



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

**Report and consolidated financial statements
for the year ended 31 March 2018**

Company: SC415704

Charity: SC043442

FIFE CULTURAL TRUST
For the year ended 31 March 2018
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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 2018. 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, delivers Libraries, Arts, Museums, Galleries, Theatres and Cultural Partnership 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 Cultural Strategy, Partnerships and Consortium
- Maintenance and development of library services within Fife Council's six integrated customer service facilities
- Stewardship and care for the objects and archives in Fife Council's collections

Principal activity

The Trust is a company 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 Trust 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.

Values

Inclusive, creative, trusted, enabling and integrity.

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Achievements and Performance in 2018

1. Theatres:

The Trust 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 programming both within its venues and across Fife. As well as presenting an extensive and popular programme of professional touring companies spanning all performing arts, the Company supports a significant number of performances and activities from local arts organisations.

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 and mounting co-productions. The Company also offers a wide programme of courses, classes and opportunities to get involved in the arts.

The Trust prides itself on offering a programme with something for everyone, which is accessible to all, across a variety of mediums including Drama, Music, Comedy, Dance and Children's shows.

2017/18 Highlights

Programming in Theatres

The Trust's venues enjoyed another packed year of events and activities in 2017/18, 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 on stage and on screen.

Attendances across the theatres for shows and films in 2017/18 were 124,800 (2016/17 121,000).

Some of the highlights included:

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A Tiny Little Christmas at Carnegie Hall. This bespoke Christmas Festival for 0-8 year olds offered 3 beautiful drama productions: 'Shh the Elves are Shy' (*Ipdip*), 'Little Ulla' (*Grinagog*) and 'The Attic' (*Starcatchers*) alongside workshop activities and a traditional family film programme designed to get everyone into the Christmas spirit.

Over 17,000 patrons attended our traditional annual pantomime at Adam Smith Theatre. Produced by Imagine Theatre, Aladdin wowed with its flying carpet and delighted with its comedic performances and musical numbers.

Scotland's national treasure, Lulu, returned to the Rothes Halls in November with her "All About the Music" Tour. Newton Falkner, Ricky Ross, the RSN, Yolanda Brown, Dougie Mclean and Jimmy Osmond were just a few of the musical talents to grace our stage in 2017/18 and we also presented a wide range of accessible tribute nights with nostalgia music from the 1940's – 1990's.

Over 5,000 children were entertained in our theatre spaces, with a range of productions throughout the year from the intimate *Puppet Animation Festival* and *Starcatchers* productions to the main auditorium show such as *Cbeebies* and the 'Tiger Who Came to Tea' and of course the popular *Fun Box* at Adam Smith Theatre, Carnegie Hall and Rothes Halls.

As well as the 'That's Fife' Comedy Festival in April, comedian Milton Jones had the full-house rolling in the aisles with his own brand of 'Out There' comedy at the Adam Smith Theatre as he talked about the media, fashion and why buying his own see-saw was the best decision ever. Craig Hill, Daniel Sloss, and Jimeoin also all made successful returns to our venues.

The Russian Ballet wowed a capacity crowd of over 600 at the Rothes Halls with its presentation of *The Nutcracker*. In theatre, the Steamie visited the Adam Smith Theatre as the show celebrated its 30th Anniversary tour playing to over 2,200 people during its 5 show run.



Local Community is at the heart of what we do

Participation

The Trust is working in partnership with *Starcatchers*, the LochgellyCentre based project *Expecting Something*, which works with new, young and expectant parents under 25 and their babies, providing a weekly safe space to spend time with their babies and peers whilst engaging in artist-led creative activities.

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The project has empowered young parents, boosted their confidence, helped to forge new relationships and develop strong bonds with their babies through regular and continued contact with arts and creativity.

1. Festivals

That's Fife Festival (April 2017) – the Festival returned to the Kingdom with an eclectic programme of comedy, theatre, spoken word, magic, and family entertainment. Fred MacAulay, Russell Kane and Chris Ramsay were among the comedians bringing their own brands of humour to Fifers; the Champions of Magic enthralled the audience with their magical exploits and Scotland's newest double-act, The Dolls, brought their hilarious new show the Dolls Abroad to a packed house at the Rothies Halls. We also welcomed Scotland's own Horse MacDonald with her show 'Careful'.

Adam Smith Global Foundation – Festival of Ideas (March 2018) – This two-day Festival truly had something for everyone. This year's Adam Smith Lecture was delivered by household favourite Sandi Toksvig who had the audience in the palm of her hand. Comedian Kieran Hodgson (star of BBC2 Two Doors Down) brought his Edinburgh Fringe award-winning show 'Lance'. Saturday saw a free Family Fun Day packed with games, face painting, crafts, and films. There was a red carpet gala showing of David Tennant's newest film 'You, Me and him' with the man himself featuring in an 'Audience with....' hosted by Arabella Weir. The weekend finished on a musical high with folks dancing the night away to local musicians Lights Out by Nine.

2. Libraries

The Trust offers a wide range of library services, events, and activities. We directly manage the statutory library service in 29 static libraries and provide service development support for 6 libraries which form part of Fife Council integrated service spaces. In addition, we provide support for 7 independent community-run libraries. The Company holds an extensive library catalogue with over 494,000 titles to choose from across ordinary print, large print, talking books, DVDs, eBooks, eAudiobooks and eMagazines.

We also:

- support 108 reading groups
- host 244 public access computers (187,332 bookings in 2017/18) in our libraries
- provide free Wi-Fi across all of our libraries (427,322 Wi-Fi logins in 2017/18)
- curate Local History Collections make available a growing collection of eResources, both for research purposes and digital book download

2017/18 Highlights

The modernisation of Fife's Library Service continued with a major consultation on the future development of the service. 2,379 people completed the survey and 108 took part in qualitative research through targeted focus groups. Participants were asked to comment on current services as well as helping to generate ideas for future services.

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All of the information collated will be used to create a new vision for the library service, with improved opening hours and new events and activities being planned. The new Vision will be developed during 2018/19.

Throughout the year, Fife's libraries have been offering a range of learning opportunities. Building on our first foray in to hosting **Fun Palaces**, in October 2017, we were able to offer more activities in more locations, from creative writing in Kirkcaldy to turning fruit and vegetables into musical instruments in Cupar - the range was quite diverse.

Since summer 2017 we have been fortunate enough to work with **Digital Storyteller**, Dan Brown, who has been meeting with groups and individuals in Glenrothes, helping them create their personal digital story. Children with special needs, Alzheimer's patients, Age Concern clients, a refugee who has made Glenrothes her home, and a very powerful transgender journey, are just some of the stories Dan has helped participants create. Those taking part were guided through the digital storytelling process before sourcing relevant images and writing and recording their voiceover.



The 87 participants who have taken part found the process of sharing their stories empowering and cathartic, whilst also raising their confidence with digital skills. They are available to view on the ONFife YouTube channel <https://www.youtube.com/user/onfife>.

Following successful sessions working with **Fife College** students in 2015 and 2016, a new intake of students, with no previous academic qualifications, joined us for six fun sessions at Kirkcaldy Galleries from September 2017 to March 2018. During each session, they carried out a different activity encouraging them to feel comfortable in the library, make use of library resources, read for pleasure, and hopefully become regular borrowers and readers. Sessions on Burns poetry and altered books were the favourite sessions.

Widening the audience we were attracting to this event took us down new paths. Our first **Comic Con** in Glenrothes in June 2017 was a huge success attracting over 3,000 people. Working with the Kingdom Centre, Go Glenrothes, and Fife Council, we were able bring in guest artists from across the UK and welcome the car stars from the *Transformer* films. Thanks to additional funding from Fife Council, entry prices were kept low and encouraged families to visit a Comic Con for the first time. The range of costumes worn by those attending was magnificent, with a special mention to a Jedi master and the Wicked Queen who spent a huge amount of time posing for photographs and handing out apples.



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Murder mystery events took a magical turn with guest company "Can you Catch the Killer?" visiting Dunfermline Carnegie Library & Galleries to test the deductive skills of our audiences. Two sell-out events took place, with teams successfully identifying who the killer at the wizard school was.



Book Week Scotland brought with it a nutritional theme which gave participants a flavour of the breadth of our services. 7,895 participants of all ages attended events throughout the week, an increase of 91%, mainly due to the enhanced junior and teen programme. Events ranged from bread & poetry in Kelty to Macbeth in 60 minutes for school audiences. The evening programme of events for families was again free of charge thanks to funding from Fife Council Area Committees, enabling anyone who wanted to attend to do so.

Health and Wellbeing:

Originally hosted only at Kirkcaldy Galleries, **Moments in Time** sessions, aimed at those living with Dementia, have now also been held in Rothesh Halls, Glenrothes, thanks to securing funding from the Dementia Strategy Group. 282 people have attended these interactive sessions throughout the year. Alongside the sessions being held in Kirkcaldy Galleries and Rothesh Halls, staff have been visiting day centres and Age Concern groups promoting Moments in Time and the services offered by libraries. Almost 100 staff have now received Dementia Friends training and Rothesh Halls Library has received Dementia Friendly accreditation.

Working with NHS Fife, libraries across Fife have been helping to dispense **hearing aid batteries** to NHS patients. Rather than having to make the trip to their nearest hearing aid clinic, patients can now visit their local library and collect replacement batteries on production of their audiology logbook. The first year of this service has seen over 1,500 packs of batteries being distributed from libraries across Fife.



The continued success of **Walk ON** sessions which exercise the body and mind of participants, shows no signs of abating. As well as the generic Walk ON sessions for adults we have now held a dementia friendly session and Bookbug buggy walks. The routes taken on the walks are very adaptable allowing most people to be able to participate and gain the benefit of gentle exercise alongside the opportunity to make new friends and take part in lively conversations.

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In total 113 sessions with 1,187 attendances for adults were held throughout the year with an additional 14 Buggy Walks taking 341 adults and children on a walk followed by a Bookbug session.

GPs are still seeking to prescribe books to patients with mild to moderate stress, anxiety and depression, and there were 1,759 **Book Prescription** issues in 2017/18 with 24 new members joining the library through this initiative. Discussions have begun with NHS Fife to review and condense the booklist to make it even more accessible for GPs and the service will be relaunched in 2018.

Children and Young People:

The **Schools Library Service** continues to flourish, now providing 100% coverage of Fife primary schools. In 2016/17, 97% of all 135 primary schools in Fife used the service rising to a fantastic 100% in 2017/18. The service provides project boxes to schools who request them based on their chosen projects each term. Each project box contains up to 25 books. The number of project boxes dispatched from our central unit in Glenrothes grew from 4,505 in 2016/17 to 4,827 in 2017/18 – an increase of almost 7%. Within these boxes, book issues also grew to 98,820 issues this year, a 12% rise on the previous cycle.



Bookbug session figures increased in 2017/18 due to the re-opening of Dunfermline Carnegie Library & Galleries (DCL&G) new sessions such as British Sign Language and Gaelic & Scots sessions, and the continued success of Bookbug Buggy Walks. There were 33 sessions during Bookbug Week alone, with a flag ship launch in partnership with the Scottish Book Trust at DCL&G and a well-attended family event at Rothes Halls, plus an offer of evening and weekend sessions for families. Bookbug is delivered in all 7 local areas within Fife with a total of 1,191 sessions delivered in this year (50% increase on 2016/17), an overall attendance of 25,627 (54% increase on 2016/17), with 13,425 (up 55%) children and 12,202 (up 54%) adults enjoying the free, fun and friendly sessions.

27 of Fife's 37 libraries (including mobiles and integrated facilities) ran Bookbug sessions during this period resulting in 10,523 issues and 244 new members.

13 libraries were identified as being in areas of deprivation and ran 474 sessions reaching 8,040 children and adults, while the majority of outreach work was held in areas of deprivation or in areas where there are no libraries within easy walking distance (311 outreach sessions in total, reaching 802 children and adults). In addition, 120 people were trained as session leaders across libraries, schools and community settings.

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The **Chatterbooks** childrens' book group service was launched in October 2016 and has steadily grown since then. As an example of this, for the Spring term 2017 (Jan-Mar), 16 schools borrowed 46 boxes, whereas for the same term in 2018, 34 schools borrowed 101 boxes. Between April 2017 and March 2018, 306 boxes were borrowed by 46 schools.

A competition was run for the Winter term of 2017 to celebrate the first anniversary of the service. As a result of this, three schools (Newport, North Queensferry and Thornton) won a visit from award winning writer, Ross MacKenzie, during Book Week Scotland. Chatterbooks Champions was started in January 2018. One school per term has the chance to work closely with their Young Person's Supervisor to enhance their Chatterbooks experience, encouraging reading, discussion and activities based around their books.



During 2017 – 2018 we ran 25 **Code Club** sessions with 214 children taking part. 11 libraries took part in 6 of the 7 Fife Council Areas. We also trained 33 Code Club leaders and participated in *Grab a Grown Up* during National Coding Week with Code Clubs across Fife taking part that week.



Our first every Digi:day was held at Kirkcaldy Galleries on 12th October 2017. This was a free event and was attended by 51 children and 10 adults. Aimed to showcase our growing digital offer, those that attended enjoyed taster sessions in Code Clubs, micro: bits, digital storytelling and Grid Club.

Our childrens' holiday activities are still well supported; there were 27 Easter-themed craft activities, held over 24 Libraries. Events were held throughout Fife, with representation in each of the 7 areas. Over 260 children and 140 adults attended, resulting in 2 new members and nearly 280 books being issued.

Our October events took on a spooky theme with the added wow factor of 15 events with Cool Creatures, Digi: day at Kirkcaldy Galleries and 2 special Halloween at Hogwarts events at DCL&G and Kirkcaldy Galleries, with some ghostly Scots traditional tales retold by Tony Bonning. Once again, all areas held events with over 800 children and 600 adults attending. In total we ran 48 events in 28 libraries.

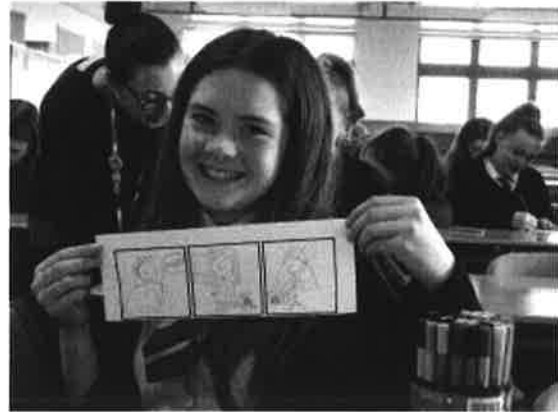


We also held 5 Christmas themed events in 2017, 3 in the Glenrothes area and 2 at Jennie Lee Library, Lochgelly Centre. Those that attended made cards, decorations and rather impressive sock snowmen.

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These events proved popular with 38 children and 21 adults attending, giving us the incentive to offer additional Christmas events for 2018.

In partnership with **Levenmouth Academy**, the Young People's Services team has been working with S1 pupils to raise enthusiasm for reading for pleasure during secondary school years because of the documented benefits for attainment and wellbeing. This project draws on our successful primary school offer, with age-appropriate adjustments. A series of author events and creative workshops has been structured around a shortlist of books to engage pupils in discussion about books and stories and led to the Levenmouth S1 Book Awards.



Over 10 weeks from 19 February to mid-May 2018, 306 S1 pupils were challenged to read three of a possible nine shortlisted books and vote for their favourite. The shortlist was diverse – there were easy reads, a picture book, a graphic novel, action-packed adventure, magic, whims, and football – there was a book for everyone! To facilitate this, Fife Libraries provides a full time member of staff to the project and 50+ copies of each title. Competition prizes of 3 ASUS™ tablets have been offered to motivate participation in the process. To promote wider cultural engagement and celebrate the end of the project, we will bring the whole year group of 306 young people to a special screening of the film *Wonder*, one of the shortlisted books, at the Adam Smith Theatre.

Our hope is that this pilot can become a PhD funded project into the effect of creative learning, deepening research into the links between reading for pleasure and attainment.

Monday 26th February 2018 saw us celebrate the finale of 10 years of the **Big Book Brains Quiz** with P6 pupils across Fife. This project which is loved by pupils, teachers, and our staff, engaged 122 Fife schools this year, with 3,986 children reading around 19,930 books. Looking back over the 10 years we estimate over 27,000 children have now taken part, discovering enjoyment in reading that will hopefully last a lifetime.

As part of the national **Read Write Count** initiative, the Young Peoples' Services Team launched the Bedtime Stories project. The project launched with sets of Gruffalo books for every library and a competition and expanded into several collections of bedtime themed book sets which parents were encouraged to borrow. The funding also provided various sensory materials, including bubble tubes, cushions, a space projector and various other light up equipment which were used to create a soothing bedtime atmosphere at storytime sessions. This was trialled in Kirkcaldy Galleries with 5 sessions and a total of 42 participants over the period. This project will be rolled out to various libraries in 2018 – 2019.

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Our first home grown **Summer Reading Challenge** saw children across Fife sign up to join forces with our four animal characters – Blair the Beetle, Ula the Fox, Ralph the Rat and Pan the Meerkat and become Agents of B.U.R.P. Over 3,000 children signed up as reading agents, they borrowed and read over 5,000 books, completed brain-bending puzzles, fortnightly challenges and end of stage missions.



Alongside the Scottish Book Trust and the Scottish Professional Football League Trust (SPFLT) we launched a reading challenge to link football clubs and libraries in March 2018. The **4-4-2 Reading Challenge** aims to encourage primary school-age children to read books from their local library – in exchange for free match tickets. Children are asked to read four books to receive a free ticket to a home game of a participating club, as well as a discounted adult ticket.

Raith Rovers was the only Fife team taking part in this pilot year and we teamed up with them, and local schools and libraries in Kirkcaldy and Glenrothes, to launch the project with a press event at Kirkcaldy Galleries with Raith Rovers players and Roary the Lion. We are also working with Dundee Football Club and Dundee United to deliver 4-4-2 in the Tay Bridgehead area of Fife. An estimated 100 children are currently taking part in the project and we are pleased to be building new partnerships to promote reading and wider health and wellbeing in Fife.

School demand is growing for FCT to offer **film screenings** to support best-selling book studies in schools. In response we screened *Boy in the Striped Pyjamas*, *War Horse* and new additions to our programme, *A Monster Calls* and *Wonder*. Over the seven screenings in this year, we attracted audiences of 2,600 and drew in income in excess of £11,000 and secured fiction issues of over 600 books. The screenings of the bestselling book *Wonder* were particularly successful with four sold-out shows over two days attracting 1,800 children and teachers and an excellent income of £4,000. Pupils and teachers alike loved the film and we have another two packed shows planned for May 2018.



“The film was amazing and I sobbed throughout most of it, as did many of my pupils.”

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3. Museums and Galleries



On 18 May 2017, the stunning and multi-award winning Dunfermline Carnegie Library & Galleries (DCL&G) opened to the public following more than ten years of development. This major cultural hub offers interactive museum and gallery spaces and is fully integrated with the world's first Carnegie Library. An official opening by the Provost of Fife followed on 6 September 2017 and we were delighted to welcome back a number of our 'Wall of Fame' celebrities. There was superb media coverage including STV, the Times, the Scotsman, and local press. By the end of March 2018 we had welcomed almost 170,000 visitors.

Dunfermline Carnegie Library & Galleries and Dunfermline Heritage Quarter

After winning numerous accolades, including the RIAS Andrew Doolan Best Building in Scotland for 2017, DCL&G is now established as a high profile gateway tourist attraction in the heart of Dunfermline's Heritage Quarter. As a key partner in the Dunfermline Heritage Tourism Partnership and through the catalyst of DCL&G, we have played a significant role in securing external funding for developing the town and area's tourism further over the next three years. We are also at the forefront of expanding volunteering in the Quarter with tourism partners through our Volunteering Development Officer.



Developing our Collections

This year saw the culmination of the colossal work over recent years to develop and move to the new Collections and Archives Centre at Bankhead from 8 locations across Fife.



Starting in April 2017, Archives had moved in by May. The last (and most difficult) Museum objects were dismantled, moved and rebuilt at the end of October.

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Altogether, staff from the Collections teams, alongside specialist contractors, moved almost 200,000 items to the purpose built museum and archives store - the equivalent of 63 house moves! Work is continuing with updating the new locations of objects and updating the documentation on our Collections Management Systems - more than 39,000 records were updated this year. Staff and researchers can now access collections in a way that has never been possible before.

Highlights of new additions to the collections stored there include 2 Treasure Trove items purchased with funds from the National Fund for Acquisitions and the Museums Association's Beecroft Bequest. These is a Roman silver intaglio finger ring which appears to be a stray find from an otherwise lost hoard along with a 17th Century gold and gem set finger ring. The Archives acquired a printed booklet with a map showing the roads to be used by refugees if the Fife coast was invaded by the Germans during WWI- thankfully never needed.

Our Collections Manager Gavin Grant shared the story of Kirkcaldy's famous son, economist, and philanthropist Adam Smith, with the team from the BBC's Antiques Road Trip in August.



Our unique collection features objects belonging to Smith himself, including a pewter inkstand believed to have been used while he was writing *The Wealth of Nations* at home in Kirkcaldy.

Opening up access to our Collections

The new Search Room at Bankhead welcomed our first visitors in May 2017. This complements our local studies research facilities at Kirkcaldy Galleries and DCL&G Reading Room.



The Reading Room's initial series of Sunday Seminars has opened local studies up to a new audience, with an average of 25 people attending each talk for a mixture of local subjects and national speakers. Over a fortnight in July, we worked with Dunfermline Young Archaeologists Summer School to introduce different groups of teenagers to the resources

available to them in DCL&G. At Kirkcaldy in June, as part of an HLF¹ funded project to put young Fifers in touch with their local heritage, we worked with puppeteers Suit and Pace to develop a play that will go round the primary schools of Fife.

¹ Heritage Lottery Fund

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They worked with 59 children from Kirkcaldy North Primary School. The P5 groups looked at maps, images and books from the last 150 years to help them decide whether Michael Scot was a 13th century proto-scientist or a wizard! Many of the children had never visited the Galleries before and the project has shown the potential for the local studies collection in developing information literacy and research skills. In September the jamboree at Methil Library brought the family and local history of Levenmouth to life with displays and activities for all ages.

More records from our collections went live on the Ancestry.co.uk, and the Ancestry Institution, websites. In November, more than 16,000 pages from the criminal registers were viewed online. Work is now underway to add records of our sculpture to the Art UK website².

2017/18 Programme Highlights

We stage an extensive programme of changing exhibitions across our venues throughout the year. In our museum spaces at DCL&G, Kirkcaldy Galleries, St Andrews Museum, Methil Heritage Centre and MAC (Fife's mobile museum), they showcase Fife's wonderful collections and enable visitors to experience a wide range of cultural material brought to Fife, with an eclectic mix of social history and contemporary & traditional art, craft and photography. Our Fifespace and Fotospace galleries at Lochgelly Centre and Rothes Halls and our Community Gallery at DCL&G offer further exhibition opportunities to community groups and to artists.

The programme across Fife is complemented by workshops, activities and events.

2017/18 saw a strong exhibitions programme which featured inspiring partnerships with local communities, arts bodies and educational organisations. Particular highlights include the opening exhibition at Dunfermline Carnegie Library & Galleries which was aptly named "We Made It!" The display presented the many projects – from archaeology to capturing peoples' stories for the oral history archive – that went in to the making of the new Dunfermline Museum. It also celebrated the huge contribution made by our 400+ volunteers.



² Art UK works with the UK's public art collections to showcase their artworks to the world.

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The Museum Studies students from the University of St Andrews delivered our 21st partnership exhibition at St Andrews Museum. This one brought some of our world collections, from Japan and Africa, out into the light under the title "Ethics and Aesthetics". For the first time, we toured the students' exhibition to a second venue, showing at Kirkcaldy Galleries in late Summer.

An opportunity arose with Fife Council to display in Rothes Halls, the photographic exhibition "Polish Paths to Freedom". Gifted by the Kujawsko-Pomorskie region of Poland and displayed as part of the Glenrothes 70th anniversary, the show commemorates the 13,000 officers and men of the Polish 1st Division Corps who were stationed in Scotland between 1940 and 1947.

"Crossing Cultures" organised by the Fife Arabic Society, believed to be the first of its kind in Scotland, showcased Arabic culture and heritage and appeared at the Fife Space galleries of both Lochgelly Centre and the Rothes Halls.



Fife's unique Mobile Museum relaunched with a fun and nostalgic exploration of the science behind domestic appliances "Wow: Incredible Inventions & Marvellous Machines" funded by Museums Galleries Scotland and Friends of Kirkcaldy Galleries. The unstoppable ladies of our Sewing Circle created a series of lab coats for children to wear while they explored the show.

Heritage Venues and Sites

Overall visitor numbers to our museums and heritage sites in 2017/18 were 383,498 (2016/17: 263,803) the increase was largely due to the opening of DCL&G.

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

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4. Health and Wellbeing:

In addition to the Libraries work in this area, to which Section 3 refers, during 2017/18, we also 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 2017/18 the activities in this area included the following. 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. Working with the local Community Education Worker, we were also able to offer a 6 week block of Arts & Crafts in Oakley. 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 130 places in each block booked out.

5. Tackling Poverty and Inequality:

The UK Government's Welfare Reform measures may 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, particularly through our library network where we are actively working to tackle poverty and inequalities across Fife.

We provide public access to some 244 PCs, with support provided 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 187,000 PC bookings over the last year.

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.

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We were able to offer free screenings and transport for groups to better enable attendance; the project is ongoing until October 2018.

Finally, in this context, the Mobile Library service had its second major review of its routes and stops. Changes were made in order to make the routes and van maintenance more efficient and ensure that the staff had sufficient travel time.

In addition, new stops were introduced in the final 3 communities where static libraries had closed at the end of 2016/17. These changes have resulted in a small decrease in book issues this year. However we have seen an increase of 1,193 Home Delivery Service book issues reaching 38 Nursing Homes and Sheltered Housing complexes and 243 individuals with a total of 35,880 issues. The service is becoming centralised and standardised ensuring that service for home delivery readers across Fife is of the same high standard regardless of where the readers live.

Accessible Community Service Delivery

The company 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.

2017/18 saw us involved in the delivery of the first ever Fife Pride event in Kirkcaldy. The purpose of Pride is to break down barriers and encourage members of the Fife LGBTI community to be #BeProudBeYou. The event involved a march along Kirkcaldy High Street and was followed by a whole host of entertainment for all in a marquee in the Town Square. We also hosted the Youth Zone in the Adam Smith Theatre where there was live music, balloons, face painting, henna tattoos, mocktails, arts and crafts, and lots more.



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6. 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.



We continue to think imaginatively across the business and consistently strive to deliver ideas which will generate new streams of income. As an example of innovation we have, in liaison with designers, created a bespoke range of merchandise to sell in museums and alongside exhibitions (see picture above); we are also looking to provide retail opportunities at our free events in order to self-generate income. A major target for the future is to optimise income from the DCL&G shop; the picture above shows efforts to attract users of the wider building to come into the shop and, hopefully, invest in some superb items.

Customer Services continues to be at the heart of our service provision and we have now trained almost 300 staff members in the internationally recognised WorldHost™ programme, giving our organisation increasingly crucial WorldHost Business status.

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Catering and Hospitality Development

Our bar and catering operations are an important part of the customer experience which we deliver across our services, the income from which allows us to reinvest in the services we deliver which are unable to generate any kind of significant income or revenue streams.



Figure 1: Butlers at a recent event

We aim to ensure that we utilise our catering and wider hospitality services to enhance the overall customer experience by offering excellent food and first class customer service; this we hope is the true opportunity we have created by bringing bar and catering services in house (from Fife Council) as from 1 October 2017.

Our bar, catering, and hospitality, services are operated from the following sites:

- Rothes Halls. Café / Meeting Rooms / Event Rooms / Theatre
- Lochgelly Centre Café / Event Rooms / Theatre
- Adam Smith Theatre Café / Event Rooms
- Kirkcaldy Galleries Café / Meeting Room
- Carnegie Hall Meeting Rooms / Event Space / Theatre

Our specific objectives for bar, catering, and hospitality over the first three years of operation include:

- The creation of a service-based team whose primary goal is to exceed customer expectations;
- To increase the number of customers serviced by 20% per annum delivered through superior service;
- To develop sufficient revenue to cover all costs and start to grow the business.



Historically, Fife Council Catering services catered for events which had been booked into our venues.

The new service we are developing will actively seek to sell catered conferences, weddings, banquets, award ceremonies, exhibitions, markets, sporting, and a range of other events. This approach is designed to encourage full use of our overall assets.



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In December 2017, we ran a programme of Santa visits to a number of locations across Fife which resulted in increased spend in sites with cafes, which is a good example of how this collaborative working can benefit the business.

During this year, we created our unique own coffee brand Langspoon Coffee to further develop revenue streams and also to raise awareness of our charitable status, where customers are clear that they are re-investing in local services through their purchase.

Volunteering

In the Summer of 2017, we employed a Volunteering Development Officer, a fifteen-month post funded jointly by Museums Galleries Scotland and Fife Council.



The post is designed to embed volunteering in our working practice, encourage and support us all to work more (and better) with volunteers. Essential policies and procedures are now in place and the year has seen many new volunteers join us as well as the continuation of valuable projects. People of all ages and skills, from across Fife, are taking up volunteering to gain and share skills, improve job prospects and increase their self-esteem and confidence.

By the end of March, we were benefitting from more than 50 new volunteers across 11 sites, taking on roles as diverse as event assistance, research, and photography, to complement the existing roles of our staff members. All volunteering opportunities are advertised on the Get Involved section of our website.

Our external partnerships are also important to us as they strengthen the services we offer and in the past year we have secured more than £12,000 of financial support from Shell and Muller Wiseman and are actively developing relationships with several other businesses whose priorities we complement. A special mention here goes to the tireless work of the Friends of Kirkcaldy Galleries who continue to raise funds to support the Museum and its collections.

The 2017 Fife Art Exhibition, a firm annual favourite, attracted 240 entries from talented artists across the Kingdom to the Lochgelly Centre.

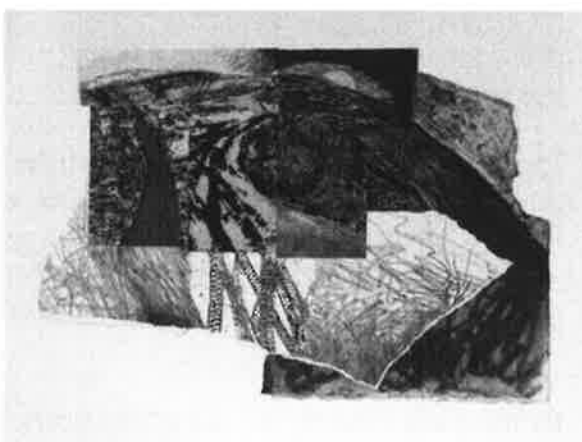
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The six winning artworks were purchased and donated to NHS Fife for permanent display. Each winner also received a £200 Shell award. The artists' winning artworks were displayed in Kirkcaldy Galleries in advance of being handed over to NHS Fife.

The 2017 winners were Ann West, Mhairi Lafferty, Marjorie Rae, Jock Ferguson, Roy McGowan, and Millie Dickinson.



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. *Remains in the Landscape* by Clare Yarrington and Pauline McGee showed in FifeSpace, Rothes Halls, between October and December 2017. This fascinating and emotional show focused on the way that weathering changes abandoned buildings and the natural landscape.



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 2017, two artists received Development Programme Awards and sixteen artists received Project Grants.

Skills Development & Employability

Fife Cultural Trust contributes to the employability of young people by increasing the availability of creative Modern Apprenticeships.

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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.



The most recent Modern Apprentices based in Fife Cultural Trust are Callum Meekison and Joe Campbell. Joe began his Technical Theatre Apprenticeship in March 2017, and his training was provided by Fife College. Joe had a very successful year and completed his apprenticeship in March 2018. Joe intends to pursue his college studies and he will also continue to work in our theatres on a casual basis.

Callum came to work with Fife Cultural Trust initially on a short-term placement, He is currently working with us to complete his Modern Apprenticeship in IT. He has become a valued member of the team and is gaining experience in a wide range of IT areas. Callum is ahead of the planned schedule of successfully completing his apprenticeship by November 2018.

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 creative industries.

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 is supported by 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 individuals and businesses.

Seven events have now been delivered with fifty-six creatives availing of the opportunity to showcase new projects or ideas. These events have been very well attended, with venues filled to capacity on most occasions.

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Financial Review

Review of the year

For the financial year 2017/18 the Company's consolidated financial position shows a net income of £827,595 (2017: £322,304). Other recognised gains and losses amounting to a gain of £8,636,000 (2017: loss £4,201,000) result in a reported net increase in funds of £7,808,405 (2017: reduction £4,523,304). 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 £942,000 (2017: £333,000), giving a surplus before actuarial pension adjustments of £114,405 (2017: surplus £10,696).

The deficit on restricted funds after allowing for transfers is £31,280 (2017: £45,019), leaving a surplus on unrestricted funds before actuarial adjustments of £145,685 (2017: surplus £55,715). These latter figures effectively represent the underlying operational performance of the Trust.

Unrestricted funds carried forward amount to £152,425 (2017: deficit £6,740). 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

Due to the nature of cashflow related to the income and expenditure of the Trust, this provides an opportunity to potentially realise a greater return on these funds (all of which are required to operate the business effectively) than would be possible through the normal banking system. The approach to investment is consistent with that used across local government and the public sector, and our policy was developed in liaison with and with support from Fife Council, our main funder, and sole member of the Company.

Financial investment: The Finance and Audit Committee therefore approved, on 31 August 2016, an Investment Strategy based on the following purpose, objectives and risks.

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

Investment Objectives: The Board approves the investment policy and any proposed amendments and receives a report annually on investment performance. Authority for the review of the policy, allocation of assets, assessment of risk, review of investment and investment manager's performance and withdrawal of funds is delegated to the Finance and Audit Committee.

Investment Risks: The Trust has adopted an ethically robust and risk averse appetite with a diversified portfolio which has some fixed income, some equities and some cash holdings.

Risk Management

The major strategic, business, and operational risks that the Trust 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.

Key risks identified for which mitigating actions were initiated during 2017/18 included:

- GDPR Compliance
- Reduced revenue funding from Sole Member, Fife Council
- Health & Safety – risk of harm to patrons and staff
- The need to maximize commercial opportunities in order to deliver ambitious income targets
- Capital investment to ensure continuation of mobile services
- Capacity within the finance team to deliver core functions

Principal funding sources: Contractual Relationships

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

The Trust's charitable status attracts non-domestic rating relief and VAT savings. The contractual outcomes and outputs the Company is required to deliver to Fife Council are decided by the aspirations and objectives contained in appropriate policies, plans and strategies, for example the Plan 4 Fife 2017-2027.

The Trust is required to report annually on its operations to the appropriate Committee of Fife Council, currently the Communities and Housing Services Committee.

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In addition, the Chief Executive and/or senior staff attended all seven Area Committees within the Fife area to present on the achievements and challenges faced during 2017/18. These meetings have been useful advocacy opportunities and have allowed a presentation of key performance information relating to Company operated facilities and services within each local area.

Reserves policy

The Trust is atypical as a charity insofar as it receives over 70% 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 organisation does not require to accumulate a reserve equivalent to six months' running costs in order to ensure its viability and sustainability.

Notwithstanding this, the Trust is committed to reducing its reliance on local authority funding by optimising unrestricted income and managing any cash balances carefully and professionally.

Plans for Future Periods

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

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

Work has now started on developing a new organisational strategy reflecting the journey of the organisation to date and anticipated future challenges and opportunities, setting out key priorities for the next 5 years.

During 2017/18 the Trust established a Creativity and Innovation Board under which 6 working teams operate; developing action plans aligned with each of these themes to deliver improved collaborative working, and development and growth across the organisation. We will now build on the early successes of this Board to drive the Trust forward.

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We will continue to measure our success in relation to the following areas:

- Creativity and Innovation
- Positive Impact
- Growing and Developing the Business
- Customer Service Excellence
- Good Governance

Despite being a relatively young organisation, the Trust has been through a large scale programme of change; in relation to its services, people and assets. The Trust will continue to build on the foundations that have been laid with investment in training and development to build a strong workforce that is equipped to lead and support our people. The Trust rolled-out in 2017/18 a further programme of Behavioural Management Techniques (BMT®) training alongside one to one coaching and support to managers to support ongoing leadership development and cultural change. This investment will support the revitalisation of the People Strategy during 2018/19.

Over the coming year, we will continue to consult with communities across Fife to provide people with an opportunity to tell us what they want to see in their libraries; this revisioning 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.

Commercial and business development opportunities will remain a key focus for the Trading Subsidiary embedding and developing the in-house bar, catering, and hospitality offer, and building our retail offer.

The exciting Dunfermline Carnegie Library & Galleries, which opened in May 2017, presents further opportunities for trading growth; with the catering concession now established in the venue and a dedicated retail space now operating, it is anticipated that both of these will enhance the visitor experiences for those coming into the venue.

A further area of focus for the Trust is its 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, the Trust is actively delivering services that contribute towards the key outcomes in the Plan 4 Fife of Thriving Places; Opportunities for All; Inclusive Growth and Jobs; and Community Led Services. We will therefore continue to work with partners including Fife Council, NHS Fife, and the third sector, to support the aspirations for Fife.

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.

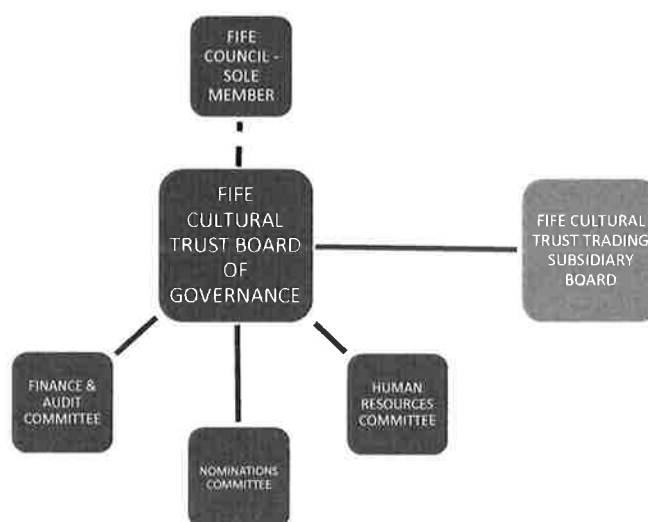
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Membership is open only to Fife Council and the sole member has undertaken to contribute an amount not exceeding one pound towards any deficit arising in the event of the company being wound up. The Company has charitable status under Section 505 of the Income and Corporation Taxes Act 1988 and the Scottish Charity number is SC043442.

Governance Architecture

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 currently charged with progressing recruitment of directors and recommending Board membership to the sole member, and for the recruitment and terms and conditions of the Chief Executive.

Directors

The Company's Board comprises 13 Directors, composed of 4 elected members of Fife Council, and 9 independent Directors. Recruitment to current and future vacancies will be led by the Nominations Committee, informed by a skills assessment exercise by the Board.

The Trust's trading subsidiary, Fife Cultural Services Trading Ltd, supports the organisation in its primary objects of carrying on activities which benefit the community primarily within the area served by Fife Council.

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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 directors from local businesses (one of whom has recently stepped down). The Board is keen to grasp the opportunity which the trading subsidiary represents to look at ways in which the facilities which the Trust operates can be utilised to generate income and strengthen relationships with the business community, and also to maximise the sponsorship, income streams, and revenue generating opportunities which can be created through having the subsidiary in existence.

The directors who served during the period on both the main Company and the trading subsidiary are included in the relevant 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, through a process led by the Chair engaging with individual Directors, and supported by a self-evaluation exercise.

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.

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Staffing and Structure

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



The Executive Team in 2017/18 consisted of:

- Chief Executive
- Director of Corporate and Commercial Development
- Director of Creative Development and Delivery

The Trust employs around 500 staff, post the transfer of bar and catering in house, in a mix of permanent and casual roles

The Trust maintains a policy of regularly providing all employees and, where represented, Trade Unions, with information on the our performance. We operate 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 Trust have the opportunity for training, development and career progression.

Trustees

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

Partner Directors

Councillor C Davidson (resigned 9 March 2018)

Councillor L W Erskine (resigned 4 May 2017)

Councillor B J Goodhall (resigned 4 May 2017)

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Councillor S M Leslie (resigned 4 May 2017)
Councillor M Skirrie (resigned 4 May 2017)
Councillor L R Backhouse (from 14 July 2017)
Councillor J A Liston (from 14 July 2017)
Councillor G D Ritchie (from 14 July 2017,
resigned 5 November 2018)
Councillor I Cameron

Independent Directors

Professor PNH Beech
D H Bottom (from 26 February 2018)
Dr D H Caldwell (Chair)
F Davidson
B E Lawrie (Vice Chair)
F C Quinault
S E Scarlett (from 26 February 2018)
C E M May (resigned 31 May 2017)
J K Steele (Resigned 14 November 2017)

Secretary

A Chalk (resigned 20 March 2018)
K Keay (from 21 March 2018)

Administrative details

Bankers

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

Investment Advisors

Brewin Dolphin
144 Morrison Street,
EDINBURGH
EH3 8EX

Solicitors

Burness Paull LLP
50 Lothian Road
EDINBURGH
EH3 9WJ

Registered Office

Iona House
John Smith Business Park
Grantsmuir Road

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KIRKCALDY
KY2 6NA

Auditors

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

Charity registration number: SC043442

Company registration number: SC415704

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.

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Disclosure of Information to the Auditor

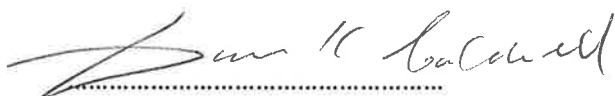
To the knowledge and belief of each of the persons who are trustees at the time the report is approved:

- So far as the Trustee is aware, there is no relevant information of which the Company's auditor is unaware; and

- He/she has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information, and to establish that the company's auditor is aware of the information.

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

Approved by the Board on 6 December 2018 and signed on its behalf by:



Dr D H Caldwell
Chairman

Date: 6 December 2018

FIFE CULTURAL TRUST
Independent Auditor's Report to the Trustees and Members of Fife Cultural Trust
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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF FIFE CULTURAL TRUST

Opinion

We have audited the financial statements of Fife Cultural Trust (the 'parent charitable company') and its subsidiary (the group) for the year ended 31 March 2018 which comprise the Consolidated and Parent Charitable Company Statement of Financial Activities (incorporating the Income and Expenditure Account), the Consolidated and Parent Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2018 and of the group's and parent charitable company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

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Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditor's Report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report), which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

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- the Strategic Report and the Directors' Report included within the Trustees' Report (incorporating the Strategic Report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustees

As explained more fully in the Trustees' responsibilities statement set out on page basis 30, the trustees (who are the directors for the purposes of company law and trustees for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as 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 the Acts and relevant regulations made or having effect thereunder.

FIFE CULTURAL TRUST
Independent Auditor's Report to the Trustees and Members of Fife Cultural Trust
For the year ended 31 March 2018

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

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

Use of our report

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

Our audit work has been undertaken so that we might state to the parent charitable company's members, as a body, and the charitable company's trustees, as a body, those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charitable company, the parent charitable company's members, as a body, and the parent charitable company's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Nick Bennett, *Senior Statutory Auditor*

For and on behalf of Scott-Moncrieff,

Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

December 2018

FIFE CULTURAL TRUST
Consolidated Statement of Financial Activities
(incorporating a consolidated income and expenditure account)
For the year ended 31 March 2018

	Note	Unrestricted Fund 2018 £	Restricted Funds 2018 £	2018 £	2017 £
Income from:					
Charitable activities	4	10,935,770	103,558	11,039,328	13,130,887
Other trading activities	3	934,488	-	934,488	796,381
Total income		11,870,258	103,558	11,973,816	13,927,268
Expenditure on:					
Charitable activities	5	(11,654,734)	(131,325)	(11,786,059)	(13,644,854)
Raising Funds	3	(987,050)	-	(987,050)	(657,051)
Total expenditure		(12,641,784)	(131,325)	(12,773,109)	(14,301,905)
Net gains/ (losses) on investments		(28,302)	-	(28,302)	52,333
Net income/(expenditure)		(799,828)	(27,767)	(827,595)	(322,304)
Transfers between funds	19	3,513	(3,513)	-	-
Other recognised gains / (losses):					
Actuarial gains/(losses) on defined benefit pension schemes	17	8,636,000	-	8,636,000	(4,201,000)
Net movement in funds		7,839,685	(31,280)	7,808,405	(4,523,304)
Reconciliation of funds:					
Total funds brought forward	19	(5,993,260)	132,085	(5,861,175)	(1,337,871)
Total funds carried forward		1,846,425	100,805	1,947,230	(5,861,175)

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 40- 58 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 2018

	Note	Unrestricted Fund 2018	Restricted Funds 2018	2018	2017
		£	£	£	£
Income from:					
Charitable activities	4	10,935,770	103,558	11,039,328	13,270,217
Total income		10,935,770	103,558	11,039,328	13,270,217
Expenditure on:					
Charitable activities	5	(11,654,734)	(131,325)	(11,786,059)	(13,644,854)
Total expenditure		(11,654,734)	(131,325)	(11,786,059)	(13,644,854)
Net gains/ (losses) on investments		(28,302)	-	(28,302)	52,333
Net income/(expenditure)		(747,266)	(27,767)	(775,033)	(322,304)
Transfers between funds	19	3,513	(3,513)	-	-
Other recognised gains / (losses):					
Actuarial gains/(losses) on defined benefit pension schemes	17	8,636,000	-	8,636,000	(4,201,000)
Net movement in funds		7,892,247	(31,280)	7,860,967	(4,523,304)
Reconciliation of funds:					
Total funds brought forward	19	(5,993,260)	132,085	(5,861,175)	(1,337,871)
Total funds carried forward		1,898,987	100,805	1,999,792	(5,861,175)

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

The notes on pages 40-58 form part of these financial statements

FIFE CULTURAL TRUST
Balance Sheets
As at 31 March 2018

	Note	Group		Charity	
		2018 £	2017 £	2018 £	2017 £
Fixed assets					
Tangible assets	9	202,619	254,827	172,204	254,827
Investments	10	504,721	510,020	504,821	510,120
		<u>707,340</u>	<u>764,847</u>	<u>677,025</u>	<u>764,947</u>
Current assets					
Stock	11	77,437	49,268	-	-
Debtors	12	345,349	441,373	642,706	483,759
Cash at bank and in hand		679,924	226,535	396,707	226,186
		<u>1,102,710</u>	<u>717,176</u>	<u>1,039,413</u>	<u>709,945</u>
Liabilities					
Creditors: Amounts falling due within one year	13	(1,556,820)	(1,343,199)	(1,410,646)	(1,336,067)
		<u>(454,110)</u>	<u>(626,023)</u>	<u>(371,233)</u>	<u>(626,122)</u>
Net current assets					
Net assets excluding pension liability		<u>253,230</u>	<u>138,825</u>	<u>305,792</u>	<u>138,825</u>
Defined benefit pension scheme asset/(liability)	17	1,694,000	(6,000,000)	1,694,000	(6,000,000)
Total net assets/(liabilities)		<u>1,947,230</u>	<u>(5,861,175)</u>	<u>1,999,792</u>	<u>(5,861,175)</u>
The funds of the charity:					
Restricted income funds	19	100,805	132,085	100,805	132,085
Unrestricted funds (excluding pension reserve)	19	152,425	6,740	204,987	6,740
pension reserve	19	1,694,000	(6,000,000)	1,694,000	(6,000,000)
Funds		<u>1,947,230</u>	<u>(5,861,175)</u>	<u>1,999,792</u>	<u>(5,861,175)</u>

The financial statements were approved and authorised for issue by the Board on 6 December 2018 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 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	20	515,917	(2,581,425)
Cash flows from investing activities:			
Purchase of property, plant and equipment		(62,528)	(5,175)
Purchase of investments		-	(510,020)
Net cash provided by/(used in) investing activities		(62,528)	(515,195)
Change in cash and cash equivalents in the reporting period		453,389	(3,096,620)
Cash at the beginning of the reporting period		226,535	3,323,155
Cash at the end of the reporting period		679,924	226,535

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2018

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 2018.

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 2018

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 2018

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 un-discounted amount of cash receivable, which is normally invoice price, less any allowances for doubtful debts.

Cash and Liquid resources

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

Creditors

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

Financial assets and financial liabilities

Financial instruments are recognised in the Statement of Financial Activities when the Company becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are accounted for as set out below. A financing transaction is measured at the present value of the future payment discounted at the market rate of interest for similar debt instrument.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS 102.

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 2018

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.

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2018

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

Termination benefits

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

Prior period adjustments

Prior period adjustments have been made to the financial statements in respect of a review undertaken in 2017/18 of stock held by Fife Cultural Trust and Fife Cultural Services Trading Limited. The outcome of this review was that stock held by Fife Cultural Trust was deemed to be aligned to the activities of Fife Cultural Services Trading Limited and consequently £49,268 of stock was transferred on a retrospective basis in relation to 2016/17.

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 2018

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.

	2018	2017
	£	£
Turnover	934,488	796,381
Cost of sales	(751,660)	(451,077)
	<u>182,828</u>	<u>345,304</u>
Gross profit		
Administrative expenses	(235,390)	(184,411)
	<u>(52,562)</u>	<u>160,893</u>
Operating profit		
Profit on ordinary activities before tax relief and gift aid		
Theatre tax relief	-	(21,563)
	<u>(52,562)</u>	<u>139,330</u>
	<u><u>(52,562)</u></u>	<u><u>139,330</u></u>
The assets and liabilities of the subsidiary were:		
Fixed Assets	30,415	-
Current Assets	420,493	59,588
Current Liabilities	(503,370)	(59,488)
	<u>(52,462)</u>	<u>100</u>
	<u><u>(52,462)</u></u>	<u><u>100</u></u>
Aggregate share capital and reserves		
	<u><u>(52,462)</u></u>	<u><u>100</u></u>

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2018

4. Income from charitable activities is as follows:

	Group		Charity	
	2018	2017	2018	2017
Unrestricted funds	£	£	£	£
Theatres	2,680,747	2,357,766	2,680,747	2,357,766
Libraries and Museums	6,183,058	7,992,805	6,183,058	7,992,805
Cultural Partnerships	293,843	436,501	293,843	436,501
Administration	1,778,122	2,006,358	1,778,122	2,145,688
Total	10,935,770	12,793,430	10,935,770	12,932,760

	Group		Charity	
	2018	2017	2018	2017
Restricted funds	£	£	£	£
Theatres	-	-	-	-
Libraries and Museums	30,127	26,881	30,127	26,881
Cultural Partnerships	73,431	304,576	73,431	304,576
Administration	-	6,000	-	6,000
Total	103,558	337,457	103,558	337,457

5. Expenditure on charitable activities- Group

	Activities undertaken directly	Support costs	Total	Total
	2018	2018	2018	2017
Unrestricted funds	£	£	£	£
Theatres	2,146,631	520,618	2,667,249	2,765,482
Libraries and Museums	5,730,244	912,663	6,642,907	7,837,353
Cultural Partnerships	258,339	-	258,339	310,547
Administration	2,011,056	75,183	2,086,239	2,264,513
Total	10,146,270	1,508,464	11,654,734	13,177,895

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2018

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Restricted funds				
Theatres	9,218	-	9,218	-
Libraries and Museums	15,725	-	15,725	43,567
Cultural Partnerships	99,841	-	99,841	423,392
Administration	6,541	-	6,541	-
Total	131,325	-	131,325	466,959

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

	General Support 2018 £	Governance 2018 £	Total 2018 £	Total 2017 £
Audit fees	-	11,155	11,155	12,180
Non audit fees	-	-	-	9,820
Legal fees and Consultants fees	-	83,888	83,888	92,927
Support provided by Fife Council	1,413,421	-	1,413,421	2,653,722
	1,413,421	95,043	1,508,464	2,768,649

Fife Cultural Trust receives support services from Fife Council free of charge. Fife Council has provided an estimated value of the services provided and they have been charged in line with the Charities Statement of Recommended Practice. The basis of the calculation of the value of these support services from Fife Council has changed since 2016/17 with the value for the central support services element not included in the figure for 2017/18 which is why the figure is lower this year. A more consistent and comparable basis for these charges in future years will be agreed with Fife Council.

In addition to those disclosed above, services in kind of £113,764 have also been recognised in the activities of the trading subsidiary disclosed in Note 3.

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2018

7. Operating Surplus

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
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	9,820	-	-
Depreciation	90,507	87,658	88,479	87,658

8. Staff numbers and costs

The remuneration and associated costs of the Group were:

	2018	2017
	£	£
Wages and salaries	5,265,387	5,466,701
Social security costs	422,749	390,384
Pension costs – service charge cost	1,873,000	1,364,000
	<u>7,561,136</u>	<u>7,221,085</u>

One member of staff was made redundant during the year and received payments totalling £12,004 (2017: £95,270). 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:

	2018	2017
	Number	Number
Employees	<u>360</u>	<u>368</u>

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2018

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

	2018	2017
	Number	Number
£60,000 - £70,000	-	-
£70,001 - £80,000	-	-
£80,001 - £90,000	-	-
£90,001- £100,000	1	1
	<u>1</u>	<u>1</u>
	<u><u>1</u></u>	<u><u>1</u></u>

The total employee benefits of the senior management team were £273,521 (2017: £303,700).

No member of the Board received remuneration or any expenses from Fife Cultural Trust other than Directors indemnity insurance (2017: nil).

9. Tangible assets- Group

	Fixture, fittings & equipment £
Cost	
As at 1 April 2017	551,640
Additions	62,528
Disposals	(96,917)
	<u>517,251</u>
As at 31 March 2018	<u><u>517,251</u></u>
Depreciation	
As at 1 April 2017	296,813
Charge	90,507
Disposals	(72,688)
	<u>314,632</u>
As at 31 March 2018	<u><u>314,632</u></u>
Net book value	
As at 31 March 2017	254,827
As at 31 March 2018	<u><u>202,619</u></u>

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2018

10. Investments

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Other	504,721	510,020	504,821	510,120
	<u>504,721</u>	<u>510,020</u>	<u>504,821</u>	<u>510,120</u>
	<u><u>504,721</u></u>	<u><u>510,020</u></u>	<u><u>504,821</u></u>	<u><u>510,120</u></u>

Fife Cultural Services Trading Limited is a wholly owned subsidiary, incorporated in Scotland. The loss for the year in Fife Cultural Services Trading Limited is £52,562 (2017: profit of £139,330) and closing net liabilities of £52,462 (2017: net assets £100).

11. Stock

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Stock	77,437	49,268	-	-
	<u>77,437</u>	<u>49,268</u>	<u>-</u>	<u>-</u>
	<u><u>77,437</u></u>	<u><u>49,268</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

12. Debtors

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	133,385	134,847	86,680	75,608
Prepayments and accrued income	89,220	78,038	87,730	78,038
Fife Council	122,744	204,282	111,100	204,282
VAT	-	24,206	-	24,206
Amounts due from subsidiary	-	-	357,196	101,625
	<u>345,349</u>	<u>441,373</u>	<u>642,706</u>	<u>483,759</u>
	<u><u>345,349</u></u>	<u><u>441,373</u></u>	<u><u>642,706</u></u>	<u><u>483,759</u></u>

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2018

13. Creditors: amounts falling due within one year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	59,653	47,284	43,084	47,283
Fife Council	187,844	116,159	123,389	116,159
Accruals and deferred income	928,894	1,179,756	888,600	1,172,625
VAT	380,429	-	355,573	-
	<u>1,556,820</u>	<u>1,343,199</u>	<u>1,410,646</u>	<u>1,336,067</u>

14. Deferred income

Deferred income comprises advanced ticket sales.

	Group	Charity
	£	£
Balance as at 1 April 2017	237,884	237,884
Amounts released during the year	(90,344)	(90,344)
Balance at 31 March 2018	<u><u>147,540</u></u>	<u><u>147,540</u></u>

15. Financial assets and liabilities

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Financial assets measured at amortised cost	936,054	595,676	951,683	588,445
Financial liabilities measured at amortised cost	(1,176,391)	(1,105,315)	(1,055,073)	(1,098,183)
	<u>(240,337)</u>	<u>(509,639)</u>	<u>(103,390)</u>	<u>(460,470)</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.

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For the year ended 31 March 2018

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.

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

	31 March 2018	31 March 2017
	£'000	£'000
Opening defined benefit obligation	46,687	34,294
Current service cost	1,873	1,364
Past service cost (including curtailments)	-	26
Interest cost on defined benefit obligation	1,231	1,217
Contributions by members	286	281
Actuarial losses/(gains)	(7,307)	10,190
Benefits paid	(739)	(684)
Unfunded benefits paid	(2)	(1)
	<hr/>	<hr/>
Closing defined benefit obligation	42,029	46,687
	<hr/> <hr/>	<hr/> <hr/>

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

	31 March 2018	31 March 2017
	£'000	£'000
Opening fair value of plan assets	40,687	32,828
Interest income on plan assets	1,065	1,160
Contributions by members	286	281
Contributions by the employer	1,095	1,113
Contributions in respect of unfunded benefits	2	1
Actuarial (losses) /gain	1,329	5989
Benefits paid	(739)	(684)
Unfunded benefits paid	(2)	(1)
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Closing fair value of plan assets	43,723	40,687
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Amounts recognised in net income/expenditure (per SOFA):

	31 March 2018	31 March 2017
	£'000	£'000
Current service cost	(1,873)	(1,364)
Past service cost (including curtailments)	-	(26)
	<hr/>	<hr/>
Total service cost	(1,873)	(1,390)
Net interest		
Interest income on plan assets	1,065	1,160
Interest cost on defined benefit obligation	(1,231)	(1,217)
	<hr/>	<hr/>
Total net interest	(166)	(57)
Total defined benefit cost recognised in net income/expenditure per the SOFA	(2,039)	(1,447)
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The major categories of plan assets as a % of the total plan assets are as follows:

	31 March 2018	31 March 2017
	%	%
Equities	72	72
Bonds	14	15
Property	8	8
Cash	6	5

The estimated employer contributions for the year to 31 March 2019 are £1,094,000.

The principal actuarial assumptions used in the calculations are:

	31 March 2018	31 March 2017
	% per annum	% per annum
Pension Increase Rate	2.4	2.4
Salary Increase Rate	2.9	3.6
Discount Rate	2.7	2.6

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Mortality

Vita curves with improvements in line with CMI 2016 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	21.2 years	23.8 years
Future Pensioners	22.6 years	25.8 years

18. Analysis of net assets between funds

Group	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Balance at 31 March 2018				
Represented by:				
Fixed assets	707,340	-	707,340	764,847
Net current assets	(553,305)	100,805	(454,110)	(626,022)
Retirement benefit scheme surplus/deficit	1,694,000	-	1,694,000	(6,000,000)
	<u>1,846,425</u>	<u>100,805</u>	<u>1,947,230</u>	<u>(5,861,175)</u>

Charity	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Balance at 31 March 2018				
Represented by:				
Fixed assets	677,025	-	677,025	764,947
Net current assets	(270,428)	100,085	(371,233)	(626,122)
Retirement benefit scheme deficit	1,694,000	-	1,694,000	(6,000,000)
	<u>1,898,987</u>	<u>100,805</u>	<u>1,999,792</u>	<u>(5,861,175)</u>

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Notes to the Financial Statements
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19. Reserves

Unrestricted reserves

Group	Opening Balance at 1 April 2017	Incoming	Outgoing	Transfers	Actuarial Gain/ (Loss)	Closing Balance at 31 March 2018
	£	£	£	£	£	£
Unrestricted fund	6,740	10,805,258	(10,663,086)	3,513	-	152,425
Pension reserve	(6,000,000)	1,065,000	(2,007,000)	-	8,636,000	1,694,000
	<u>(5,993,260)</u>	<u>11,870,258</u>	<u>(12,670,086)</u>	<u>3,513</u>	<u>8,636,000</u>	<u>1,846,425</u>
	<u><u>(5,993,260)</u></u>	<u><u>11,870,258</u></u>	<u><u>(12,670,086)</u></u>	<u><u>3,513</u></u>	<u><u>8,636,000</u></u>	<u><u>1,846,425</u></u>
Charity	Opening Balance at 1 April 2017	Incoming	Outgoing	Transfers	Actuarial Loss	Closing Balance at 31 March 2018
	£	£	£	£	£	£
Unrestricted fund	6,740	9,870,771	(9,676,037)	3,513	-	204,987
Pension reserve	(6,000,000)	1,065,000	(2,007,000)	-	8,636,000	1,694,000
	<u>(5,993,260)</u>	<u>10,935,771</u>	<u>(11,683,037)</u>	<u>3,513</u>	<u>8,636,000</u>	<u>1,898,987</u>
	<u><u>(5,993,260)</u></u>	<u><u>10,935,771</u></u>	<u><u>(11,683,037)</u></u>	<u><u>3,513</u></u>	<u><u>8,636,000</u></u>	<u><u>1,898,987</u></u>

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Restricted Funds

	Fund Balance Brought Forward £	Incoming Resources £	Outgoing Resources £	Transfers £	Fund Balances Carried Forward £
Patronbase system	3,795	-	(2,845)	-	950
Mobile Staging	6,500	-	(2,218)	-	4,282
Creative Scotland Project	10,116	-	(3,372)	-	6,744
Visual Arts & Crafts	7,396	5,000	(6,846)	(5,000)	550
Janet Brown Bequest	20,214	-	-	-	20,214
Side Entrance Improvement Project	5,119	-	-	-	5,119
Get Fife Dancing	3,513	-	-	(3,513)	-
Creative Scotland – Small Scale Capital Project	32,532	-	(7,000)	-	25,532
Cultural Prescriptions	15,824	1,275	(17,719)	5,000	4,380
The Arts Hub	(3,300)	50,437	(42,264)	-	4,873
Lochgelly Improvements	5,000	-	-	-	5,000
Modern Apprentices	17,661	11,719	(28,711)	-	669
Read Write Count	343	-	(224)	-	119
Fife Art Exhibition	45	7,268	(5,952)	-	1,361
Comic Con	1,100	8,489	(3,976)	-	5,613
Treasure Trove	-	3,788	(3,788)	-	-
Film Hub Scotland	6,000	-	(322)	-	5,678
Audience Development	-	-	-	-	-
Muller Wiseman	227	5,000	(4,301)	-	926
Digital Storytellers	-	6,900	(656)	-	6,244
Michael Scott's Project	-	982	-	-	982
Moments in Time	-	2,700	(1,131)	-	1,569
	132,085	103,558	(131,325)	(3,513)	100,805

Purposes of restricted funds

The restricted funds at 31 March 2018 relate to funds received from other bodies as contributions to specific arts and museum projects.

Visual Arts & Crafts

This is money secured from Creative Scotland and Fife Council that is specifically to fund the Visual Arts & Craft Artists Awards in partnership with Fife Contemporary

Fife Art Exhibition

The money was secured from Shell UK to pay for non core staffing costs, payments to artists, advertising and promotional costs and purchasing the 6 winning pieces of artwork plus cash prizes for the winners.

Digital Storytellers (Scottish Book Trust)

Scottish Book Trust provided funding for resources and equipment needed to allow the Digital Story teller to work with communities in glenrothes to learn how to create their own digital stories.

Michael Scott's project HLF (formerly Classroom Resources)

Money secured from project led by Andrew Coull of "Suit & Pace" used for storytelling and theatre in schools for children

Moments in Time

Money secured from Dementia Strategy Group to provide support and

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Notes to the Financial Statements
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Modern Apprentices	activities for those living with Dementia and their carers. This was money secured from a variety of partners to pay for the two MA we had in place.
Cultural Prescriptions ***	This was funding secured from Local Area Fundign to provide free creative classes for those dealing with mental health issues. Money carried forward to cover class costs.
Muller Wiseman (formerly Fife Challenge)	This was money secured from Muller Wiseman to allow us to offer free transport to schools with the highest SIMD areas in Fife to attend our venues and events
The Arts Hub	This is income from the children's classes that we offer at Lochgelly and Adam Smith. We work in partnerhisp with YMTS to offer some of theses classes and pay them accordingly. It is necessary to keep this income separate in order to ensure I can pay appropriate invoices.
Comic Con	Fife Council, Kingdom Centre and Go Glenrothes provided funding to support the creation and running of Glenrothes Comic Con.
Read Write Count	Money secured from Scottish Book Trust was given to all Scottish Library Authority to support the Book Bug Programme, spend on sensory materials to encourage family reading
Film Hub Scotland Audience Devt	This funding was secured from Screen Scotland to help us promote our film offer to a variety of audiences and this is continuing.

20. Notes to the statement of cash flows

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

	2018	2017
	£	£
Net income/(expenditure) for the reporting period (as per the SOFA)	(827,595)	(322,304)
Adjustments for:		
Interest received	-	-
Depreciation	90,507	87,658
Net cost in respect of pensions	942,000	333,000
(Increase)/decrease in stock	(28,170)	11,789
(Increase)/decrease in debtors	96,024	46,732
Increase/(decrease) in creditors	213,622	(2,738,300)
(Increase)/decrease in value of investment	5,299	-
Loss on disposal of fixed assets	24,230	-
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Net cash provided by (used in) operating activities	515,917	(2,581,425)
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Analysis of cash and cash equivalents

	2018	2017
	£	£
Cash in hand	679,924	226,535
Total cash and cash equivalents	679,924	226,535

21. Related Parties

Fife Council made a contribution in line with the Services Agreement of £7,747,286 (2017: £8,252,230). Facilities were leased to Fife Cultural Trust for a peppercorn rent. Fife Council also provided various support functions including Legal, Finance and IT which the Company received free of charge. Services in kind of this nature have been given a value and are recognised in the financial statements as disclosed at Note 6. Details are also included at Note 6 of the different basis used for calculation for 2017/18 as opposed to 2016/17 which has reduced the in kind value of these services. 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.