



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

**Report and consolidated financial statements
for the year ended 31 March 2017**

Company: SC415704

Charity: SC043442

FIFE CULTURAL TRUST
For the year ended 31 March 2017
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FIFE CULTURAL TRUST
Trustees' Report (incorporating the Trustees' Strategic Report)
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Trustees Report

The Trustees are pleased to present their Report and Accounts for the year ended 31 March 2017. 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).

Trustees Strategic Report

Objectives and Activities

Fife Cultural Trust (The Company), established by Fife Council on 1 October 2012, is a thriving company which delivers Libraries, Arts, Museums, Galleries, Theatres, Cultural Partnerships and Archive Services on behalf of Fife Council in order to ensure the long-term sustainability of these services.

The Company is responsible for operating and delivering the following facilities and services:

- Libraries, mobile libraries, a Library Home Delivery Service and curriculum-based book loans to primary schools through the Schools Library Service
- Museums and heritage sites, and a mobile museum
- Theatres and community venues
- Fife's historical archives and Fife Council's record management
- Fife's Cultural Strategy, Partnerships and Consortium
- Maintenance and development of library services within Fife Council's 4 integrated customer service facilities
- Stewardship and care for the objects and archives in Fife Council's collections

Principal activity

The Company is limited by guarantee and a registered charity, its principal activity is the provision of cultural services for Fife, including Libraries, Museums, Archives, Theatres, and Community development in the creative and cultural fields. The work of The Company is led by its Vision, Mission, Purpose and Values.

Vision

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

Mission

Enriching Lives in Fife.

Purpose

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

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Values

Inclusive, creative, trusted, enabling and integrity.

Achievements and Performance in 2017

The achievements and performance commentary will be captured under the headings below:

1. Theatres:

The Company operates four major theatre and community venues at key locations across the Kingdom:

- Adam Smith Theatre, Kirkcaldy
- Carnegie Hall, Dunfermline
- Lochgelly Centre, Lochgelly
- Rothes Halls, Glenrothes

The Company is proud to deliver an eclectic mix of quality theatre and arts programming both within its venues and across Fife. As well as presenting on extensive and popular programme of professional touring companies spanning the performing arts, the Company supports a significant number of performance and activities from local arts groups.

Development of new artistic work in Fife is supported by the Company commissioning new work and education projects, supporting the development of emerging artists and residencies, creating its own work and mounting co-productions. The Company also offers a wide programme of courses, classes and opportunities to get involved in the arts.

As well as performing arts, the Company has built a strong visual arts programme with exhibitions in its Fifespace, FotoSpace and Adam Smith Theatre galleries complemented by art workshops, taster sessions and artist-led masterclasses.

The Company prides itself on offering something for everyone, and accessible to everyone, across a variety of mediums including Drama, Music, Comedy, Dance and Children's shows.

2016/17 Highlights

Programming in Theatres

ONFife's venues enjoyed another rich year of events and activities in 2016-17, with Adam Smith Theatre, Carnegie Hall, Rothes Halls and Lochgelly Centre each servicing their communities with a diverse array of entertainment for all ages. From music and comedy to theatre and dance, our audiences saw some of the best local, national and international offerings onstage and on screen.

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The cultural programme contains a rich mix of high quality performances and festivals for all ages in these genres; music, film, drama, dance, comedy and work for children.

Programming Highlights for 2016-17 included:

Fairground Attraction founder and Scottish Folk legend **Eddi Reader** entertained a packed house at Adam Smith Theatre with 451 tickets sold.

Strictly Come Dancing came to Rothes Hall in April as a capacity crowd welcomed show favourites.

Fun Box entertained our younger audiences at Adam Smith Theatre, Carnegie Hall and Rothes Hall over the Easter, autumn and Christmas Holidays respectively, keeping thousands of Fife's children engaged between terms.

The Adam Smith Theatre's **Tae Sup Wi' A Fifer** gig social saw Anstruther's own King Creosote, Scottish Album of the Year award winner Kathryn Joseph, chart sensation Alexis Taylor and Arab Strap founder Malcolm Middleton captivate their audience.

The Broons celebrated their 80th Anniversary with an all singing and dancing live stage show at the Adam Smith Theatre, starring Paul Riley (Still Game) and Joyce Falconer (River City) giving their riotous take on the much loved Maw and Paw. 1,662 fans attended.



Attendances at all theatres for 2016/17 were over 112,000 and total attendances for films at all theatres for this period is 11,110.

2. Festivals

Kirkcaldy Film Festival (September 2016) - The fourth Kirkcaldy Film Festival, hosted at Adam Smith Theatre in September (given patronage by blockbusting Glenrothes actor Dougray Scott) had many highlights inclusive of:

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The European premiere of *The Girl With All the Gifts* – a feature film by Colm McCarthy – a Scottish director with Kirkcaldy roots.

Our Gala Evening saw the audience dress up as their favourite monsters to watch *Carry On Screaming* and the 1936 classic *Swing Time* which was augmented on stage by a live dance display from the Adam Smith Tea Dancers.

In total, Kirkcaldy Film Festival hosted 1,108 attendees.

Fife Jazz Festival (March 2017) is one of the Company's gems in a bustling calendar. Jazz Scotland has co-produced Fife Jazz Festival with Fife Cultural Trust for over 10 years. They are an independent jazz promoter funded by Creative Scotland who present high quality events for audiences and musicians across Scotland. The 2017 edition of the festival welcomed 2,739 jazz fans and included a complete sell-out at Carnegie Hall by Curtis Stigers.

Fife Jazz Festival is part of a national jazz scene of distinctive festivals which develop jazz audiences and in particular supports the company's regular programme in the company's venues. Whilst the festival sets out to place roots in the communities where they work by evoking a strong sense of place and championing local partners and local musicians they also bring to Fife, through their international reputation and specialist knowledge, a quality of musician who would not otherwise come to Scotland.

3. Libraries

Fife Cultural Trust offers a wide range of library services and currently manages community libraries across Fife along with three mobile libraries and a home delivery service.

The Company has an extensive library catalogue with over 540,000 books and DVDs to choose from.

The Company also has:

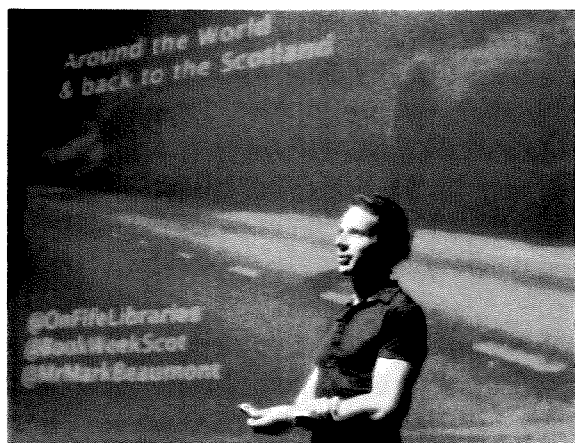
- **150 Readers Groups** in Fife
- A network of more than **250 public-access computers**, where users can access free Internet, email and online learning and much more, including support from library staff, and online job search. There were over **206,000 bookings** of these facilities in 2016-17.
- Free Wi-Fi across all libraries.
- Local History Collections
- Full text eBooks online from publishers such as Bloomsbury, Canongate and Arden.

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2016/17 Highlights

In our continued commitment to modernise our library services for the 21st century, downloadable eBooks and eAudio books came to ONFife's Libraries in 2017 and to your very own sofa remotely through the RBDigital app. They join the Zinio eMagazines service as the most popular of our online services. Almost **40,000** issues were generated across these services and we hope to grow this with additional content in future years.

Autumn 2016 brought Fife's first foray into **Fun Palaces**, whose ethos is that everyone is an artist, everyone is a scientist. Stella Duffy, OBE, Co-Director of Fun Palaces confirmed that Fife hosted the most northerly Fun Palace on her very encouraging visit. The activities on offer were photography, felt making and pin-hole cameras at Rosyth, Leslie and Kirkcaldy Galleries.



Book Week Scotland provided Fife with **36** fun events inclusive of Winnie the Pooh's Science Party; Thorfinn the Nicest Viking; Banned Books and Prohibition Cocktails.

4552 people participated over the week which concluded with world record holder cyclist and adventurer Mark Beaumont wowing the audience at Lochgelly Theatre. Every Local Area Committee in Fife supported a free family event with a literacy focus, including 'Dining

with the Twits', an evening of performance, cooking and other Roald Dahl themed fun with Hill of Beath Primary children.

The Taste of series – which links short readings with food or drink – continue to be a winning formula with adult audiences. Chocolate, gin, cocktails and whisky have all been tasted this year accompanied with complementary readings from a wide variety of books that were available to borrow on the night. We were fortunate to be guided through the whisky tasting by Keeper of the Quaich Charles Mclean, with a crowd descending on the event from all corners of Fife (and beyond!).

Such events bring new audiences into libraries, while hosting a true reader development activity which encourages those attending to read something different.

In a new initiative for us, copies of the **Scottish Book Trust** free short story publication *Secrets and Confessions* were given out at foodbanks across West Fife, in order to promote the free library service to low income households.

Our links to higher and further education bodies in Fife continue to grow. This year we worked with two groups of Fife College students who we helped to improve their literacy levels. The

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1st group had their final session with author **Helen MacKinven** in attendance at Kirkcaldy Galleries who gave an inspirational talk about her personal journey, which struck a real chord with students.

In September, the 2nd group, comprised predominantly of young adults aged between 16 and 21 with no previous academic qualifications, embarked on the 'Start Here for Qualifications' course. Service Development staff engaged them in activities to invite reading for pleasure and regular use of their local library. The final session saw a visit from local author Neil Broadfoot, who showed students what can be achieved by reading and writing more regularly themselves. Plans are in place to work with a new intake of students from September 2017.

We also continue to provide opportunities to St Andrews University School of English students who have been working with us to support book blenders, Walk ON and reading aloud sessions in residential homes as part of their studies. The benefit to students is the invaluable experience of working in the community while the Trust benefits from greater capacity to provide creative experiences in residential homes. In 2016, every library service in Scotland was gifted a 3D Printer courtesy of the Scottish Libraries and Information Council. Using a special scanner, the printer has produced 3D printouts of the cast of Robert the Bruce's skull which is held in the Museum collection, as well as smaller items such as bookmarks and Harry Potter themed items. Such demonstrations of this innovative new technology have been a huge hit with the public. More sessions are planned in 2017/18.

As part of **Refugee Festival Scotland**, which celebrates the contribution refugees make to Scotland's cultural life, storytellers Suit and Pace delivered an afternoon of traditional tales and puppet making at Kirkcaldy Galleries on Sunday 19th June 2016. 25 local people came along to the free afternoon and were entertained with Scottish and Syrian traditional tales. Families were also able to share their own stories and celebrate the similarities between cultures.

Fantastic library activities were delivered in 2016/17 and we are now moving forward with a sustainable service and an aim to modernise in order to better serve the needs of communities.

Following a review of stops and routes, **our mobile library service** has adapted to changing needs. As library closures were agreed this year, a number of communities expressed interest in running an alternative independent service, with 8 groups across Fife being approved to take over the buildings. Fife Cultural Trust have left stock, shelving and furniture for these groups and will continue to supply them with ex-library stock on a quarterly basis to help them sustain their services and enrich literary support in Fife's communities.

4. Museums and Galleries

In recent years, Fife Cultural Trust has been closely involved with the Fife Council major capital project to provide a stunning new Dunfermline Carnegie Library & Galleries facility. This major new cultural hub, which will offer interactive museum and gallery spaces, is fully

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integrated with the world's first Carnegie Library. The prestigious extension building will also house a new children's library and local studies space. Dunfermline Carnegie Library and Galleries opened in May 2017.

Dunfermline Carnegie Library & Galleries & Dunfermline Heritage Quarter



2016-17 saw the project to build Dunfermline Carnegie Library & Galleries gallop towards the finishing line. The vision for this new Museum, Galleries and Library is for the facility to become a high profile gateway tourist attraction in the heart of Dunfermline's Heritage Quarter and a crucial catalyst for the area as a visitor destination.

The Trust is a key partner in the Dunfermline Heritage Tourism Partnership and plays a lead role in developing its marketing, retail and volunteering strategies. We colluded with the Cruise Forth Seminar, Dunfermline Local Tourist Association and Fife Tourism Partnership Board to advance these areas this year.

Practical completion of this major new venue's main construction by BAM was achieved on 17 October 2016 and handed over to Fife Council Trust in February 2017. Fit out of the museum spaces began in September 2016 and specialists started to install the hundreds of objects which had been especially selected to tell Dunfermline's story at the end of the year. Alongside the build, our Display Design and Activities Team continued to work with our wonderful volunteers, local primary schools, fellow Trust staff and scores of other community groups and individuals to bring the museum displays and exhibitions to life. On 28 February 2017 the public opening date was announced as Thursday 18th May, to coincide with Scotland's Festival of Museums.

2016/17 Highlights

2016-17 was an exciting and packed year for visitors and staff alike, with a strong programme which featured inspiring collaborations with partners and supporters from the local community and beyond, both new and long established.

The year opened in Kirkcaldy Galleries with **Shelters** – curated by long term partner Fife Contemporary Art & Craft – and brought a whole new audience with it. Our family friendly Forth Bridges exhibition **SPAN** was produced with new partner Deep Sea World. At St Andrews, our twentieth year of working with the University's Postgraduate Museum Studies students created a delightful and colourful exhibition of the renowned **Wemyss School of**

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Needlework. Another key attraction for many visitors was our **Glasgow Boys** exhibition at St Andrews Museum – filling the galleries with colour and crowds.

Our **World War I commemorations** this year included the showing of **Alison Kinnaird's** stunning glass installation *Unknown* in the War Memorial at Kirkcaldy Galleries over the Remembrance period.

The centenary anniversary of the Battle of Jutland in May 2016 was marked by **Brian Lavery's** lecture at Rosyth Library and a visit to the town by MAC, Fife's Mobile Museum, for the Gala day where over **500** people saw **Moving Stories** – our HLF funded exhibition which incorporated the BAFTA nominated animation *Sea Front*. MAC completed its two and a half year tour in January after visiting **361** venues and being experienced by **20,563** people.

In November 2016 we were able to show a newly restored version of the powerful **Battle of the Somme** film in partnership with the Imperial War Museum. It was seen by **222** people at Cupar, Lochgelly and Dunfermline.

The Glasgow Boys exhibition at St Andrews Museum in summer 2016 was an opportunity to showcase our own collections outside their usual home. The show received record visitor numbers (over **300** per day) and drew lots of positive feedback.

A partnership with Deep Sea World supported the creation of an exhibition titled **SPAN – A Tale of Three Bridges**. This family-friendly display, which included a working model of the Forth Rail Bridge owned by Cruise Forth, opened at Deep Sea World in summer and moved to Kirkcaldy Galleries over winter. A large dramatic drawing of the Rail Bridge by Kate Downie RSA was purchased for the collection thanks to funding from the Friends of Kirkcaldy Galleries and the National Fund for Acquisitions.

As Artie and Cilla of **The Singing Kettle** handed the baton over to a new generation of entertainers, this exhibition at Kirkcaldy Galleries provided a 'last chance' for fans old and young to have a fun-packed trip down memory lane. The exhibition attracted almost **3000** visitors.

Our Museum and Archive Collections benefitted from a **number of generous and important gifts**: **2** extensive donations of Kirkcaldy made ceramics; **5** paintings, including a work by William McTaggart, archive materials from Buckhaven and Kirkland Schools as they merged and both archives and artefacts from the Singing Kettle.

Funds from the Friends of Kirkcaldy Galleries enabled us to buy a group of **240** drawings of furniture designed by local firm A H McIntosh. These have now been scanned for easy digital access.

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With the support of grants from the Art Fund and the National Fund for Acquisitions we were able to acquire archaeological finds through the **Treasure Trove scheme** including a fabulous Pictish brooch from Boarhills.

Access to the museum and archives collections was enhanced through the launch of a new section on the Trust website showing selections of images and records – from linoleum patterns to local photographs – with further items to be added over future years. The new microsite can be found at <https://www.onfife.com/museums-galleries/our-collections/collections-search>

Local and Family History activities included **Local History Week** in March, which put the spotlight on architecture. This included guided walks across Fife, including a geo-heritage stroll in St Andrews by local historian and geologist Ros Garton. In August, the Fife Family History Society Library moved from Methil to Cupar Library, where Society members can assist the public to trace their family history.

A new central collections centre at Fife Council's Bankhead building in Glenrothes will improve access to our museum and archives collections. During the year, some **5,800+** object records were added to EMu, the museum database.

Heritage Venues and Sites

Overall visitor numbers to our museums and heritage sites in 2016-17 was 263,803

The Company operates MAC – Fife's Mobile Museum; seven museums - Buckhaven Museum, Burntisland Museum, Kirkcaldy Galleries, the Laing Museum, Methil Heritage Centre, Pittencrieff House Museum and St Andrews Museum; three heritage centres – Inverkeithing Library & Heritage Centre, Newburgh Library & Heritage Centre and Newport Library & Heritage Centre; two heritage venues - St Margaret's Cave and St Monans Windmill

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5. Health and Wellbeing:

Fife Cultural Trust recognises the wider role that social activity plays in enhancing the quality of life and wellbeing of individuals. We actively work to ensure that we are supporting all communities in Fife; targeting services and events at those who are often excluded. In 2016-17, we continued to develop our significant experience of working collaboratively with NHS Fife and other local partners to deliver numerous activities that are focused on improving the health and wellbeing of Fife's Communities.

During 2016/17 the activities in this area included:



Developed in partnership with NHS Fife in 2012, our **Cultural Prescriptions** initiative offers clients with stress, anxiety and mild depression the opportunity to take part in a variety of free creative classes to enable these individuals to learn new skills – increasing their confidence and mechanisms to cope with such issues.

With support from Fife Council locality budgets, classes were held in Dunfermline, Glenrothes, Lochgelly and St Andrews, offering subjects such as Wellbeing Through Meditation, Arts & Crafts, Cookery and Jewellery Making. Those who experience mental health issues can often find it difficult to engage and sustain their attendance, however most of our classes have achieved a **75%** attendance rate with the majority of the **120** places in each block booked out.

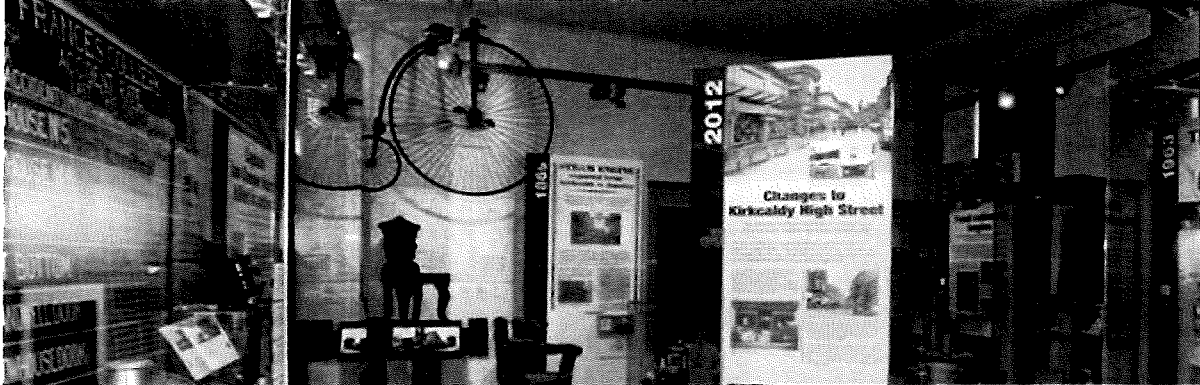
Run by our Library Service in conjunction with NHS Psychological Services, our **Book Prescription** service, supports Fifers who suffer from mild to moderate mental health issues such as anxiety and depression by providing them with a GP prescribed alternative to medication. **1,798** books were issued through the scheme in the last year, with **29** new members being prescribed the service.

Walk ON sessions are aimed at those seeking to improve their mental and physical health by combining walking and reading. Regular referrals from Fife Forum mean that vulnerable and socially isolated elderly people are now taking part in a regular activity which encourages them to be more active, meet new friends and use their local library.

Since launching in August 2015, Walk ON has significantly expanded to take in the areas of Leven, Cowdenbeath, Dalgety Bay, Tayport and Glenrothes. A sixth group will launch in May 2017 and the demand is already there for more.

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Walk ON groups meet fortnightly and continue to provide a supportive, welcoming activity which positively impacts many individuals throughout the region. Over **100** sessions have now taken place across Fife, with nearly **1,000** attendees.



Hosted at Kirkcaldy Galleries, **Moments in Time** is a free new initiative intended to help Fife's increasing number of dementia sufferers, their families and carers cope with the issue. These are sessions designed to provide those living with dementia an opportunity to revisit a particular time of their life through stories, poems, photographs and music. Our **5** sessions so far have attracted **39** attendees.

The initiative's reputation for offering unique respite has already grown since launching in October 2016 and was fully booked through spring 2017. In our continued commitment to keep Fifers who suffer from the condition mentally active in a relaxed environment, we have secured funding from Alzheimer's Scotland to extend this unique offering into 2017/18.

Dementia Friendly Training is pioneering the way towards giving our staff at Fife's theatres and libraries the tools they need to enhance the visitor experience of those who suffer from the condition. At present this can be found at our Cadham and Rothes Halls facilities, and it is now our intention to roll this out across all of our venues.

2016 saw Fife's continued involvement in the **Scottish Mental Health Arts & Film Festival**, the national campaign which aims to support the arts whilst challenging preconceived ideas about mental health. We worked with organisations such as NHS Fife, Penumbra, Anstruther Improvement Association, Equalities Fife and Suit and Pace over three weeks in October to host a number of events that broke down stigmas with children's storytelling and exhibitions, workshops, library drop-in colouring sessions, a mindfulness event and a Women's Networking Lunch.

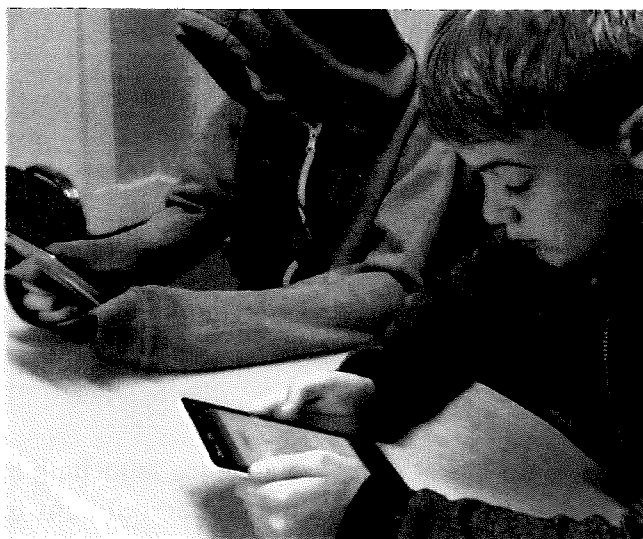
6. Tackling Poverty and Inequality:

The UK Government's Welfare Reform measures have had profound implications for the social mobility of many poorer communities and the households within them over the past few years. We pride ourselves on providing services at the heart of such communities,

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particularly through our library network where we are actively working to tackle poverty and inequalities across Fife.

We provide public access to some **250** PCs, with IT support to those who are less confident in their use. We also work with partner agencies to ensure that community members in need of welfare support and assistance are able to receive this help through our library facilities. As a reflection of how necessary a service this has become, there were over **206,000** PC bookings over the last year.



Our new **eBook Tablet Tasters** initiative took off in November 2016. The Public Libraries Improvement Fund granted **£13,000** for **100** sleek new Asus Zenpads, which the Young Peoples' Team used to reach out to struggling and reluctant readers to engage them through technology.

This pilot study in **7** schools proved extremely successful. By the end of the project, 50.3% of the children said they enjoyed reading more and that tablets had increased their reading confidence.

With funding from Film Hub Scotland, we have been looking at how to develop our audiences for film at the Adam Smith Theatre, particularly with the Hard of Hearing, LGBTI, Minority, Young People and low income communities. We were able to offer FREE screenings and transport for groups to better enable attendance. The project is ongoing until October 2018.

Accessible Community Service Delivery

Fife Cultural Trust supports people and communities in Fife to have equal access to services and support whilst providing community spaces that help to tackle social isolation and encourage community cohesion.

The majority of our services are free at the point of access and are positioned at the heart of communities to maximise our reach. We have adapted our delivery models to address the challenges that the geography of Fife presents; with **mobile libraries**, **home book delivery** and a **mobile museum** bringing learning, entertainment and creative engagement to our most isolated community members.

Our robust approach to Community Capacity Building has supported various forms of Alternative Delivery Models for library provision. To this end, **8** independent, non-statutory libraries have been approved by Fife Council. Three are already up and running – Abbeyview, which is a public PC and book lending service maintained by Local Office staff; Townhill, where

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the Management Committee are maintaining a book lending service and Largo Library (formerly Lundin Links Library) where the community group have re-opened the library with the same number of opening hours as before.

2016/17 also saw us become one of the new members of a group looking to deliver the first ever Fife Pride event. The purpose of pride is to break down barriers and encourage members of the Fife LGBTI community to be **#BeProudBeYou**. The event will involve a march along Kirkcaldy High Street and will be followed by a marquee in the Town Square offering a whole host of entertainment, as well as a Youth Zone in the Adam Smith Theatre.

7. Children and Young People

Poor outcomes and life chances for children and young people are associated strongly with social disadvantage and we endeavour to provide services that seek to break such cycles of disadvantage.

We actively work to engage and inspire children and young people across Fife, recognising that attainment levels, literacy and aspirations are the bedrock of enabling young people to realise their potential.

Our services are built around people and communities; working with children, young people, and their families, across all ages, adopting a universal early intervention approach to try and reach a wide spectrum of the population.

From toddlers to teenagers, we strive to connect through the performances and activities we run across our venues and communities, aiming to capture imaginations and ensure that those who engage with us remain engaged with our services for years to come.

During 2016/17 activities in this area included:

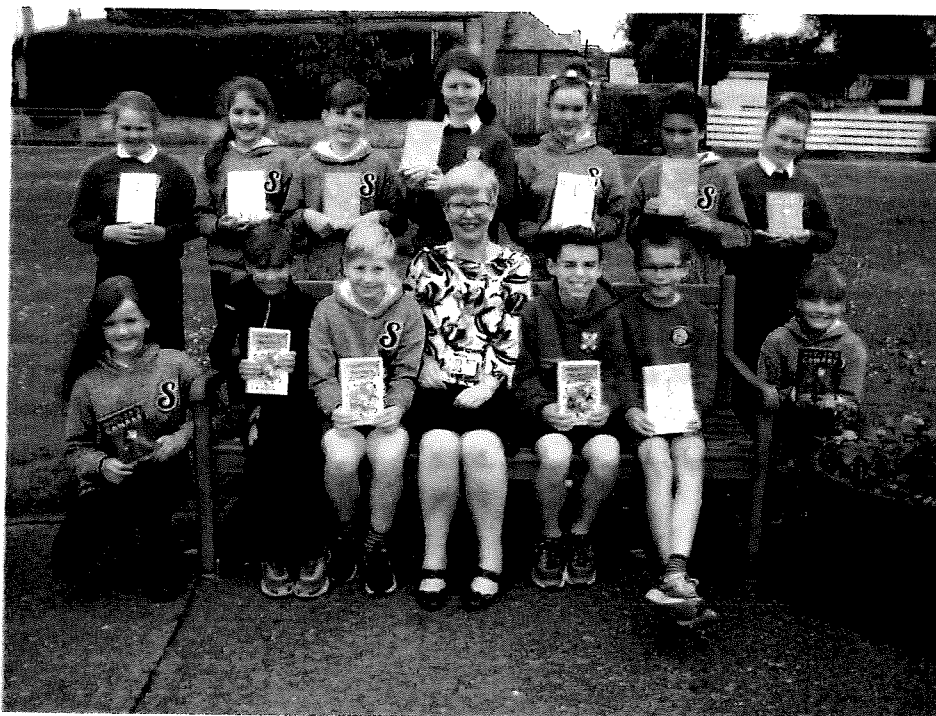


Fife's **Bookbug** provision has become a huge priority in improving early literacy skills and attendee numbers continue to rise accordingly. In 2016-17, **534** sessions have been delivered (**242** of which were in areas of deprivation) to **3,778** children (**1,669** living in areas of deprivation) and **2,841** adults (**1,193** in areas of deprivation).

Additionally, we delivered our first Bookbug Walks (based on Walk On) in **Cupar, Duloch** and **Kirkcaldy Galleries**, which were warmly received by our customers.

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Now in its 8th year, **131** schools from across Fife took part in the 2017 **Big Book Brains Quiz**. Several hundred kids came to the Rothes Halls on 21st February for the grand finale. Pittencrieff Primary were the winners, closely followed by Wormit in 2nd Place and Aberdour and Tayport coming joint 3rd in one of our closest finals yet. Over **3,700** P6 children took part in this reading initiative, hoovering up around **18,500** books.



Our **Chatterbooks Programme** was launched in October 2016 with the aim of encouraging libraries and schools to run their own reading groups outside school hours. **26** schools subscribed, with a further **4** libraries currently using the service on a regular basis. In the past year we delivered **135** boxes to libraries and schools, putting another **1,890** books into the hands of Fife children.



Our triumphant **Harry Potter Book Night** took place on 2nd February in **10** libraries with **2** events, one of which was a Teen Book Cafe event. **251** children and young people joined staff to embrace the wizarding theme and came along dressed as their favourite characters from the best-selling book series in history.

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6,283 Fife children enrolled in the 2016 Summer Reading Challenge. Over **3,600** succeeded in reading **6** books over the holiday period – an increase of **1.39%** on the previous summer. Over **160,000** books were issued as part of the challenge during the 10 week period, helping encourage over **300** children to join the library for the first time.

Our Youth-focused Initiatives aim to engage with teenagers through a number of programmes and performances such as **Scotland's National Festival of Youth Theatre** which returned to Rothes Halls in August 2016 for a sixth consecutive year. The four day event, produced in partnership with Youth Theatre Arts Scotland, illuminated the talents of **over 150** young people and is the largest platform for youth theatre performance anywhere in the UK.

Fife Youth Arts is supported by Fife Cultural Trust and led by a core team of young people and volunteers. In 16/17 it offered creative classes in both Lochgelly Centre and Adam Smith Theatre, with classes related to dance, digital animation, musical theatre and drama aimed at children aged 3+. Over **6,000** children and young people participated in the full range of events, which boasted:

- Festival 16 – a one day family event for all ages, which was planned and delivered by the youth. It included a pop-up beach, donkey rides, aerial work, digital lab, performances, Caravan Obscura, storytelling and lots more.
- Fringe 16 saw over **200** hours of performance by young people through **26** different companies and **33** shows. It also offered a fantastic volunteering opportunity for a group of young people from Levenmouth who were able to experience Fringe whilst helping advertise and ensuring an enjoyable experience for the audiences.
- First Contact sessions with many different groups such as Gilven House, SW Fife Young Men and Fife Young Carers. These classes offered groups an opportunity to try activities for the first time.
- Working with Benarty Primary to offer an array of classes including digital animation, filming, art and drama – culminating in a performance of a specially written play titled 'Jennie Lee's Homework at the Tea' in February.

8. Business Development and Creative Economy

Throughout the year, we have continued to develop and identify retail, funding and sponsorship opportunities and to highlight the availability of our venues for conferences, weddings and exhibitions as we strive to encourage our customers to look at our spaces in a different manner. As a Trust, we continue to think imaginatively across the business and consistently strive to deliver new ideas which will generate new streams of income.

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Customer Services continues to be at the heart of our service provision and we have now trained **282** staff members in the internationally recognised **WorldHost** programme, giving our organisation increasingly crucial WorldHost Business status.

Our external partnerships are also vitally important to us as they strengthen the services we offer and in the past year we have secured more than **£11,000** of financial support from **SHELL** and **Muller Wiseman** and are actively developing relationships with several other businesses whose priorities we complement. We should add a special mention here to the tireless work of **The Friends of Kirkcaldy Galleries** who continue to raise funds to support the Museum.

The 2016 **Fife Art Exhibition**, a firm annual favourite, attracted **232** entries from talented artists across the Kingdom and welcomed **7,553** visitors to the Lochgelly Centre. Previous winners include Jack Vetriciano and the late Ian Wilkie. The six winning artworks were purchased and donated to NHS Fife for permanent display. Each winner also received a £200 Shell award. The artists' winning artworks were displayed in Kirkcaldy Galleries in advance of being handed over to NHS Fife.



The 2016 winners were James Grieve, Patricia Lamont, Margaret Hume, May McArdle, Robert Emerson Laidlaw and Zoe Darbyshire.

FifeSpace Galleries in Rothes Halls and Lochgelly Centre hosted a varied exhibition programme, which included contemporary visual arts from established local, national and international artists. **transFORM** showed at both spaces between May and September 2016, bringing together a group of four artists who set out to identify familiar objects and then to reuse them in a completely different way from their intended function.

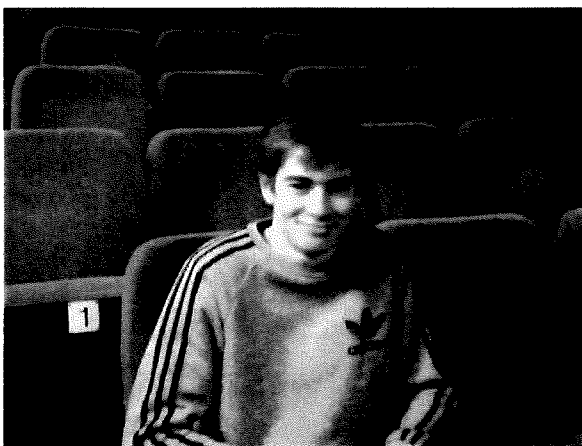
FIFE CULTURAL TRUST
Trustees' Report (incorporating the Trustees' Strategic Report)
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Visual Artist and Craft Maker Awards (VACMA) in Fife operates as a partnership between Fife Cultural Trust, Fife Council, Fife Contemporary and Creative Scotland. Its purpose is to support professional artists' creative development and therefore make their work stronger and their practice more sustainable. In 2016/17, **2** artists received funding which will enable them to exhibit in Japan, and **1** artist will have his work shown in Germany. This helps raise awareness of the scheme internationally and highlights Fife as being an example of good practice in supporting local artists.

Skills Development & Employability

Fife Cultural Trust contributes to the employability of young people by increasing the availability of creative **modern apprenticeships**. In partnership with The Jennie Lee Academy, Fife College and Creative & Cultural Skills Scotland, we delivered an initiative designed to match sector requirements with upskilled jobseekers which supports labour market demands within the cultural sector.



In July 2016, we appointed **3** young people as modern apprentices. They gained 'real life' hands on experience, and in addition to this, their employability was enhanced by the support they received in preparing for and attending interviews. They became aware of further learning opportunities and career paths, and were more confident about identifying options in line with their particular skills and interests.

The individual who was ultimately appointed, Joe Campbell, began working with us in March 2017. Although based mainly in Lochgelly

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Centre, Joe has now gained invaluable work experience in all of our theatres and has been instrumental in the delivery of numerous performances, film shows and events.

Pecha Kucha



Pecha Kucha was devised in Tokyo and is a networking event for creative people. Pecha Kucha events have proven to be an extremely successful way of promoting the fantastic activities taking place within their local creative industry sectors. During a

Pecha Kucha evening, a number of presenters make an elevator pitch for their business or idea by showing 20 slides for 20 seconds each, thus the title 'Pecha Kucha 20x20'.

Pecha Kucha Dunfermline has been organised as part of the 'Create in Fife' programme which comes under the banner of Fife Cultural Trust and supports the creative and cultural sector by providing promotional opportunities, training, funding advice, an awards scheme and networking opportunities such as this. The Create in Fife directory currently represents 625 creative and cultural industries.

6 events have now been delivered with 48 'creatives' availing of the opportunity to showcase new projects or ideas. These events have been very well attended, with Dunfermline's Fire Station Creative being filled to capacity on most occasions.

Financial Review

Review of the year

For the financial year 2016/17 the Company's consolidated financial position shows a net expenditure of £322,304 (2016: £713,146). Other recognised gains and losses amounting to a loss of £4,201,000 (2016: gain £2,834,000) result in a reported net reduction in funds of £4,523,304 (2016: increase £2,120,854). 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 £333,000 (2016: £667,000), giving a surplus before actuarial pension adjustments of £10,696 (2016: deficit £46,146).

The deficit on restricted funds after allowing for transfers is £45,019 (2016: £57,351), leaving a surplus on unrestricted funds before actuarial adjustments of £55,715 (2016: surplus £11,205). These latter figures effectively represent the underlying operational performance of the Trust.

The operational surplus of £55,715 was largely achieved as a result of gains on investments amounting to £52,333 (2016: £NIL). Additionally, a reduction in holiday pay accrual under FRS102 resulted in a gain of £22,232 (2016: £14,485).

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Unrestricted funds carried forward amount to £6,740 (2016: deficit £48,975). This reflects the nature of the Trust's funding, whereby most income is derived from a service level agreement which is based on budgeted costs. The Directors and Executive Team are actively pursuing the development of additional revenue streams through the Trust's trading subsidiary, Fife Cultural Services Trading Ltd. They are acutely aware that the current financial environment for the Trust will continue to require careful cost control and management going forward.

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.

- **Investment policy**

Financial investment: The purpose of financial investment is to yield the best financial return within the level of risk considered to be acceptable. This return can then be spent on 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 will adopt a fundamentally risk averse appetite and a diversified portfolio which has some fixed income, some equities and some cash holdings.

The Finance and Audit Committee on 31 August 2016 approved an Investment Strategy based on the risk profiles noted above.

- **Risk Management**

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

- **Principal funding sources: Contractual Relationships**

The Company has a formal contract in place to deliver services with Fife Council which sets out the funding it receives; this contract obliges Fife Council to provide funding and central support services such as Finance, IT, HR, building repairs and maintenance to the Trust, and in return the Company delivers cultural services to a mutually agreed performance specification. As a company with charitable status, the Company attracts non domestic rating relief and VAT savings.

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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 Council Plan 2017: Ambitious for Fife and Fife's Cultural Strategy.

The Company is required to report annually on its operations to the Education, Health, and Social Care Scrutiny Committee of Fife Council. In addition, a combination of the Chief Executive, Chair, and senior staff attended all of the seven Area Committees within the Fife area to present on the achievements and challenges faced during 2016/17. These meetings are useful advocacy opportunities and have also allowed a presentation of key performance information relating to Company operated facilities and services within each local area.

- **Reserves policy**

The Company is atypical from many charities insofar as it receives in the order of 80% of its total revenue from its Sole Member, namely, Fife Council. Given this relationship and the fact that it delivers services directly on behalf of the Council, the Company does not require, to accumulate a reserve equivalent to six 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 carefully and professionally.

Plans for Future Periods

The focus for Fife Cultural Trust in the year ahead will be to innovate, develop and grow our offering, and support others in the creative industry. We will continue to build on the 6 key themes identified by the Board as foundations for our 5 year strategy; these are:

- Vision and culture
- People
- Income
- Reputation, PR and Branding
- Business Improvement
- Community Focus

We will establish a Creativity and Innovation Board under which 6 working teams will operate; developing and owning strategic plans aligned with each of these themes and driving forward the actions required to achieve strategic change, development and growth in the organisation.

We will be measuring all areas of the business against the same Key Performance Indicators:

- Creativity and Innovation
- Positive Impact

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- Growing and Developing the Business
- Customer Service Excellence
- Good Governance

Creating a unity for key performance indicators will allow Fife Cultural Trust to drive activity that is meaningful and aligned with our overall strategic objectives; creating an more efficient organisation that has a culture of people working across all of our specialisms, breaking away from the 'silo working' that can sometimes occur.

Despite being a young organisation Fife Cultural Trust has been through a large scale programme of change; both in relation to services, its people and buildings. We will continue to build on the foundations that we have built with our leaders, investing in training and development to ensure we have a strong workforce that are equipped to lead and support our people. We have commissioned a further programme of Behavioural Management Techniques (BMT®) training along professional coaching and support to managers to ensure this culture is further embedded with values, enables staff, and ensures resilience and adaptability to change within the organisation. This will support our revitalisation of the People Strategy over the coming year.

Over the coming year we will be consulting with communities across Fife to provide people with an opportunity to tell us what they want to see in their libraries; this re-visioning will be used to inform how we shape and deliver our library services going forward. Our aim is to ensure our libraries are at the heart of communities and become a space that is used for a number of purposes; connecting people, inspiring learning and creativity whilst being a key service provider.

The re-visioning will sit alongside our work at the new Dunfermline Carnegie Library and Galleries building; a dynamic and revolutionary space that combines Scotlands first public library, with a museum, art gallery and public gallery in an award winning building that is drawing people to the cultural quarter in Dunfermline. The opportunity that this building presents will be a focus for Fife Cultural Trust in engaging new people and customers.

Commercial and business development opportunities will remain a key with the Trading Subsidiary taking further steps to create a clear line for audit between its activities and that of the Trust. Catering and retail development will be a primary focus in 2017-18; with catering services moving from Fife Council to Fife Cultural Trust. This change will allow the Trust to have further influence and control over all elements of the customer experience in its venues whilst growing the potential for income generation.

The new Dunfermline Carnegie Library and Galleries presents further opportunities for trading growth; with a catering concession in place in the venue and a dedicated retail space in the premises, it is our aim that both of these will enhance the visitor experiences for those coming into the venue.

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Increasingly our ability to achieve our aspirations in relation to trading activities, in a way that is consistent with the charitable purposes of Fife Cultural Trust is essential to providing stability and sustainability to the organisation as a whole. It will enable the Trust to continue to deliver core services to communities in Fife whilst innovating and meeting customer expectations.

A further area of focus for the Trust is our contribution to Community Planning and the Local Outcome Improvement Plans for Fife; as an organisation that is working in the heart of communities across the region we are actively delivering services that contribute towards the key outcomes of Thriving Places; Opportunities for All; Inclusive Growth and Jobs; and Community Led Services. We will continue to work with our partners at Fife Council, NHS Fife and the third sector to support the aspirations for Fife and the people who live here through the continued delivery of our innovative programmes such as book bug, WalkON, Reminiscing sessions, and the summer reading challenge.

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Trustees' Report (incorporating the Trustees' Strategic Report)
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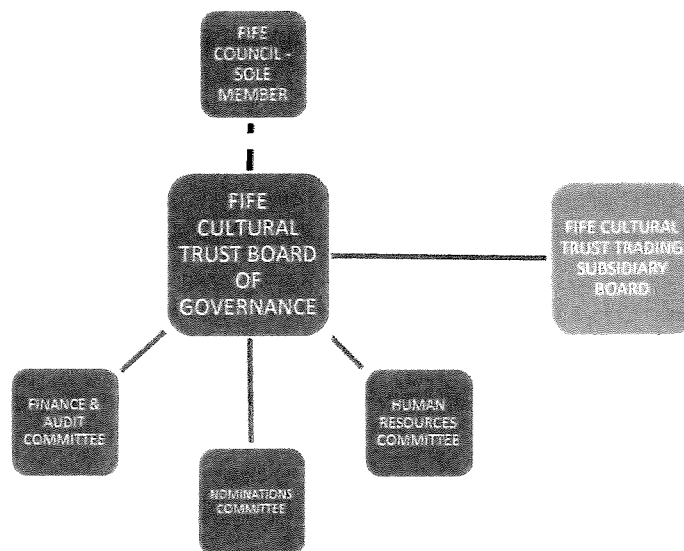
Structure, Governance and Management

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:



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

Directors

The Company's Board comprises 13 Directors, composed of 4 elected members of Fife Council, and 9 independent Directors. There are currently 2 vacancies on the Board, following the resignation of Kathleen Taylor in June 2016, Stuart Cross in December 2016 and Katie Brown in December 2016 ; recruitment to fill these vacancies is now being progressed, led by the

FIFE CULTURAL TRUST
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Nominations Committee, informed by a skills assessment exercise by the Board. Recruitment for a Trustee with HR skills and knowledge has already been prioritised.

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 three of these places are taken up by directors drawn from the Board of the main Company and two 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. Recruitment is ongoing to fill the current vacancy on the trading subsidiary Board.

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

Policies and procedures for induction and training of directors

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

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

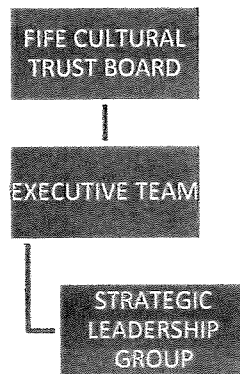
The Board of Directors meets at least quarterly with directors and senior management present. Decisions are taken to set the overall strategy for the business as well as to monitor its activities. Senior management are charged with the task of implementing these decisions. Also in place are a Finance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

FIFE CULTURAL TRUST
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Staffing and Structure

Beneath the Board, the following managerial arrangements have been made:



The Executive Team in 2016-17 consisted of:

- Chief Executive
- Head of Change and Improvement (up to March 2017)
- Head of Business Development (up to March 2017)
- Head of Customer Services and External Relations (up to January 2017)
- Director of Corporate and Commercial Development (from February 2017)
- Director of Creative Development and Delivery (from February 2017)

The Company currently employs around 400 staff in a mix of permanent and casual roles

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.

Since the Company's inception in 2012, a major investment has been made in developing staff using a Behaviour Management Techniques (BMT) approach which is designed to help managers create an environment where they increase desirable behaviours in their teams and decrease undesirable behaviours. This will enhance the skills of managers in taking ownership of their managerial responsibilities and driving the Trust forward. The outcome of the BMT training has been changed behaviours and a series of Business Improvement Plans owned and led by members of the Strategic Leadership Group noted in the schematic above.

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Trustees' Report (incorporating the Trustees' Strategic Report)
For the year ended 31 March 2017

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

LW Erskine	Resigned May 2017
BJ Goodall	Resigned May 2017
M Shirkie	Resigned May 2017
S Leslie	Resigned May 2017
L Rankin Backhouse	Appointed July 2017
C Davidson	Appointed July 2017
JA Liston	Appointed July 2017
G Ritchie	Appointed July 2017

Independent Directors

KE Brown	Resigned December 2016
Dr DH Caldwell (Chair)	
SR Cross (Chair)	Resigned December 2016
BE Lawrie	
CEM May (Chair)	Resigned May 2017
FC Quinault	
JK Steele	
K Taylor	Resigned June 2016
F Davidson	Appointed September 2016
Professor PNH Beech	Appointed December 2016

Secretary

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

Administrative details

Bankers

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

Solicitors

Burness Paull LLP
50 Lothian Road
Edinburgh EH3 9WJ

FIFE CULTURAL TRUST
Trustees' Report (incorporating the Trustees' Strategic Report)
For the year ended 31 March 2017

Registered Office

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

Auditor

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

Charity registration number:

SC043442

Company registration number:

SC415704

FIFE CULTURAL TRUST
Trustees' Report (incorporating the Trustees' Strategic Report)
For the year ended 31 March 2017

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

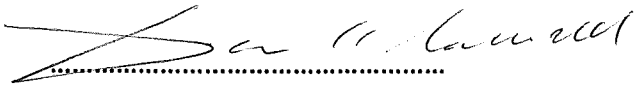
To the knowledge and belief of each of the persons who are trustees at the time the report is approved:

- 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.

FIFE CULTURAL TRUST
Trustees' Report (incorporating the Trustees' Strategic Report)
For the year ended 31 March 2017

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

Approved by the Board on 11 October 2017 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Dr D H Caldwell', written over a horizontal dotted line.

Dr D H Caldwell
Chairman

Date: 11 October 2017

FIFE CULTURAL TRUST
Independent Auditor's Report to the Trustees and Members of Fife Cultural Trust
For the year ended 31 March 2017

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF FIFE CULTURAL TRUST

We have audited the financial statements of Fife Cultural Trust for the year ended 31 March 2017 which comprise the Consolidated Statement of Financial Activities (incorporating the Income and Expenditure Account), Charity Statement of Financial Activities, Group Balance Sheet, Charity Balance Sheet, Consolidated Statement of Cash Flows 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' 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) (effective 1 January 2015)'.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

FIFE CULTURAL TRUST
Independent Auditor's Report to the Trustees and Members of Fife Cultural Trust
For the year ended 31 March 2017

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2017 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and parent income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records or 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.



Nick Bennett (Senior Statutory Auditor)
For and on behalf of Scott-Moncrieff, Statutory Auditor

Date 16 November 2017

Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

FIFE CULTURAL TRUST
Consolidated Statement of Financial Activities
(incorporating a consolidated income and expenditure account)
For the year ended 31 March 2017

	Note	Unrestricted Fund 2017 £	Restricted Funds 2017 £	2017 £	2016 £
Income from:					
Charitable activities	4	12,793,430	337,457	13,130,887	10,183,503
Other trading activities	3	796,381	-	796,381	1,020,634
Total income		13,589,811	337,457	13,927,268	11,204,137
Expenditure on:					
Charitable activities	5	(13,177,895)	(466,959)	(13,644,854)	(11,322,803)
Raising Funds	3	(657,051)	-	(657,051)	(594,480)
Total expenditure		(13,834,946)	(466,959)	(14,301,905)	(11,917,283)
Net gains/ (losses) on investments		52,333	-	52,333	-
Net income/(expenditure)		(192,802)	(129,502)	(322,304)	(713,146)
Transfers between funds	19	(84,483)	84,483	-	-
Other recognised gains / (losses):					
Actuarial gains/(losses) on defined benefit pension schemes	17	(4,201,000)	-	(4,201,000)	2,834,000
Net movement in funds		(4,478,285)	(45,019)	(4,523,304)	2,120,854
Reconciliation of funds:					
Total funds brought forward	19	(1,514,975)	177,104	(1,337,871)	(3,458,725)
Total funds carried forward		(5,993,260)	132,085	(5,861,175)	(1,337,871)

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 36 to 53 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 2017

	Note	Unrestricted Fund 2017	Restricted Funds 2017	2017	2016
		£	£	£	£
Income from:					
Charitable activities	4	12,932,760	337,457	13,270,217	10,609,657
Total income		12,932,760	337,457	13,270,217	10,609,657
Expenditure on:					
Charitable activities	5	(13,177,895)	(466,959)	(13,644,854)	(11,322,803)
Total expenditure		(13,177,895)	(466,959)	(13,644,854)	(11,322,803)
Net gains/ (losses) on investments		52,333	-	52,333	-
Net income/(expenditure)		(192,802)	(129,502)	(322,304)	(713,146)
Transfers between funds	19	(84,483)	84,483	-	-
Other recognised gains / (losses):					
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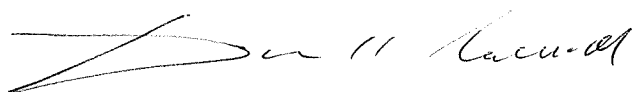
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FIFE CULTURAL TRUST
Balance Sheets
As at 31 March 2017

	Note	Group		Charity	
		2017	2016	2017	2016
		£	£	£	£
Fixed assets					
Tangible assets	9	254,827	337,310	254,827	337,310
Investments	10	510,020	-	510,120	100
		<u>764,847</u>	<u>337,310</u>	<u>764,947</u>	<u>337,410</u>
Current assets					
Stock	11	49,268	61,057	49,268	61,057
Debtors	12	441,373	488,105	434,491	487,080
Cash at bank and in hand		226,535	3,323,155	226,186	3,323,055
		<u>717,176</u>	<u>3,872,317</u>	<u>709,945</u>	<u>3,871,192</u>
Liabilities					
Creditors: Amounts falling due within one year	13	(1,343,199)	(4,081,498)	(1,336,067)	(4,080,473)
Net current assets		<u>(626,023)</u>	<u>(209,181)</u>	<u>(626,122)</u>	<u>(209,281)</u>
Net assets excluding pension liability		<u>138,825</u>	<u>128,129</u>	<u>138,825</u>	<u>128,129</u>
Defined benefit pension scheme liability	17	(6,000,000)	(1,466,000)	(6,000,000)	(1,466,000)
Total net liabilities		<u>(5,861,175)</u>	<u>(1,337,871)</u>	<u>(5,861,175)</u>	<u>(1,337,871)</u>
The funds of the charity:					
Restricted income funds	19	132,085	177,104	132,085	177,104
Unrestricted funds (excluding pension reserve)	19	6,740	(48,975)	6,740	(48,975)
Pension reserve	19	(6,000,000)	(1,466,000)	(6,000,000)	(1,466,000)
Funds		<u>(5,861,175)</u>	<u>(1,337,871)</u>	<u>(5,861,175)</u>	<u>(1,337,871)</u>

The financial statements were approved and authorised for issue by the Board on 11 October 2017 and signed on its behalf by:



Dr D H Caldwell
 Chairman

Registered number SC415704

FIFE CULTURAL TRUST
Consolidated Statement of Cash Flows
For the year ended 31 March 2017

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	20	(2,581,425)	2,369,500
Cash flows from investing activities:			
Purchase of property, plant and equipment		(5,175)	(145,699)
Purchase of investments		(510,020)	-
Net cash provided by/(used in) investing activities		(515,195)	(145,699)
Change in cash and cash equivalents in the reporting period		(3,096,620)	2,223,801
Cash at the beginning of the reporting period		3,323,155	1,099,354
Cash at the end of the reporting period		226,535	3,323,155

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2017

1. Accounting policies

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 2017.

Income and expenditure

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

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2017

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.

Fund Accounting

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

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

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

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

Income

Income from charitable activities is accounted for on an accruals basis.

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

Expenditure

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

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2017

Leases

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

Stocks

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

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed. Trade debtors are recognised at the undiscounted 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.

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.

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2017

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.

Depreciation

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

Taxation

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

Pensions

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

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

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

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

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2017

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, and the timing of the recognition of income in accordance with the Charities SORP (FRS 102).

Defined benefit pension and other post-employment benefits

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

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

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2017

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.

	2017	2016
	£	£
Turnover	796,381	995,776
Cost of sales	(451,077)	(466,773)
	<hr/>	<hr/>
Gross profit	345,304	529,003
Administrative expenses	(184,411)	(127,707)
	<hr/>	<hr/>
Operating profit	160,893	401,296
 Profit on ordinary activities before tax relief and gift aid		
Theatre tax relief	(21,563)	24,858
Gift Aid	(139,330)	(426,154)
	<hr/>	<hr/>
Profit for the year	-	-
	<hr/> <hr/>	<hr/> <hr/>
 The assets and liabilities of the subsidiary were:		
Current Assets	59,588	59,958
Current Liabilities	(59,488)	(59,858)
	<hr/>	<hr/>
	100	100
	<hr/> <hr/>	<hr/> <hr/>
 Aggregate share capital and reserves	 100	 100
	<hr/> <hr/>	<hr/> <hr/>

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2017

4. Income from charitable activities is as follows:

	Group		Charity	
	2017	2016	2017	2016
Unrestricted funds	£	£	£	£
Theatres	2,357,766	2,255,471	2,357,766	2,255,471
Libraries and Museums	7,992,805	5,919,243	7,992,805	5,919,243
Cultural Partnerships	436,501	326,746	436,501	326,746
Administration	2,006,358	1,298,762	2,145,688	1,724,916
Total	12,793,430	9,800,222	12,932,760	10,226,376

	Group		Charity	
	2017	2016	2017	2016
Restricted funds	£	£	£	£
Theatres	-	279,404	-	279,404
Libraries and Museums	26,881	63,185	26,881	63,185
Cultural Partnerships	304,576	40,692	304,576	40,692
Administration	6,000	-	6,000	-
Total	337,457	383,281	337,457	383,281

5. Expenditure on charitable activities- Group

	Activities undertaken directly	Support costs	Total	Total
	2017	2017	2017	2016
Unrestricted funds	£	£	£	£
Theatres	2,229,373	536,109	2,765,482	(2,858,073)
Libraries and Museums	5,778,286	2,059,067	7,837,353	(5,978,839)
Cultural Partnerships	307,341	3,206	310,547	(247,150)
Administration	2,094,246	170,267	2,264,513	(1,737,838)
Total	10,409,246	2,768,649	13,177,895	(10,821,900)

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2017

	Activities undertaken directly 2017	Support costs 2017	Total 2017	Total 2016
	£	£	£	£
Restricted funds				
Theatres	-	-	-	(410,780)
Libraries and Museums	43,567	-	43,567	(43,659)
Cultural Partnerships	423,392	-	423,392	(46,464)
Administration	-	-	-	-
Total	466,959	-	466,959	(500,903)

6. Analysis of governance and support costs

	General Support 2017	Governance 2017	2017	2016
	£	£	£	£
Audit fees	-	12,180	12,180	12,180
Non audit fees	-	9,820	9,820	2,040
Legal fees and Consultants fees	-	92,927	92,927	85,155
Support provided by Fife Council	2,653,722	-	2,653,722	-
	2,653,722	114,927	2,768,649	99,375

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

7. Operating Surplus

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
The operating surplus is stated after charging/(crediting)				
Auditors' remuneration (including expenses)				
- for audit	12,180	12,180	11,155	11,155
- for other services	9,820	2,040	-	-
Depreciation	87,658	84,114	87,658	84,114

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2017

8. Staff numbers and costs

The remuneration and associated costs of the Group and the Company were:

	2017	2016
	£	£
Wages and salaries	5,466,701	5,691,936
Social security costs	390,384	323,740
Pension costs – service charge cost	1,364,000	1,652,000
	<u>7,221,085</u>	<u>7,667,676</u>

Seven members of staff were made redundant during the year and received payments totalling £95,270 (2016: £66,306). The cost of these redundancies is fully funded by Fife Council.

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

	2017	2016
	Number	Number
Employees	<u>368</u>	<u>373</u>

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

	2017	2016
	Number	Number
£60,000 - £70,000	-	-
£70,001 - £80,000	-	-
£80,001 - £90,000	-	-
£90,001- £100,000	1	1
£120,001 - £130,000	-	-
	<u>1</u>	<u>1</u>

The total employee benefits of the senior management team were £303,700 (2016: £226,145).

No member of the Board received remuneration or any expenses from Fife Cultural Trust other than Directors indemnity insurance (2016: nil).

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2017

9. Tangible assets (for group and company)

	Fixture, fittings & equipment £
Cost	
As at 1 April 2016	546,465
Additions	5,175
	551,640
As at 31 March 2017	551,640
Depreciation	
As at 1 April 2016	209,155
Charge	87,658
	296,813
As at 31 March 2017	296,813
Net book value	
As at 31 March 2016	337,310
As at 31 March 2017	254,827

10. Investments

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Other	510,020	-	510,120	-
	510,020	-	510,120	-
	510,020	-	510,120	-

Fife Cultural Services Trading Limited is a wholly owned subsidiary, incorporated in Scotland. The profit for the year in Fife Cultural Services Trading Limited is £nil (2016: £nil) and closing shareholders' funds are £100 (2016: £100).

11. Stock

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Stock	49,268	61,057	49,268	61,057
	49,268	61,057	49,268	61,057
	49,268	61,057	49,268	61,057

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2017

12. Debtors

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	134,847	81,142	75,608	81,142
Prepayments and accrued income	78,038	234,702	78,038	174,844
Fife Council	204,282	172,261	204,282	172,261
VAT	24,206	-	24,206	
Amounts due from subsidiary	-	-	52,357	58,833
	<u>441,373</u>	<u>488,105</u>	<u>434,491</u>	<u>487,080</u>

13. Creditors: amounts falling due within one year

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	47,284	41,362	47,283	41,362
Fife Council	116,159	2,625,618	116,159	2,625,618
Accruals and deferred income	1,179,756	1,035,950	1,172,625	1,034,925
VAT	-	378,568	-	378,568
	<u>1,343,199</u>	<u>4,081,498</u>	<u>1,336,067</u>	<u>4,080,473</u>

14. Deferred income

Deferred income comprises advanced ticket sales.

	Group	Charity
	£	£
Balance as at 1 April 2016	187,703	187,703
Amounts released during the year	50,181	50,181
Balance at 31 March 2017	<u>237,884</u>	<u>237,884</u>

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2017

15. Financial assets and liabilities

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Financial assets measured at amortised cost	595,676	3,674,009	588,445	3,672,884
Financial liabilities measured at amortised cost	(1,105,315)	(1,072,812)	(1,098,183)	(1,071,787)
	<u>595,676</u>	<u>3,674,009</u>	<u>588,445</u>	<u>3,672,884</u>
	<u>(1,105,315)</u>	<u>(1,072,812)</u>	<u>(1,098,183)</u>	<u>(1,071,787)</u>
	<u><u>(509,639)</u></u>	<u><u>2,601,197</u></u>	<u><u>(509,738)</u></u>	<u><u>2,601,097</u></u>

Group financial assets comprise of trade debtors, accrued income, other debtors, all due within one year and cash and bank balances. Company financial assets also include an intercompany balances due from the wholly owned subsidiary.

Financial liabilities comprise of trade creditors and other creditors and accruals.

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.

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2017

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

	31 March 2017 £'000	31 March 2016 £'000
Opening defined benefit obligation	34,294	35,822
Current service cost	1,364	1,652
Past service cost (including curtailments)	26	97
Interest cost on defined benefit obligation	1,217	1,165
Contributions by members	281	296
Actuarial losses/(gains)	10,190	(3,852)
Benefits paid	(684)	(883)
Unfunded benefits paid	(1)	(3)
	<hr/>	<hr/>
Closing defined benefit obligation	46,687	34,294
	<hr/> <hr/>	<hr/> <hr/>

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

	31 March 2017 £'000	31 March 2016 £'000
Opening fair value of plan assets	32,828	32,189
Interest income on plan assets	1,160	1,040
Contributions by members	281	296
Contributions by the employer	1,113	1,204
Contributions in respect of unfunded benefits	1	3
Actuarial (losses) /gain	5989	(1,018)
Benefits paid	(684)	(883)
Unfunded benefits paid	(1)	(3)
	<hr/>	<hr/>
Closing fair value of plan assets	40,687	32,828
	<hr/> <hr/>	<hr/> <hr/>

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2017

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

	31 March 2017	31 March 2016
	£'000	£'000
Current service cost	(1,364)	(1,652)
Past service cost (including curtailments)	(26)	(97)
Total service cost	(1,390)	(1,749)
Net interest		
Interest income on plan assets	1,160	1,040
Interest cost on defined benefit obligation	(1,217)	(1,165)
Total net interest	(57)	(125)
Total defined benefit cost recognised in net income/expenditure per the SOFA	(1,447)	(1,874)

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

	31 March 2017	31 March 2016
	%	%
Equities	72	68
Bonds	15	16
Property	8	10
Cash	5	6

The estimated employer contributions for the year to 31 March 2018 are £1,081,000.

The principal actuarial assumptions used in the calculations are:

	31 March 2017	31 March 2016
	% per annum	% per annum
Pension Increase Rate	2.4	2.2
Salary Increase Rate	3.6	3.4
Discount Rate	2.6	3.5

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2017

Mortality

Vita curves with improvements in line with CMI 2012 model assuming the current rate of improvements has peaked and will converge to a long term rate of 1.25%. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	22.0 years	23.7 years
Future Pensioners	24.1 years	26.4 years

18. Analysis of net assets between funds

Group	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Balance at 31 March 2017				
Represented by:				
Fixed assets	764,847	-	764,847	337,310
Net current assets	(758,107)	132,085	(626,022)	(209,181)
Retirement benefit scheme deficit	(6,000,000)	-	(6,000,000)	(1,466,000)
	<u>(5,993,260)</u>	<u>132,085</u>	<u>(5,861,175)</u>	<u>(1,337,871)</u>

Charity	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Balance at 31 March 2017				
Represented by:				
Fixed assets	764,947	-	764,947	337,410
Net current assets	(758,207)	132,085	(626,122)	(209,281)
Retirement benefit scheme deficit	(6,000,000)	-	(6,000,000)	(1,466,000)
	<u>(5,993,260)</u>	<u>132,085</u>	<u>(5,861,175)</u>	<u>(1,337,871)</u>

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2017

19. Reserves

Unrestricted reserves

Group	Opening Balance at 1 April 2016	Incoming	Outgoing	Transfers	Actuarial Gain/ (Loss)	Closing Balance at 31 March 2017
	£	£	£	£	£	£
Unrestricted fund	(48,975)	13,642,144	(13,501,946)	(84,483)	-	6,740
Pension reserve	(1,466,000)	1,160,000	(1,493,000)	-	(4,201,000)	(6,000,000)
	<u>(1,514,975)</u>	<u>14,802,144</u>	<u>(14,994,946)</u>	<u>(84,483)</u>	<u>(4,201,000)</u>	<u>(5,993,260)</u>

Charity	Opening Balance at 1 April 2016	Incoming	Outgoing	Transfers	Actuarial Loss	Closing Balance at 31 March 2017
	£	£	£	£	£	£
Unrestricted fund	(48,975)	12,985,093	(12,844,895)	(84,483)	-	6,740
Pension reserve	(1,466,000)	1,160,000	(1,493,000)	-	(4,201,000)	(6,000,000)
	<u>(1,514,975)</u>	<u>14,145,093</u>	<u>(14,337,895)</u>	<u>(84,483)</u>	<u>(4,201,000)</u>	<u>(5,993,260)</u>

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2017

Restricted Funds

	Fund Balance Brought Forward £	Incoming Resources £	Outgoing Resources £	Transfers £	Fund Balances Carried Forward £
Patronbase system	6,642	-	-	(2,847)	3,795
Mobile Staging	8,718	-	-	(2,218)	6,500
Creative Scotland Project	13,488	-	-	(3,372)	10,116
Visual Arts & Crafts	(100)	19,000	(14,004)	2,500	7,396
Janet Brown Bequest	20,214	-	-	-	20,214
Side Entrance Improvement Project	5,119	-	-	-	5,119
Get Fife Dancing	2,706	8,313	(7,506)	-	3,513
Creative Scotland – Small Scale Capital Project	39,532	-	-	(7,000)	32,532
Cultural Prescriptions	8,500	13,348	(11,024)	5,000	15,824
The Arts Hub	48,205	168,663	(295,538)	75,370	(3,300)
Lochgelly Improvements	5,000	-	-	-	5,000
Modern Apprentices	15,000	78,637	(78,976)	3,000	17,661
Read Write Count	3,080	-	(2,737)	-	343
Tablet Tasters	1,000	13,000	(28,050)	14,050	-
Fife Art Exhibition	-	11,615	(11,570)	-	45
Walk On Project	-	2,732	(1,632)	-	1,100
Treasure Trove	-	8,207	(8,207)	-	-
Treasure Plus	-	47	(47)	-	-
Kirkcaldy Friends	-	2,895	(2,895)	-	-
Film Hub Scotland	-	6,000	-	-	6,000
Audience Development	-	-	-	-	-
Muller Wiseman	-	5,000	(4,773)	-	227
	<u>177,104</u>	<u>337,457</u>	<u>(466,959)</u>	<u>84,483</u>	<u>132,085</u>

Purposes of restricted funds

The restricted funds at 31 March 2017 relate to funds received from other bodies as contributions to specific arts and museum projects.

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2017

20. Notes to the statement of cash flows

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

	2017	2016
	£	£
Net income/(expenditure) for the reporting period (as per the SOFA)	(322,304)	(713,146)
Adjustments for:		
Interest received	-	-
Depreciation	87,658	84,114
Net cost in respect of pensions	333,000	667,000
(Increase)/decrease in stock	11,789	(2,896)
(Increase)/decrease in debtors	46,732	(209,836)
Increase/(decrease) in creditors	(2,738,300)	2,544,264
	<u> </u>	<u> </u>
Net cash provided by (used in) operating activities	(2,581,425)	2,369,500
	<u><u> </u></u>	<u><u> </u></u>

Analysis of cash and cash equivalents

	2017	2016
	£	£
Cash in hand	226,535	3,323,155
	<u> </u>	<u> </u>
Total cash and cash equivalents	226,535	3,323,155
	<u><u> </u></u>	<u><u> </u></u>

21. Related Parties

Fife Council made a contribution in line with the Services Agreement of £8,252,230 (2016: £8,362,770). Facilities were leased to Fife Cultural Trust for a peppercorn rent. Fife Council also provided various support functions including Legal, Finance and IT for which the Company received these 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.

