

Company Registration No. SC433176 (Scotland)

Fife Cultural Services Trading Limited
Directors' report and financial statements
for the year ended 31 March 2016

Fife Cultural Services Trading Limited
Directors' report and financial statements
Year Ended 31 March 2016

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Reference and administrative information

Directors

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

SR Cross
B Lawrie (Chair)
Dr FC Quinault
JS Kilgour
CEM May
AC Shedden

Appointed 12 August 2015

Secretary

A Chalk (appointed 12 May 2016)
J McPhail (resigned 12 May 2016)

Registered office

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

Independent Auditor

Scott-Moncrieff
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Solicitors

Burness Paull
50 Lothian Road
Edinburgh
EH3 9WJ

Bankers

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

Company Number

SC 433176

Directors' Report

The Directors present their report and the financial statements for the year ended 31 March 2016.

Principal Activity

Fife Cultural Services Trading Limited (FCSTL) is the trading subsidiary of Fife Cultural Trust. FCSTL oversees the management and development of commercial activities of Fife Cultural Trust that are more appropriately managed out with the Trust. Apart from encouraging general sponsorship and income generation FCSTL creates income through three main areas: retail in museums and libraries, catering in Cultural venues including Theatres and Museums, and venue and room hire. From 2014/15 the production development of some activities, primarily associated with pantomimes, has been accounted for through the trading arm of Fife Cultural Trust to optimise financial benefits. Any surplus generated through FCSTL is gift aided to Fife Cultural Trust to help it carry out its work.

Results for the year

During the year to 31 March 2016 FCSTL made an operating profit before Theatre Tax Relief and Gift Aid of £401,296 (2015: £322,364) and made a Gift Aid payment of £426,154 (2015: £357,364) to Fife Cultural Trust, leaving a retained result for the financial year of £nil (2015: £nil).

Directors

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

Directors Indemnities

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

Disclosure of information to the auditor

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

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

Fife Cultural Services Trading Limited
Directors' report and financial statements
Year Ended 31 March 2016

Directors' Report

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Scott-Moncrieff will therefore continue in office.

Small Companies Note

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

This report was approved by the Board on.....and signed on its behalf
by

B Lawrie
Director

Statement of Directors' responsibilities

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

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of Fife Cultural Services Trading Limited

We have audited the financial statements of Fife Cultural Services Trading Limited for the year ended 31 March 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Fife Cultural Services Trading Limited.
Directors' report and financial statements
Year Ended 31 March 2016

Independent Auditor's Report to the Members of Fife Cultural Services Trading Limited

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Nick Bennett (Senior Statutory Auditor)
For and on behalf of Scott-Moncrieff
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Date.....

Statement of Comprehensive Income
Year ended 31 March 2016

	Note	2016 £	2015 £
Turnover	5	995,776	980,814
Cost of sales		(466,773)	(509,679)
Gross profit		529,003	471,135
Administrative expenses		(127,707)	(148,771)
Operating profit	6	401,296	322,364
Profit on ordinary activities before tax relief and gift aid			
Theatre tax relief		24,858	35,000
Gift Aid	14	(426,154)	(357,364)
Profit for the year		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		-	-

All results derive continuing operations.

The notes on pages 10 to 14 form part of these financial statements

Balance Sheet
As at 31 March 2016

	Note	2016 £	2015 £
Current assets			
Debtors	8	59,858	35,000
Cash at bank and in hand		100	100
		<u>59,958</u>	<u>35,100</u>
Liabilities			
Creditors: Amounts falling due within one year	10	(59,858)	(35,000)
		<u>100</u>	<u>100</u>
Net current assets/liabilities		100	100
Total assets less current liabilities		100	100
Net assets		100	100
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account		-	-
		<u>100</u>	<u>100</u>

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

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

B Lawrie
Chair

Registered number: SC433176

Notes on pages 10 to 14 form part of the financial statements

Statement of changes in equity
Year ended 31 March 2016

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2015	100	-	100
Comprehensive income for the year			
Profit for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total transactions with shareholders	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2016	100	-	100
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Statement of changes in equity
For the year ended 31 March 2015

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2014	100	-	100
Comprehensive income for the year			
Profit for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total transactions with shareholders	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2015	100	-	100
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes to the Financial Statements

1 GENERAL INFORMATION

The principal activities of Fife Cultural Services Trading Limited (FCSTL) are the management and development of commercial activities of Fife Cultural Trust that are more appropriately managed out with the Trust. Apart from encouraging general sponsorship and income generation FCSTL creates income through three main areas: retail in museums and libraries, catering in Cultural venues including Theatres and Museums, and venue and room hire. From 2014/15 the production development of some activities, primarily associated with pantomimes, has been accounted for through the trading arm of Fife Cultural Trust to optimise financial benefits.

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

These financial statements are presented in Pound Sterling (GBP), as that is the currency in which FCSTL's transactions are denominated. They comprise the financial statements of FCSTL drawn up for the year ended 31 March 2016.

2 STATEMENT OF COMPLIANCE

The financial statements are FCSTL's first financial statements prepared in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' issued by the Financial Reporting Council and the Companies Act 2006. FCSTL's date of transition to FRS 102 is 1 April 2014.

In the year ended 31 March 2015 the financial statements were prepared in accordance with UK GAAP applicable prior to the adoption of FRS 102, as issued by the Financial Reporting Council, and referred to below as 'previous UK GAAP'. See note 17.

3 ACCOUNTING POLICIES

Basis of preparation of the financial statements

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

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

Notes to the Financial Statements

Going concern

The financial statements have been prepared on a going concern basis. It is anticipated that FCSTL will continue to deliver healthy profits and generate significant working capital.

Cash Flow Statement

FCSTL has not presented a cash flow statement. It has taken advantage of the exemption contained in FRS 102 as the parent company, Fife Cultural Trust, has included a consolidated cash flow statement within its group financial statements for the year ended 31 March 2016 (see note 16).

Revenue

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

Rendering of services

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

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

Debtors

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

Creditors

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

Notes to the Financial Statements

Financial instruments

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

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and balances with banks and are measured at fair value.

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

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

The directors do not consider there to be any accounting judgements required in preparing these accounts. The directors are satisfied that accounting policies are appropriate and applied consistently.

5 ANALYSIS OF TURNOVER

An analysis of turnover by class of business is as follows	2016	2015
	£	£
Rendering of services	995,776	980,814

6 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Operating profit is stated after charging:

	2016	2015
	£	£
Auditor's remuneration: audit of these financial statements	1,025	1,025

7 INFORMATION REGARDING STAFF AND DIRECTORS

FCSTL has no employees. Staff costs are recharged from Fife Cultural Trust. Recharged staff costs during the year amounted to £126,607 (2015: £147,746).

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

Notes to the Financial Statements

8 DEBTORS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Other debtors	59,858	35,000
	<u>59,858</u>	<u>35,000</u>

9 CASH AND CASH EQUIVALENTS

	2016	2015
	£	£
Cash at bank and in hand	100	100
	<u>100</u>	<u>100</u>

10 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Amounts owed to Parent Company	58,833	33,975
Accruals and deferred income	1,025	1,025
	<u>59,858</u>	<u>35,000</u>

11 FINANCIAL ASSETS AND LIABILITIES

	2016	2015
	£	£
Financial assets		
Financial assets measured at amortised cost	-	-
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(59,858)</u>	<u>(35,000)</u>
	<u>(59,858)</u>	<u>(35,000)</u>

There were no financial assets in the current year or previous year.

Financial liabilities comprise amounts owed to Parent Company and accruals.

Notes to the Financial Statements

12 CALLED UP SHARE CAPITAL

	2016	2015
	£	£
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

13 RESERVES

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

14 TAXATION

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

15 ULTIMATE PARENT COMPANY

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

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

16 RELATED PARTIES

FCSTL has elected to take advantage of the exemption from disclosure of transactions with group companies and investees of the group qualifying as related parties, available to wholly owned subsidiary under FRS 102 on the basis that the group financial statements are publicly available (note 15).

17 FIRST TIME ADOPTION OF FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.