068	407,136	59,467	404,319
Amounts due from subsidiary	-	-	142,241	40,995
	<u>287,464</u>	<u>478,595</u>	<u>385,003</u>	<u>475,304</u>

13 Creditors: Amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	102,409	115,957	70,430	114,868
Fife Council	-	212,130	-	212,130
Accruals and deferred income	560,332	850,001	553,941	850,001
VAT	359,626	317,836	364,329	317,746
	1,022,367	1,495,924	988,700	1,494,745

14 Deferred income

	Group & company
	£
Deferred income comprises advanced ticket sales.	
Balance as at 1 April 2021	137,888
Amounts released to income during the year	(137,888)
Amounts deferred in year	150,302
Balance at 31 March 2022	150,302

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

	Group and charity	
	2022	2021
Listed investment portfolio	802,949	768,383

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.

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.

Notes to the financial statements

17 Pension scheme (continued)

	2022 £	2021 £
The movement in the defined benefit obligation over the year is as follows:		
Opening defined benefit obligation	59,901	44,583
Current service cost	975	1,860
Past service cost (including curtailments)	2,470	-
Interest cost on defined benefit obligation	1,224	1,039
Contributions by members	288	313
Actuarial losses/(gain)	(4,405)	13,043
Benefits paid	(1,028)	(935)
Unfunded benefits paid	(11)	(2)
Closing defined benefit obligation	59,414	59,901

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

Opening fair value of plan assets	60,700	46,871
Interest income on plan assets	1,222	1,084
Contributions by members	288	313
Contributions by the employer	1,671	1,176
Contributions in respect of unfunded benefits	-	-
Actuarial (losses) /gain	2,628	12,191
Benefits paid	(1,028)	(935)
Unfunded benefits paid	-	-
Closing fair value of plan assets	65,481	60,700
Defined benefit pension scheme asset	6,067	799

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

Current service cost	(1,763)	(1,860)
Past service cost (including curtailments)	-	-
Total service cost	(1,763)	(1,860)
Net interest		
Interest income on plan assets	1,222	1,084
Interest cost on defined benefit obligation	(1,224)	(1,039)
Total net interest	(2)	45
Total defined benefit cost recognised in net income/expenditure per the SOFA	(1,765)	(1,815)

Notes to the financial statements

17 Pension scheme (continued)

	2022	2021
	%	%
The major categories of plan assets as a % of the total plan assets are as follows:		
Equities	63	66
Bonds	25	23
Property	7	6
Cash	5	5
	=====	=====

The estimated employer contributions for the year to 31 March 2022 are £1,176,000.

The principal actuarial assumptions used in the calculations are:

	% per annum	% per annum
Pension Increase Rate	3.2	2.85
Salary Increase Rate	3.7	3.35
Discount Rate	2.7	2.0

Mortality

Vita curves with improvements in line with CMI 2021 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	20.1	22.9
Future Pensioners	21.2	24.9

Notes to the financial statements

18 Analysis of net assets between funds

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £
Group						
Balance at 31 March						
Represented by:						
Fixed assets	862,751	-	862,751	869,240	-	869,240
Net current liabilities	(464,150)	320,713	(143,437)	(666,632)	333,947	(332,685)
Retirement benefit scheme	6,067,000	-	6,067,000	799,000	-	799,000
	<u>6,465,601</u>	<u>320,713</u>	<u>6,786,314</u>	<u>1,001,608</u>	<u>333,947</u>	<u>1,335,555</u>
Charity						
	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £
Balance at 31 March						
Represented by:						
Fixed assets	828,305	-	828,305	825,496	-	825,496
Net current liabilities	(589,573)	320,713	(268,860)	(828,329)	333,947	(494,382)
Retirement benefit scheme	6,067,000	-	6,067,000	799,000	-	799,000
	<u>6,305,732</u>	<u>320,713</u>	<u>6,626,445</u>	<u>796,167</u>	<u>333,947</u>	<u>1,130,114</u>

Notes to the financial statements

19 Reserves

	Opening Balance at 1 April 2021 £	Income £	Expenditure £	Transfers £	Gains/ (Losses) £	Closing Balance at 31 March 2022 £
Unrestricted reserves year ended 31 March 2022						
Group						
Unrestricted Pension reserve	202,608 799,000	9,971,286 -	(9,836,439) (1,765,000)	35,916 -	25,230 7,033,000	398,601 6,067,000
	<u>1,001,608</u>	<u>9,971,286</u>	<u>(11,601,439)</u>	<u>35,916</u>	<u>7,058,230</u>	<u>6,465,601</u>
Charity						
Unrestricted Pension reserve	(2,833) 799,000	9,583,162 -	(9,402,743) (1,765,000)	35,916 -	25,230 7,033,000	238,732 6,067,000
	<u>796,167</u>	<u>9,583,162</u>	<u>(11,167,743)</u>	<u>35,916</u>	<u>7,058,230</u>	<u>6,305,732</u>
	Opening Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Gains/ (Losses) £	Closing Balance at 31 March 2021 £
Unrestricted reserves year ended 31 March 2021						
Group						
Unrestricted Pension reserve	(776,166) 2,288,000	10,590,782 -	(9,694,012) (637,000)	(2,190) -	84,194 (852,000)	202,608 799,000
	<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						
Unrestricted Pension reserve	(909,025) 2,288,000	10,343,270 -	(9,519,082) (637,000)	(2,190) -	84,194 (852,000)	(2,833) 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>

Notes to the financial statements

19 Reserves

	Opening Balance at 1 April 2021 £	Income £	Expenditure £	Transfers £	Closing Balance at 31 March 2022 £
Restricted funds year ended 31 March 2022					
Childrens University	8,489	-	(4,721)	-	3,768
Comic Con	15,236	-	-	-	15,236
Creative Scotland – Performing Arts Venue Relief Fund	30,356	93	(10,169)	(20,280)	-
Creative Scotland – Small Scale Capital Grant	18,532	-	-	-	18,532
CS - PAVRF 2		48,187	(37,856)	(10,331)	-
CS Youth Arts Small Grants Scheme	45,000	-	(44,110)	-	890
Dunfermline Wellbeing through Heritage	-	-	(1,061)	33,602	32,541
Fife Art Exhibition	13,118	8,340	(1,657)	-	19,801
FVA - SGA Mental Health & Wellbeing	-	11,505	-	-	11,505
Height machine	13,900	-	-	-	13,900
In the Footsteps	34,663	-	-	(33,602)	1,061
Janet Brown Bequest	20,214	-	-	-	20,214
Life Changes Trust	7,040	7,338	(1,490)	-	12,888
Dementia Funding					
Menopause Project	7,241	19,400	(11,851)	-	14,789
MGS Summer Programme	-	12,682	(11,534)	-	1,148
Moments in Time	14,117	-	-	-	14,117
Public Library Improvement Fund - PLIF	12,110	12,540	(21,036)	-	3,614
SLIC - Work in Progress	-	42,000	-	-	42,000
The Arts Hub	25,686	5,125	-	-	30,811
Visit Scotland Growth Fund Dunfermline	7,500	5,000	(12,500)	-	-
Small funds (<£10,000)	60,745	31,833	(23,376)	(5,305)	63,897
	333,947	204,043	(181,361)	(35,916)	320,713

Notes to the financial statements

19 Reserves

	Opening Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Closing Balance at 31 March 2021 £
Restricted funds year ended 31 March 2021					
CS Youth Arts Small Grants Scheme	-	45,000	-	-	45,000
In the Footsteps Creative Scotland - Performing Arts Venue Relief Fund	29,391	21,166	(15,894)	-	34,633
The Arts Hub	-	232,955	(202,599)	-	30,356
Janet Brown Bequest	25,686	-	-	-	25,686
Creative Scotland - Small Scale Capital Project	20,214	-	-	-	20,214
Comic Con	18,532	-	-	-	18,532
Moments in Time	15,236	-	-	-	15,236
Heights Machine	13,128	1,200	(211)	-	14,117
Fife Arts Exhibition	13,900	-	-	-	13,900
Public Library	8,923	6,000	(1,805)	-	13,118
Improvement Fund - PLIF Children's University	-	29,260	(17,150)	-	12,110
SCVO Wellbeing Fund (Corra Foundation)	15,250	9,750	(16,511)	-	8,489
McMillan Cancer Project	-	24,500	(19,749)	-	4,751
Small Funds (<£10,000)	5,855	45,671	(51,866)	-	(340)
	75,953	29,564	(29,592)	2,190	78,116
	<u>242,068</u>	<u>445,066</u>	<u>(355,377)</u>	<u>2,190</u>	<u>333,947</u>
	=====	=====	=====	=====	=====

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.
SLIC – Work in Progress	Scottish Library Information Council funded project working with ONFife to discover what members of the community in Templehall and Cowdenbeath areas would want from their local library service
MGS Summer Programme	Museums Galleries Scotland funding to expand the summer holiday provision by piloting outdoor activities

Notes to the financial statements

20 Notes to the statement of cash flows

	2022	2021
	£	£
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net income/(expenditure) for the reporting period (as per the SOFA)	(1,582,241)	433,653
Adjustments for:		
Depreciation	52,236	61,330
Net cost in respect of pensions	1,765,000	637,000
(Increase)/decrease in stock	(4,411)	16,627
(Increase)/decrease in debtors	191,131	(283,726)
(Decrease) in creditors	(473,557)	(50,599)
(Increase) in value of investment	(19,429)	(77,165)
Net cash provided by/(used in) operating activities	<u>(71,271)</u>	<u>737,120</u>
Analysis of cash and cash equivalents		
Cash at bank and in hand	545,611	643,200
Total cash and cash equivalents	<u>545,611</u>	<u>643,200</u>
The group has no debt financing.		

21 Related parties

Fife Council made a contribution in line with the Services Agreement of £7,861,353 (2021: £8,306,712). 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

Notes to the financial statements

23 Comparative Statements of Financial Activities

Group	Unrestricted Fund 2021 £	Restricted Funds 2021 £	Total 2021 £
Income from:			
Charitable activities	10,245,270	445,066	10,690,336
Other trading activities	345,512	-	345,512
Total income	10,590,782	445,066	11,035,848
Expenditure on:			
Charitable activities	(10,156,082)	(355,377)	(10,511,459)
Raising Funds	(174,930)	-	(174,930)
Total expenditure	(10,331,012)	(335,377)	(10,686,389)
Net losses on investments	84,194	-	84,194
Net (expenditure)/income	343,964	89,689	433,653
Transfers between funds	(2,190)	2,190	-
Other recognised losses:			
Actuarial gains on defined benefit pension schemes	(852,000)	-	(852,000)
Net movement in funds	(510,226)	91,879	(418,347)
Charity			
Income from:			
Charitable activities	10,343,270	445,006	10,788,336
Total income	10,343,270	445,006	10,788,336
Expenditure on:			
Charitable activities	(10,156,082)	(335,377)	(10,511,459)
Total expenditure	(10,156,082)	(335,377)	(10,511,459)
Net losses on investments	84,194	-	84,194
Net (expenditure)/income	271,382	89,689	361,071
Transfers between funds	(2,190)	2,190	-
Other recognised losses:			
Actuarial gains on defined benefit pension schemes	(852,000)	-	(852,000)
Net movement in funds	(582,808)	91,879	(490,929)