



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

**Report and consolidated financial statements
for the year ended 31 March 2016**

Company: SC415704

Charity: SC043442

FIFE CULTURAL TRUST
For the year ended 31 March 2016
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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 2016. The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Trustees Strategic Report

Objectives and Activities

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

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

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

Principal activity

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

Vision

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

Mission

Enriching Lives in Fife.

Purpose

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

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Values

Inclusive, creative, trusted, enabling and integrity.

Achievements and Performance in 2016

1. Theatres:

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

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

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

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

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

The Company prides itself on offering something for everyone, and accessible to everyone, across a variety of mediums including Drama, Music, Comedy, Dance and Children's shows. This year alone saw over 126,000 people attend its shows and events across all its entertainment venues.

2015/16 Highlights

Programming in Theatres

Cultural activities in theatres delivered a rich programming mix for Fife in 2015/2016 with over 700 events being run in the Company's four venues generating an annual income of £1.5m (made up from ticket income and venue hire). The Company continued its excellent relationships with national arts companies staging 'Our Ladies of Perpetual Succour' by the National Theatre of Scotland, continued the tradition of co-productions working with Catherine Wheels on Shona Reppe's Magic Sho, and promoted the ever popular Lulu to a

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delighted Fife audience. National touring productions such as Alan Stewart's 'variety' styled comedy 'Canned Laughter' starring Grant Stott, Andy Gray as well as Mr Stewart himself, played to packed houses cementing the Adam Smith Theatre's position on the Scottish medium scale theatre touring circuit. Pantomime has long been the financial backbone of theatre in the UK with our theatres playing to the largest crowds the Company has experienced with just over 30,000 in attendance.

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

The Company spent a significant amount of time researching what is staged in Fife. The Company's managers achieved this by attending festivals and events throughout the year - whilst also maintaining professional national networks in each genre. To be highlighted in this respect: in 15/16 the Company spent significant time planning and developing the 'That's Fife Comedy Festival' working with comedy experts Gilded Balloon and securing funding from partners like Go Glenrothes! to continue to enhance this event.

Attendances at all theatres for 2015/16 were 126,238 and total attendances for films at all theatres for this period is 15,508.

Creative Scotland Programming Funding

November 2015 brought the end of the 18 month period of funding the Company received from Creative Scotland amounting to £50k toward programme development, designed to financially support, the highest quality new work with an edge, and provide opportunities for new acts to come to Fife. During the period the Company ran 176 developmental shows in Celtic/Folk, Jazz, Americana, Experimental/Indie Music, new drama, film, comedy, children and strong drama programme for the under 5's with the outcome of enriching the Company's offer for audiences in Fife. The feedback from Creative Scotland was very positive with 18,131 attending over the course of the project. An opportunity now exists to apply to undertake audience research/development to identify and work with the new attenders in tandem with fine tuning the programming strands.

Highlights included:

- Legendary figures in experimental music Jaki Liebezeit from Can and Hans Irmeler from Faust performing a unique set at the Adam Smith Theatre in June 2015. This was an astonishing coup for Kirkcaldy.
- Totfest the annual children's drama festival staged throughout November in all our venues.
- Sell A Door's 'The Silver Sword' promoted in collaboration with Libraries.
- Jazz and classical artists Courtney Pine and Zoe Rahman.



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- Tae Sup Wi a Fifer- a monthly music and poetry event curated by nationally respected Fife musician James Yorkston, which featured acts as diverse as Dick Gaughan, Linton Kwesi Johnstone, Steve Mason from the Beta Band and Alexis Taylot from Hot Chip.
- Fife Youth Arts, a project in which over 4,622 young people have participated to date, also teamed up with Totfest. The Fife Youth Arts Team ran a series of Connecting Communities events throughout November 2015, offering fun for the whole family. Theatres were turned into adventurous playgrounds where tiny imaginations were allowed to run wild. Popular events included a Balloon Forest, a Teddy Bears Café Picnic and Messy Play!



2. Festivals

Totfest: The Company is proud to have hosted the seventh consecutive Totfest children's drama festival, a fantastic event that delights and captivates the very youngest of our audiences along with their parents and carers.

The tour programme which was staged across all venues in October and November 2015 featured shows such as Story Train, which was developed to support young children's creative and language development with gentle participation and lots of laughs along the way.



"Completely irresistible" The Herald

Kirkcaldy Film Festival (KFF) (September 2015) The Festival Patron is Hollywood film star, Dougray Scott, who is originally from Fife. Kirkcaldy Film Festival, devised to foster a broader interest in cinema by local audiences with the aim to increase attendance at films being shown all year round, with content not necessarily aimed at the multiplexes. The 3rd KFF sold 1,126 tickets over a four day period, highlights included an outdoor screening of the film Jaws on the Waterfront in Kirkcaldy which was sold out in 2 days.

The Company ran a retrospective of Fife film maker John Maclean's early work and featured his first critically acclaimed full feature 'Slow West', all starring Michael Fassbender.



One of the best events was The 39 Steps on the 80th anniversary of the film and 100th of the book. The post show discussion featured Ursula Buchan, Alan Morrison and Hanna McGill, their conversation travelled behind the scenes bringing to life the journey from page to the screen and also gave an insight into John Buchan's delight in Hitchcock's telling of the story.

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The addition of a BAFTA backstage photographic exhibition featuring current film stars and directors brought some real glamour to the Adam Smith Theatre and added value to the Festival as a whole.

The Festival closed with a Scottish premiere of 'Palio' made by the company behind the film 'Amy'. Overall, the festival continues to grow, not only with local audiences but with support developing from within the film industry



Fife Jazz Festival (February 2016) is one of the Company's gems in a bustling calendar. Jazz Scotland has co-produced Fife Jazz Festival with Fife Cultural Trust for over 10 years. They are an independent jazz promoter funded by Creative Scotland who present high quality events for audiences and musicians across Scotland. This year they presented a festival of 17 shows from Dunfermline to St Andrews, featuring both

international and Scottish music from Naomi Shelton and the Gospel Queens, all the way from Alabama, to the Company's first silent film music commission by renowned composer Jane Gardner for the film 'The Battle of The Sexes'.

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

3. Libraries

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

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

The Company also has:

- 104 Readers Groups in Fife
- A network of more than 230 public-access computers, where users can access free Internet, email and online learning and much more, including support from library staff, and online job search
- Free Wi-Fi across all libraries.
- Local History Collections
- Full text eBooks online from publishers such as Bloomsbury, Canongate and Arden.

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2015/16 Highlights

Harry Potter Book Night: A Night of Spells, 4th February 2016

Following the great success of Duloch Library's inaugural event in 2015, the second ever Harry Potter Book Night took place in 7 libraries this year.

Events in Cupar, Duloch, Glenwood, Lochgelly's Jennie Lee, Kennoway, St. Andrews and Templehall libraries attracted capacity attendances of 233 children and adults.



Imaginative staff decorated their libraries in impressive theatrical style, created amazing book displays to deliver a fantastic range of activities and crafts. Book lending was brisk, with Harry Potter issues increasing by around 40% compared to the same month last year.

Big Book Brains Quiz 2015/16

Now in its 7th year the Big Book Brains Quiz is more popular than ever with Primary 6 children in Fife. The young people's team inspired over 3,500 children from 121 schools to participate this time round (up 14.2%).



Together they read a phenomenal 17,500 books - and feedback from the young people who took part confirmed that they loved it. 117 schools sent teams to the popular final at the Rothes Halls on the 17th February with the cup going to Torryburn Primary. The whole event was streamed live into schools across Scotland with 44 schools joining in and winning great spot prizes.

Bookbug

Early years development work, and Bookbug in particular, continues to be a major strength in Fife's libraries. The 807 sessions delivered by staff in libraries and related facilities represents a rise of 169 sessions (or 26.4%) on 2014/15.

Total attendance rose by 29.9% to 16,403 adults and children, 3,780 up on 2014/15. Fife adopted the Scottish Book Trust Family Outreach programme in 2015. This has been vital in helping to strengthen partnerships in order to reach more vulnerable families. The number of sessions in community venues increased by 12% to 56 in total, attracting 1078 adults and children.



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This year marked the launch of a new story-centred Bookbug+ Project, launched by renowned illustrator Nick Sharratt. This offered 25 more focused support sessions to hard to reach families in the Townhill, Benarty, and Levenmouth areas. An additional 779 people attended these, with a total of 81 community sessions being delivered and attracting 1857 parents and children from some of Fife's most vulnerable and disadvantaged families.

This year 12 new Bookbug Session Leaders were trained to delivery Bookbug sessions in Fife libraries. The Company also liaised with the Scottish Book Trust to provide training for a range of local partners in leading sessions, and the gifting of Pirate Packs to 3 year olds and Primary 1 Family Packs through schools.

Summer Reading Challenge: Record Breakers

In the first year of overall declining numbers across the UK (2.8% fall in children taking part, and a 5.6% fall in those completing), the Fife 2015 Summer Reading Challenge was, by contrast, incredibly successful. In 2015 6,259 children took part in the Challenge in Fife (up 17.3% on 2014), with 3,585 completing the Challenge (up 10.8% on 2014). These figures are both records for the Summer Reading Challenge in Scotland, first launched in 1998.



The Summer Reading Challenge also led to 651 new members of Fife's libraries (up 246 on in 2014), 159,105 loans of children's books and 1231 attendees to the related programme of Summer events and activities in libraries. This success can be attributed to three changes made by the Service Development Team for the 2015 Challenge: for the first time the team visited all 141 primary schools in Fife to promote the Challenge, the Challenge began at the start of June (traditionally July), and attractive ON with Fife Libraries branded prizes were purchased to reward the children as they progressed in the Challenge.

Book Week Scotland

The Schools Programme for Book Week Scotland ran from 24th November – 1st December 2015 and consisted of 35 events across all 7 areas of Fife in libraries, theatres and schools, including 3 public events for families and one for a teenage/young adult audience.

Events were intentionally varied to appeal to and entertain a range of ages, with the programme including 8 authors, Booster Cushion Theatre and European Slam Poetry Champion MiKo Berry.

The event attracted 6019 pupils and teachers (up 57.2% on 2014), 272 family members (up 28.3% on 2014) and 40 teenagers and adults to MiKo Berry's Poetry Night at Kirkcaldy Galleries. Alice in Wonderland's 150th anniversary was an ambitious and



The Company Young People's Team and Fife College students bring the Alice Celebration Day to life at Rothes Halls

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particularly successful event, offering a full day of fun activities for over 300 children including film, live theatre and themed games celebrating the children's classic.

Every Child A Library Member (ECALM)

2016 saw the launch of a new initiative from the Scottish Government aimed at encouraging every child in Scotland to become a library member. All Scottish local authorities were invited to submit their proposals and Fife targeted parents of new babies by gifting a promotional leaflet with mock library card through the registrar birth pack. However the greatest success came from gifting every Primary 4 child in Fife with a special Superstar Reader Card. This praised them for their efforts learning to read and encouraged them to join the Record *Breakers* Summer Reading Challenge.



683 children activated their special library card, 168 were children who had never used Fife's libraries before. One very special little boy – Daanyaal Ahmad was chosen as the Superstar Reader of 2016 for reading 123 books in a year! He was rewarded with a fabulous new bike presented by Halfords and Sir Chris Hoy's height in books sponsored by Scotia & Chameleon Books in Kilsyth.

Walk ON project

Walk ON is a project funded by the Scottish Library Information Council Public Library Improvement Fund, and delivered in partnership with Active Fife. It promotes the physical and mental health benefits of walking, reading and sharing books by creating health walks which begin and end at a library, followed by an informal chat about books over a coffee.



The first Walk ON sessions took place in August 2015 in Leven and Dalgety Bay and between then and end February 2016, 30 sessions took place with a total of 326 attendances. Seven members of staff have been trained as walk leaders.

When asked what they liked, Walk ON, participants said:

- 'exercise for the body and mind'
- 'the company, meeting people and discussing books and poems'
- 'being introduced to new authors and the camaraderie of the group'
- 'balance between walking and reading'

Now that external funding has come to an end for the pilot project, groups in Leven and Dalgety Bay continue, delivered by library staff in these facilities and supported by the

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service development team. Based on the success of these pilot sessions the intention is to expand the service to new locations over the following months.

4. Museums and Galleries

Over recent years, Fife Cultural Trust has been closely involved with the Fife Council major capital project to provide a stunning new Dunfermline Carnegie Library & Galleries facility. This major new cultural hub, which will offer interactive museum and gallery spaces, is fully integrated with the world's first Carnegie Library. The prestigious extension building will also house a new children's library and local studies space.



The Great Tapestry of Scotland

In the Summer and Autumn of 2015, Kirkcaldy Galleries hosted one of the biggest community arts projects in the world, *The Great Tapestry of Scotland* exhibition.



The Tapestry consisted of 160 panels running to more than 140 metres in length, bringing to life the history of Scotland, from 420 million years ago to the 21st century, in vibrant colours and wonderful designs. Nearly 60,000 visitors - 40% of whom were first time visitors - came to view the exhibition and in a visitor survey 99.5% of them rated it as very good or excellent.

A large number of sell-out events and activities were held alongside the exhibition. The Public Stitching Project saw a new Kirkcaldy Tapestry panel being created for the museum collection by over 1,000 members of the public and volunteer stitchers. Record business in the Galleries shop included sales of over 700 copies of the Great Tapestry of Scotland book. Friends of Kirkcaldy Galleries and some local companies helped support with materials and the making of the display stands.



Visitor comments were overwhelmingly positive:
Wonderful display. Magnificently presented.
I was truly overwhelmed by this exhibition and feel like crying. It was amazing. I was inspired.
Best exhibition I have ever been to.
Better than Bayeux.

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Kirkcaldy Museum's 90th birthday celebrations



27th June saw the 90th anniversary of the opening of Kirkcaldy Museum & Art Gallery as part of the town's War Memorial. A display, a trail throughout the building and a leaflet highlighting its history (not to mention cake and balloons) all helped to mark the occasion.

Fife Art Exhibition



The Fife Art Exhibition, the Kingdom's most popular amateur art exhibition, is now in its 33rd year.

The exhibition was launched on Friday 9th October with a special prize giving ceremony to honour the talented contributors. The exhibition ran at Kirkcaldy Galleries from 10th October until 13th November.

The Fife Art Exhibition is sponsored by Shell, in a unique partnership with Fife Cultural Trust. A selection panel comprising local arts tutor, William Caulfield, glass artist Jean Dick and curator Karin Hill judged the exhibition to determine the winning works. The artists responsible for these pieces received a Shell award of £200 (in addition to the purchase price), and the purchased works were presented to Fife hospitals and health care facilities by Shell.

In June 2015, Shell funded a series of free art classes across the Kingdom as part of Fife Art, aimed at inspiring and encouraging people to create and participate. There were 10 classes, and each one was attended by between 10 and 12 people (10 for glass and ceramics classes and 12 for portrait drawing classes). The exhibition was put together from a series of over 300 submissions by local artists, following on from these classes.

FifeSpace Galleries and Theatre Display Areas

Our FifeSpace and FotoSpace Galleries in Rothes Halls and Lochgelly Centre continue to host a range of exhibition opportunities for both established and emerging local artists. Our annual 'New Graduate' exhibition took place in January/February and featured Fife bases Duncan of Jordanstone College of Art Graduate, Rachel Lee. This particular exhibition provided Rachel with a platform to launch her career as a visual artist.

Our smaller 'theatre foyer' exhibition spaces have provided opportunities for community groups and local amateurs to showcase and to see their artwork

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Treasures Found – This archaeological exhibition ran from November to February 2016 and items ranged from a Bronze Age spearhead to a medieval pilgrim badge.



Museums in Fife, Edinburgh, Scottish Borders and East and West Lothian came together through the East of Scotland Museums Partnership to create this exhibition of archaeological objects found through the Treasure Trove process. It toured Scotland and was shown in Kirkcaldy Galleries from November to February.

Included was a fascinating medieval seal matrix connected to William de Lamberton, Bishop of St Andrews (1297-1328) from the time of the Wars of Independence. This was discovered by a metal detectorist at Boarhills near St Andrews and came to Fife Museums through the national Treasure Trove scheme. Its purchase was funded by grants from the Friends of Kirkcaldy Galleries, the Art Fund and the Museums Association (Beecroft Bequest).

The wonders of Fife's archaeology were also explored through *Treasures of the Kingdom*, an exhibition at St Andrews Museum in Spring 2015 curated by postgraduate Museum & Gallery Studies students of the University of St Andrews. This partnership with the University gives students an opportunity to build their museum skills and knowledge and also create a display and educational activities at St Andrews Museum.

Robert Dunsire - The Story of a Victoria Cross Exhibition – about recipient Robert Dunsire, one of only five Fifers awarded this medal, was shown at Methil Heritage Centre. This exhibition appealed to many people interested in local and military history within Fife and across Scotland.



As part of the ongoing commemorations of the centenary of World War 1, the museums and heritage team supported the Friends of Methil Heritage to mount an exhibition and accompanying events. The Friends successfully applied for Heritage Lottery Funding and were able to bring in an external designer and curator for their show. Using Fife's collections and borrowing from other museums and private collections they were able to movingly tell the story of one of Fife's World War 1 Victoria Cross winners, from the coalfields of East Fife to his death after the Battle of Loos in 1916.

The exhibition, which attracted much positive media coverage was opened by the Lord Lieutenant of Fife.

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“Speaking Of ... Dunfermline” Project ran from Sept 2014 to end August 2015



This project ran from September 2014 to end August 2015 and was a major oral history project to gather stories for Dunfermline's new museum, which will in 2017 as part of Dunfermline Carnegie Library & Galleries.

It was supported by grant funding from Museums Galleries Scotland and involved:

- 20 volunteers including 2 work experience placements (one from the University of Glasgow Museum Studies course)
- 3 partner organisations from across Fife (other museums)
- Pitreavie Girl Guide Unit
- Carnegie Trefoil Guild (ladies who have been involved in girl guiding earlier in life)
- Jean Mackie Centre sheltered housing staff and residents

The outcomes and benefits of the Project included:

- Community engagement in the new museum project: through involving local volunteers and interviewing local residents, the project contributed to over 100 people participating in Dunfermline's new museum project
- A greater awareness of Dunfermline's heritage
- Enhancing museum collections – interpretation and access. Lots of clips of the interviews are included in the audio-visual offer in the new Museum.
- Strengthening community relationships
- Skills development for both volunteers and staff
- Partnerships
- Audience Development
- Girl guiding Inter-generational Mini-project: “Speaking Of...Guiding”
- Re-union of community members
- Volunteer group is now continuing

Developing Museum Collections

Some very generous donations were made to the museum collection. A gift of 34 pieces of Wemyss Ware pottery was made and another large group of Kirkcaldy-made ceramics, this time from the Links Pottery, was made by another local collector. Highlights from these pottery donations have been put on display in the Café Wemyss.

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Conservation and Loans



A number of paintings cared for by Fife Cultural Trust went on loan across this country and more widely in 2015/16; a major Glasgow Boys exhibition was held at the Drents Museum in the Netherlands where two works from *A Spring Day, Morocco* by Thomas Millie Dow and *Landscape with Girl and Sheep* by E A Hornel were displayed. Another Glasgow Boy painting, *The Boatyard* by Arthur Melville, one of the first works acquired by Kirkcaldy Museum & Art Gallery in 1925, was loaned to the National Galleries Scotland for a retrospective on this important artist.

To commemorate the centenary of the birth of William Gear, an abstract artist from Methil, a loan of his painting *Interieur Noir* was made to the City Art Centre in Edinburgh.

The Friends of Kirkcaldy Galleries funded conservation work to a number of paintings in the museum collections:

- *Les Arbres* and *Interieur Noir* by William Gear
- *Sundown in Spring* by J H Lorimer
- *The Wave* by William McTaggart

Heritage Venues and Sites

Overall visitor numbers to our museums and heritage sites is at an all-time high – 300,543 in 2015/16 compared to 213,687 in 2011/12.

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

St Monans Windmill saw a surge in visitor numbers since 2011/12 when 90 people visited. Last year saw 901 visits largely as a result of the partnership with the Coastwatch group who now use the building regularly.

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5. Archives & Local Studies

Local History Week March 2016

The theme this year was Science and Technology. Cupar Library created a display about Technology and Crime; the many visitors to see the display included a local Brownie Group.



The Children's Services Development Team helped to organise a CSI/forensic science event attended by 29 children. Fifteen children attended an event about photography and 25 adults joined local historian Steve Penrice on a guided walk.

At Kirkcaldy Galleries during the week around 600 people visited the exhibition Engineering in Fife. 70 people attended the events: lunch and local history with local historian Dave Reid; inventors in Fife and how technology changed the home - an event for children organised with the Children's Services Development Team; a collecting morning to share stories and photographs with Margaret Bennett and a talk by Dougie Reid - My Life in Engineering.

Fife's War

The Local Studies Officers provided Fife pages for the Scotland's War website. A roadshow at Cupar Library gave local groups the chance to share their stories and WW1 objects with the Scotland's War Team.

Volunteers transcribed the WW1 letters from Rev. Monteith the Parish Minister from Elie.

Conservation

A map of Kirkcaldy dated 1809 was cleaned and repaired to make it strong enough for display.

Fife Archives

In October 2015 the Archives moved from Markinch to Iona House in Kirkcaldy. Public access continued but on a much reduced basis. Iona House is a temporary home until building work is completed on the new library, museum and archive facility at Bankhead near Glenrothes.

- 178 people consulted records in the search room
- 10 Volunteers donated 344 hours of their time



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Developing Archive Collections

37 donations or deposits were received including:

- Letters and diaries of Walenty Grabowski, a Polish soldier posted to St Andrews, 1938-44
- Records of Methil Bowling Club, 1900-1991
- Minutes of joint shop stewards meetings at R.G.C Methil, 1974-2000
- The Fife Archaeological Index by Dr Edwina Proudfoot, James Kenworthy, Nick Bogdan and others and the University of St Andrews

6. Create In Fife:

'Create in Fife' supports Fife's creative and cultural industries; its aims are as follows:

- To provide support including events, skills training, capacity building, promotional opportunities, an awards scheme, funding advice, professional practice development.
- To facilitate collaboration and networking among its community.
- To champion and celebrate emerging talents.
- Provision of an informative website.

During 2015/16, the programme included:

Visual Artist and Craft Maker Awards: Fife

Creative Scotland has established small grants schemes with a range of local authorities across Scotland to support visual artists and craft practitioners in their creative and professional development. The award schemes are intended to support practitioners at all stages of their career who have demonstrated a commitment to their work and in developing their practice.

The Fife awards are co-funded by Creative Scotland, Fife Council and Fife Cultural Trust. They are administered by Fife Cultural Trust and Fife Contemporary Art and Craft

A total of 18 artist grants were made, five mentoring awards and three development programme awards.

Pecha Kucha

Pecha Kucha is a networking event for creative people; during a Pecha Kucha evening, a number of presenters will make an accelerator pitch for their business or idea by showing 20 slides of 20 seconds each, thus the title 'Pecha Kucha 20x20'. Presentations are designed to be informative and entertaining.

Pecha Kucha Dunfermline was organised as part of the 'Create in Fife' programme, and the first event took place in February 2016.

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The creative economy in Fife is characterised by a wealth of talent, and presenters have delivered an interesting mix of creative, inspirational and factual presentations.

Creative Christmas Fayre

'Create in Fife' organised a very special 'Creative Christmas Fayre' in Kirkcaldy Galleries during December. As an organisation set up to support the creative and cultural sector in Fife, Create in Fife has first-hand knowledge of the innovative arts and crafts which are produced locally and was able to offer the public an exceptional opportunity to purchase unique and affordable handmade Christmas gifts.

Set in the beautiful Kirkcaldy Galleries Activities Room, the event included a broad range of arts and crafts including jewellery, textiles, felts, photographic works, soaps, ceramics and original prints.

Create in Fife Exhibition

Members of the Create in Fife network were invited to display artwork in Lochgelly Centre Gallery.

The aim of the exhibition was to showcase the high quality and variety of arts and crafts work currently being produced within Fife. The show ran from January until March and was advertised in our brochure and on our website and social media channels. A 'private viewing' event generated many sales and attracted significant press coverage

7. Business Development

Customer-Service Training: Fife Cultural Trust has adopted the WorldHost™ programmes which provide a gold standard in customer service training for any business that relies on day-to-day interaction with customers for success. WorldHost™ customer service training has been used to train over 160,000 people in the UK, and one million people worldwide.

Over the course of 2016, all Fife Cultural Trust staff will receive training; this will start with key front of house personnel who will undertake initial training in the first quarter of 2016 and at time of writing over 200 staff members have been trained. At the end of 2015/16, 125 members of staff had been trained.

Venue Hire: A framework was produced in November last year which focuses on venue hire development across the Trust. A wedding brochure was created for the first time last year and the commercial and business development team attended a wedding fayre on 21st February 2016 to showcase the Trust's wedding offer with over 500 brides and grooms attending the Fife Wedding Show.

Other key workstreams have included the creation of a centralised enquiry base for new business enquiries to maximise the conversion of enquiries to business opportunities and also improve customer relationship management.

FIFE CULTURAL TRUST
Trustees' Report (incorporating the Trustees' Strategic Report)
For the year ended 31 March 2016

Sponsorship: During 2015-16 Fife Cultural Trust secured £1,700 of funding from Hiscox Insurance to support the restoration of a Glasgow Boys Painting and a Disaster Repair and Care Collections Kit for the Archives Team. Intensive work is ongoing to develop a range of projects that could be supported financially through corporate sponsorship and continue to build effective relationships with a range of local businesses.

Sponsorship from Muller Wiseman for the Peter Pan Christmas Pantomime at Carnegie Hall continued this year supporting a Transport subsidy supporting schools to bring primary age children to the event.

FIFE CULTURAL TRUST
Trustees' Report (incorporating the Trustees' Strategic Report)
For the year ended 31 March 2016

Financial Review

Review of the year

For the financial year 2015/16 the Company's consolidated financial position out-turned a net loss for the year before accounting for the actuarial gain on Fife Council Pension Fund of £2,834,000 as shown in the Statement of Financial Activities. Within the net expenditure figure of £595,524 there are actuarial adjustments of £667,000. After allowing for a transfer to restricted funds of £60,271 there is an underlying trading surplus of £11,205 on unrestricted funds.

The movement in the consolidated outturn, in comparison to the prior year, is a decrease in the underlying trading position on unrestricted funding from a surplus of £17,939 to a surplus of £11,205 in 2015/16 after taking into account the actuarial accounting adjustments.

Unrestricted funds were reduced in the prior year as a result of the transition to FRS 102. £174,275 was provided for as at 1 April 2014 in respect of paid annual leave resulting in a reduction in unrestricted funds to a deficit balance of £60,180 as at 31 March 2015. A deficit balance has also been reported as at 31 March 2016 (£40,975).

The Directors and Executive Team are acutely aware that the current financial environment for the Trust will continue to require careful cost control and management going forward.

Financial planning for the longer-term sustainability of the organisation given the scale of the financial challenges facing local government and the public sector more generally, has been and remains a key focus for the Board and Executive Team.

- **Investment policy**

Financial investment: The purpose of financial investment is to yield the best financial return within the level of risk considered to be acceptable - this return can then be spent on the Company's aims.

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

Investment Risks: The Trust will adopt a fundamentally risk averse appetite and a diversified portfolio which has some fixed income, some equities and some cash holdings.

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

FIFE CULTURAL TRUST
Trustees' Report (incorporating the Trustees' Strategic Report)
For the year ended 31 March 2016

- **Risk Management**

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

- **Principal funding sources: Contractual Relationships**

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

The contractual outcomes and outputs the Company is required to deliver to Fife Council are decided by the aspirations and objectives contained in appropriate policies, plans and strategies, for example the Council Plan 2017: Ambitious for Fife and Fife's Cultural Strategy.

The Company is required to report annually on its operations to the Education, Health, and Social Care Scrutiny Committee of Fife Council. In addition, a combination of the Chief Executive, Chair, and senior staff attended all of the seven Area Committees within the Fife area to present on the achievements and challenges faced during 2015/16. These meetings are useful advocacy opportunities and have also allowed a presentation of key performance information relating to Company operated facilities and services within each local area.

- **Reserves policy**

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

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

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Trustees' Report (incorporating the Trustees' Strategic Report)
For the year ended 31 March 2016

Plans for Future Periods

A key focus of the forthcoming year will be to apply for Regular Funding Organisation status to Creative Scotland. Work has already started to scope an application which will require to be submitted in Spring next year. This is an important opportunity to further underpin the financial sustainability of the organisation.

Further roll out of WorldHost™ training will take place to ensure that all relevant staff within the organisation are trained and also further training sessions will be delivered to external organisations as part of the Trust's income generation strategy and given the demand currently for such training.

Work will continue to deliver the Financial Strategy agreed by the Board and with Fife Council. Key elements of this will include the transformation of the libraries network to better meet the needs of customers and ensure the sustainability of library services in Fife. This will involve the closure of up to 16 libraries, and the fundamental reshaping of the libraries network to a hub, spoke, and satellite model, as well as the modernisation of the mobile and home delivery library services, and developing and delivering a clear vision for a modern library service over the next 5 years. The Trust is involved in supporting, with Fife Council, those communities interested in developing alternative delivery models for library services. The changes to the library services are predicated on the implementation of a voluntary severance scheme, and the Strategy also requires the delivery of a range of efficiencies and income generating activities, the delivery of the remaining £813,000 of a total savings requirements from Fife Council, of £1.7m. The Financial Strategy will be almost completely implemented by 2018/19.

The Board has identified 6 key themes that it wants to focus on for the next 5 years, identifying key activities within these themes for the next 12 months to March 2017. There are:

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

A range of actions have been identified in relation to each of these themes. The Board has also committed to a range of improvement activities regarding its own operation and governance. These include progressing with Board vacancies, addressing equalities and diversity gaps, re-organising Board meetings to allow more time for strategic reflection and feedback from Board members, improving induction, and reviewing the role and membership of existing committees. A range of strategic sessions are also to be organised

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Trustees' Report (incorporating the Trustees' Strategic Report)
For the year ended 31 March 2016

taking a more in depth look at particular services or projects within Fife Cultural Trust or particular corporate priorities e.g. income generation and commercial development.

New strategy documents are to be prepared for each area of service provision within the Trust - libraries, museums, and theatres. Alongside these, a new creative development framework is being developed to inform the types of projects delivered, to maximise the collaborative opportunities creatively across the organisation, and to inform engagement with key creative and cultural partners. A programming review is also planned, with a particular focus on theatres, to ensure that there is a balance of profit making, break even, and loss making shows which reflect both corporate priorities and the creative vision, as well as optimising the income generation capacity of this key area. The focus will be on ensuring that the programming both reflects the need of current customers, whilst maximising audience development opportunities.

It is increasingly important that the services that the Trust delivers are promoted effectively and also that the positive impact on local communities of these services is understood. A refreshed approach to marketing with a new marketing and audience development strategy is underway. The increasingly effective marketing and promotion of all services and activities is essential in terms of delivering on objectives of inclusion and accessibility and for maximising participation, as well as supporting income generation and commercial development plans. Work to improve the effectiveness of how customer feedback is gathered and used to support continuous improvement is underway, and this is part of a wider drive to embed a performance culture within the organisation.

A key focus for Fife Cultural Trust is on employability, both recognising the role of the organisation as a significant local employer, and also demonstrating a commitment to create and support opportunities for both staff and also others with an interest in cultural and creative opportunities.

Fife Cultural Trust already supports:

- Professional development opportunities for the people who work within Fife Cultural Trust
- Modern Apprenticeships
- Voluntary work experience/internships/mentoring and coaching
- Supporting young people by bridging the gap between school and college
- Creative Industries support through Create in Fife

Strong partnerships are already in place with Fife Council, Scottish Government, Skills Development Scotland, Fife College, Opportunities Fife, and a range of other partners to deliver associated opportunities and significant external funding continues to be attracted to support this work.

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Given the scale, nature, and pace of the change and uncertainty which the organisation has faced in its early years, work is ongoing to support managers and staff in creating a corporate culture that will grasp the opportunity of Fife Cultural Trust and will also identify the required behaviours for leaders in the organisation, and this change programme will continue to be supported by a programme of Behavioural Management Techniques (BMT®) training along with a programme of coaching and support to managers to ensure a culture is embedded which values and enables staff, and ensures resilience and adaptability to change within the organisation. Continuing complementary work to improve induction procedures, roll out the employee development scheme, and generally to ensure delivery of the priorities and actions within the Company's People Strategy, will also continue over the next year.

Commercial and business development opportunities will remain a key focus with strategies relating to both catering and retail to be finalised over this period along with a programme of initiatives to increase income which already in train. The Board of the Trading Subsidiary, and the Trading Subsidiary generally will be crucial in delivering on the Company's aspirations in relation to commercial and business development, all of which is undertaken in a way consistent with the charitable purposes of the organisation, optimising income in a way which ensures that the Company also delivers on its obligations in relation to widening access, maximising participation, and delivering a range of inclusive and affordable opportunities.

The Company will continue to train staff on World Host throughout the organisation and intends to apply in September 2016 for business recognition for the organisation. A recognized business status will allow the Company to promote itself as an investor in the World Host training programme and ensure that a culture of customer service excellence is consistently created throughout the Company. To date 232 member of staff have successfully attended and completed the course equating to 54.5% of the Company's staffing resource.

FIFE CULTURAL TRUST
Trustees' Report (incorporating the Trustees' Strategic Report)
For the year ended 31 March 2016

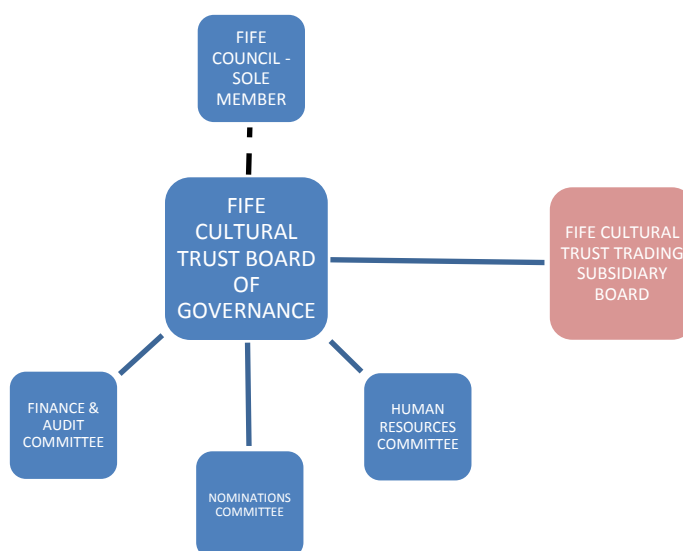
Structure, Governance and Management

Fife Cultural Trust is a company limited by guarantee (SC415704), governed by its Memorandum and Articles of Association, and does not have share capital. Membership is open only to Fife Council and the member has undertaken to contribute an amount not exceeding one pound towards any deficit arising in the event of the company being wound up. The Company has charitable status under Section 505 of the Income and Corporation Taxes Act 1988 and the Scottish Charity number is SC043442.

Governance Architecture

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

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



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

Directors

The Company's Board comprises 13 Directors, composed of 4 elected members of Fife Council, and 9 independent Directors. There are currently 2 vacancies on the Board, following the resignation of Kathleen Taylor in June 2016 and Carole Patrick in July 2014; recruitment to fill these vacancies is now being progressed, led by the Nominations Committee, informed by

FIFE CULTURAL TRUST
Trustees' Report (incorporating the Trustees' Strategic Report)
For the year ended 31 March 2016

a recent skills assessment exercise by the Board. Recruitment for a Trustee with HR skills and knowledge has already been prioritised.

The Company's trading subsidiary, Fife Cultural Services (Trading) Ltd, o primary objects are to carry on activities which benefit the community primarily within the area served by Fife Council. The trading subsidiary can have up to 6 directors on its Board, and currently 4 of these places are taken up by directors drawn from the Board of the main Company and two external business partners. The Board is keen to grasp the opportunity which the trading subsidiary represents to look at ways in which the facilities which the Trust operates can be utilised to generate income and strengthen relationships with the business community, and also to maximise the sponsorship, income streams, and revenue generating opportunities which can be created through having the subsidiary in existence. Recruitment is ongoing to fill the current vacancy on the trading subsidiary Board.

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

Policies and procedures for induction and training of directors

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

Director Insurance

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

Organisation of Business

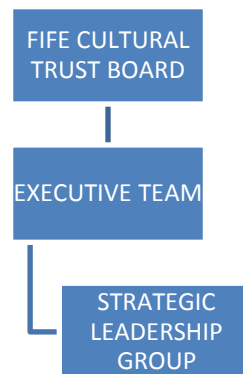
The Board of Directors meets at least quarterly with directors and senior management present. Decisions are taken to set the overall strategy for the business as well as to monitor its activities. Senior management are charged with the task of implementing these decisions. Also in place are a Finance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

The Board has also, as required by the Articles of Association, established a Nominations Committee.

FIFE CULTURAL TRUST
Trustees' Report (incorporating the Trustees' Strategic Report)
For the year ended 31 March 2016

Staffing and Structure

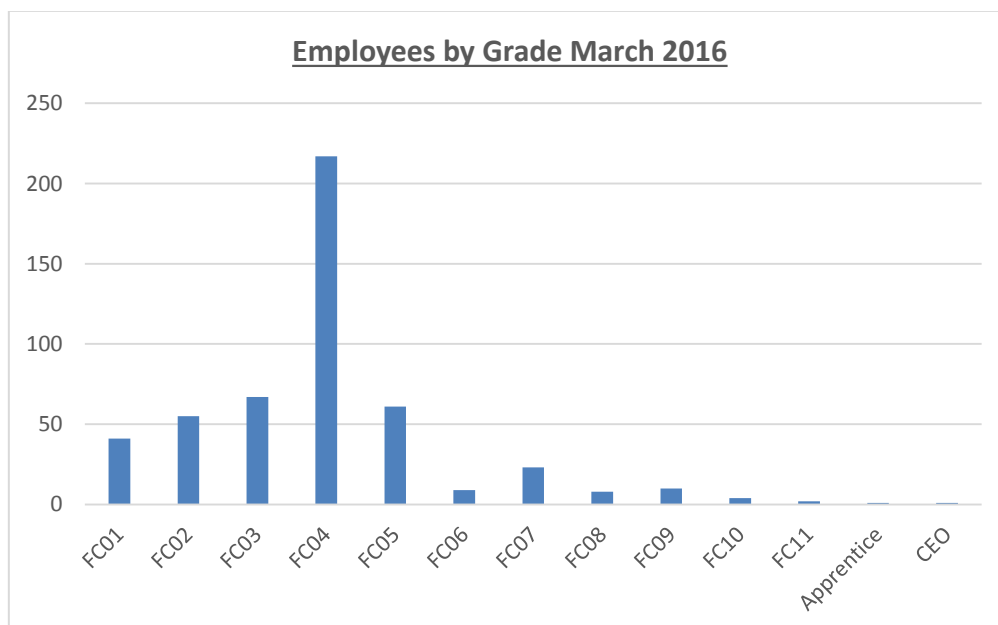
Beneath the Board, the following managerial arrangements have been made:



The Executive Team in 2015-16 consisted of:

- Chief Executive
- Head of Change and Improvement
- Head of Business Development
- Head of Customer Services and External Relations (up to January 2016)
- Head of Partnerships and Service Development (from January 2016)

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



The Company maintains a policy of regularly providing all employees and, where represented, trade unions with information on the company's performance. The Company

FIFE CULTURAL TRUST
Trustees' Report (incorporating the Trustees' Strategic Report)
For the year ended 31 March 2016

operates an Equal Opportunities policy and applies this policy to all employees and job applicants. The policy seeks to ensure that everyone receives equality of opportunity, regardless of age, carer responsibility, colour, disability, ethnic origin, gender, marital status, nationality, politics, race, religion, sexuality, social/economic status, trade union membership/activity or any other unjustifiable grounds. All persons employed by the company have the opportunity for training, development and career progression.

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

FIFE CULTURAL TRUST
Trustees' Report (incorporating the Trustees' Strategic Report)
For the year ended 31 March 2016

Trustees

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

Partner Directors

LW Erskine

BJ Goodall

M Shirkie

DF MacGregor

S Leslie

Resigned December 2015

Appointed January 2016

Independent Directors

KE Brown

DH Caldwell

SR Cross (Chair)

B Lawrie

CEM May

FC Quinault

JK Steele

K Taylor

Resigned June 2016

Secretary

J McPhail (resigned May 2016)

A Chalk (appointed May 2016)

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Trustees' Report (incorporating the Trustees' Strategic Report)
For the year ended 31 March 2016

Administrative details

Bankers	Royal Bank of Scotland Glenrothes Branch 3 Falkland Gate Kingdom Centre Glenrothes KY7 5NS
Solicitors	Burness Paull LLP 50 Lothian Road Edinburgh EH3 9WJ
Registered Office	Iona House John Smith Business Park Grantsmuir Road Kirkcaldy Fife Scotland KY2 6NA
Auditor	Scott-Moncrieff Exchange Place 3 Semple Street Edinburgh EH3 8BL
Charity registration number:	SC043442
Company registration number:	SC415704

FIFE CULTURAL TRUST
Trustees' Report (incorporating the Trustees' Strategic Report)
For the year ended 31 March 2016

Statement of Trustees' Responsibilities

The trustees (who are the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of Information to the Auditor

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

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

FIFE CULTURAL TRUST
Trustees' Report (incorporating the Trustees' Strategic Report)
For the year ended 31 March 2016

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

Approved by the Board onand signed on its behalf
by:

Chair:.....

Date:.....

FIFE CULTURAL TRUST
Independent Auditor's Report to the Trustees and Members of Fife Cultural Trust
For the year ended 31 March 2016

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

We have audited the financial statements of Fife Cultural Trust for the year ended 31 March 2016 which comprise the Consolidated Statement of Financial Activities (incorporating the Income and Expenditure Account), Charity Statement of Financial Activities, Group Balance Sheet, Charity Balance Sheet, Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)'.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

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

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

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

FIFE CULTURAL TRUST
Independent Auditor's Report to the Trustees and Members of Fife Cultural Trust
For the year ended 31 March 2016

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2016 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and parent income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

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

Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Date.....

FIFE CULTURAL TRUST
Consolidated Statement of Financial Activities
(incorporating a consolidated income and expenditure account)
For the year ended 31 March 2016

	Note	Unrestricted Fund 2016	Restricted Funds 2016	2016	2015
		£	£	£	£
Income from:					
Charitable activities	5	9,800,222	383,281	10,183,503	9,951,501
Other trading activities	4	1,020,634	-	1,020,634	1,015,814
Total income		10,820,856	383,281	11,204,137	10,967,315
Expenditure on:					
Charitable activities	6	(10,821,900)	(500,903)	(11,322,803)	(10,739,803)
Other trading activities	4	(594,480)	-	(594,480)	(658,450)
Total expenditure		11,416,380	(500,903)	(11,917,283)	(11,398,253)
Net income/(expenditure)		(595,524)	(117,622)	(713,146)	(430,938)
Transfers between funds	20	(60,271)	60,271	-	-
Other recognised gains / (losses):					
Actuarial gains/(losses) on defined benefit pension schemes	18	2,834,000	-	2,834,000	(1,024,000)
Net movement in funds		2,178,205	(57,351)	2,120,854	(1,454,938)
Reconciliation of funds:					
Total funds brought forward	20	(3,693,180)	234,455	(3,458,725)	(2,003,787)
Total funds carried forward		(1,514,975)	177,104	(1,337,871)	(3,458,725)

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

The notes on pages 35 to 54 form part of these financial statements

FIFE CULTURAL TRUST
Charity Statement of Financial Activities
(incorporating a consolidated income and expenditure account)
For the year ended 31 March 2016

	Note	Unrestricted Fund 2016	Restricted Funds 2016	2016	2015
		£	£	£	£
Income from:					
Charitable activities	5	10,226,376	383,281	10,609,657	10,308,865
Total income		10,226,376	383,281	10,609,657	10,308,865
Expenditure on:					
Charitable activities	6	(10,821,900)	(500,903)	(11,322,803)	(10,739,803)
Total expenditure		(10,821,900)	(500,903)	(11,322,803)	(10,739,803)
Net income/(expenditure)		(595,524)	(117,622)	(713,146)	(430,938)
Transfers between funds	20	(60,271)	60,271	-	-
Other recognised gains / (losses):					
Actuarial gains/(losses) on defined benefit pension schemes	18	2,834,000	-	2,834,000	(1,024,000)
Net movement in funds		2,178,205	(57,351)	2,120,854	(1,454,938)
Reconciliation of funds:					
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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.

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FIFE CULTURAL TRUST
Balance Sheets
As at 31 March 2016

		Group		Charity	
	Note	2016	2015	2016	2015
		£	£	£	£
Fixed assets					
Tangible assets	10	337,310	275,725	337,310	275,725
Investments	11	-	-	100	100
		<u>337,310</u>	<u>275,725</u>	<u>337,410</u>	<u>275,825</u>
Current assets					
Stock	12	61,057	58,161	61,057	58,161
Debtors	13	488,105	278,269	487,080	277,244
Cash at bank and in hand		3,323,155	1,099,354	3,323,055	1,099,254
		<u>3,872,317</u>	<u>1,435,784</u>	<u>3,871,192</u>	<u>1,434,659</u>
Liabilities					
Creditors: Amounts falling due within one year	14	(4,081,498)	(1,537,234)	(4,080,473)	(1,536,209)
Net current assets		<u>(209,181)</u>	<u>(101,450)</u>	<u>(209,281)</u>	<u>(101,550)</u>
Net assets excluding pension liability		<u>128,129</u>	<u>174,275</u>	<u>128,129</u>	<u>174,275</u>
Defined benefit pension scheme liability	18	(1,466,000)	(3,633,000)	(1,466,000)	(3,633,000)
Total net liabilities		<u>(1,337,871)</u>	<u>(3,458,725)</u>	<u>(1,337,871)</u>	<u>(3,458,725)</u>
The funds of the charity:					
Restricted income funds	20	177,104	234,455	177,104	234,455
Unrestricted funds (excluding pension reserve)	20	(48,975)	(60,180)	(48,975)	(60,180)
Pension reserve	20	(1,466,000)	(3,633,000)	(1,466,000)	(3,633,000)
Funds		<u>(1,337,871)</u>	<u>(3,458,725)</u>	<u>(1,337,871)</u>	<u>(3,458,725)</u>

The financial statements were approved and authorised for issue by the Board on 7 September 2016 and signed on its behalf by:

S R Cross
Chairman
Registered number SC415704

FIFE CULTURAL TRUST
Consolidated Statement of Cash Flows
For the year ended 31 March 2016

	Notes	2016 £	2015 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	21	2,369,500	369,940
		<hr/>	<hr/>
Cash flows from investing activities:			
Purchase of property, plant and equipment		(145,699)	(48,504)
		<hr/>	<hr/>
Net cash provided by/(used in) investing activities		(145,699)	(48,504)
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		2,223,801	321,436
Cash at the beginning of the reporting period		1,099,354	777,918
		<hr/>	<hr/>
Cash at the end of the reporting period		3,323,155	1,099,354
		<hr/> <hr/>	<hr/> <hr/>

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2016

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 3.

Before 2016 the financial statements were prepared in accordance with UK GAAP applicable prior to the adoption of FRS 102, as issued by the Financial Reporting Council, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities", the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006, and referred to as "previous UK GAAP". The financial effects of the transition to FRS 102 are set out 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 2016.

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 2016

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 2016

Leases

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

Stocks

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

Debtors

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

Cash and Liquid resources

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

Creditors

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

Financial assets and financial liabilities

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

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

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

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2016

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	- 4years
Equipment (Short Life)	- 4 years
Equipment (Medium Life)	- 5 to 8 years
Equipment (Long Life)	- 10 years
Fixtures and Fittings	- 5 years

Taxation

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

Pensions

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

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

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

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

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2016

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

Termination benefits

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

2. Transition to FRS 102

These financial statements for the year ended 31 March 2016 are the Company's first financial statements that comply with the FRS 102. The Company's date of transition to FRS 102 is 1 April 2014. The Company's last financial statements prepared in accordance with previous UK GAAP were for the year ended 31 March 2015.

The transition to FRS 102 has resulted in a number of changes in the Company's accounting policies compared to those used when applying the previous UK GAAP.

The following explanatory notes to the financial statements describe the differences between the funds and income and expenditure presented under the previous UK GAAP and the newly presented amounts under FRS 102 for the reporting period ended 31 March 2015 (i.e. comparative information), as well as the funds presented in the opening statement of balance sheet (i.e. at 1 April 2014). It also describes the changes in accounting policies made on first-time adoption of FRS 102.

In the table below, funds determined in accordance with FRS 102 are reconciled to funds determined in accordance with previous UK GAAP at both 1 April 2014 (the date of transition to FRS 102) and 31 March 2015.

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2016

	At 1 April 2014			At 31 March 2015		
	Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
Fixed assets						
Tangible assets	283,189	-	283,189	275,725	-	275,725
Current assets:						
Stock	56,285	-	56,285	58,161	-	58,161
Debtors	429,225	-	429,225	278,269	-	278,269
Cash in hand	777,918	-	777,918	1,099,354	-	1,099,354
Liabilities:						
Creditors: amounts falling due in one year	(1,211,129)	(174,275)	(1,385,404)	(1,362,959)	(174,275)	(1,537,234)
Net current assets	52,299	(174,275)	(121,976)	72,825	(174,275)	(101,450)
Total assets less current liabilities	335,488	(174,275)	161,213	348,550	(174,275)	174,275
Pension fund liability	(2,165,000)	-	(2,165,000)	(3,633,000)	-	(3,633,000)
Total net liabilities	(1,829,512)	(174,275)	(2,003,787)	(3,284,450)	(174,275)	(3,458,725)
The funds of the charity:						
Unrestricted funds	100,781	(174,275)	(73,494)	114,095	(174,275)	(60,180)
Pension reserve	(2,165,000)	-	(2,165,000)	(3,633,000)	-	(3,633,000)
Restricted funds	234,707	-	234,707	234,455	-	234,455
Total charity funds	(1,829,512)	(174,275)	(2,003,787)	(3,284,450)	(174,275)	(3,458,725)

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2016

Reconciliation of net movement in funds for the year ended 31 March 2015

	Notes	Previous UK GAAP £	Effect of transition £	FRS 102 £
Income from:				
Charitable activities		9,951,501	-	9,951,501
Other trading activities		1,015,814	-	1,015,814
Total		10,967,315		10,967,315
Expenditure on:				
Charitable activities	(a),(b)	(10,252,803)	(487,000)	(10,739,803)
Other trading activities		(658,450)	-	(658,450)
Total		(10,911,253)	(487,000)	(11,398,253)
Net income/(expenditure)		56,062	(487,000)	(430,938)
Other recognised gains/(losses):				
Actuarial gains/losses on defined benefit pension scheme		(1,511,000)	487,000	(1,024,000)
Net movement in funds		(1,454,938)	-	(1,454,938)

(a) In accordance with FRS 102, a provision for paid annual leave has been recognised at the date of transition, 1 April 2014. The movement in the provision for the year ended 31 March 2015 has also been recognised as an effect of transition (nil movement).

(b) Recognition of the adjustments to the defined benefit pension scheme have been restated under FRS 102.

3. 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.

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2016

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.

4. 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.

	2016	2015
	£	£
Turnover	995,776	980,814
Cost of sales	(466,773)	(509,679)
	<hr/>	<hr/>
Gross profit	529,003	471,135
Administrative expenses	(127,707)	(148,771)
	<hr/>	<hr/>
Operating profit	401,296	322,364
Profit on ordinary activities before tax relief and gift aid		
Theatre tax relief	24,858	35,000
Gift Aid	(426,154)	(357,364)
	<hr/>	<hr/>
Profit for the year	-	-
	<hr/> <hr/>	<hr/> <hr/>
The assets and liabilities of the subsidiary were:		
Current Assets	59,958	35,100
Current Liabilities	(59,858)	(35,000)
	<hr/>	<hr/>
	100	100
	<hr/> <hr/>	<hr/> <hr/>
Aggregate share capital and reserves	100	100
	<hr/> <hr/>	<hr/> <hr/>

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2016

5. Income from charitable activities is as follows:

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Unrestricted funds				
Theatres	2,255,471	2,158,431	2,255,471	2,158,431
Libraries and Museums	5,919,243	5,589,831	5,919,243	5,589,831
Cultural Partnerships	326,746	151,326	326,746	151,326
Administration	1,298,762	1,639,591	1,724,916	1,996,955
	<hr/>	<hr/>	<hr/>	<hr/>
Total	9,800,222	9,539,179	10,226,376	9,896,543
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Restricted funds				
Theatres	279,404	314,375	279,404	314,375
Libraries and Museums	63,185	12,212	63,185	12,212
Cultural Partnerships	40,692	51,735	40,692	51,735
Administration	-	34,000	-	34,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total	383,281	412,322	383,281	412,322
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

6. Expenditure on charitable activities

	Activities undertaken directly 2016	Support costs 2016	Total 2016	Total 2015
	£	£	£	£
Unrestricted funds				
Theatres	(2,858,073)	-	(2,858,073)	(2,243,087)
Libraries and Museums	(5,978,839)	-	(5,978,839)	(5,942,289)
Cultural Partnerships	(247,150)	-	(247,150)	(194,325)
Administration	(1,638,463)	(99,375)	(1,737,838)	(1,942,903)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	(10,722,525)	(99,375)	(10,821,900)	(10,322,604)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2016

	Activities undertaken directly 2016 £	Support costs 2016 £	Total 2016 £	Total 2015 £
Restricted funds				
Theatres	(410,780)	-	(410,780)	(150,611)
Libraries and Museums	(43,659)	-	(43,659)	(73,045)
Cultural Partnerships	(46,464)	-	(46,464)	(125,206)
Administration	-	-	-	(68,837)
Total	(500,903)	-	(500,903)	(417,199)

7. Analysis of governance and support costs

	General Support	Governance	2016 £	2015 £
Audit fees	-	12,180	12,180	16,450
Non audit fees	-	2,040	2,040	3,649
Legal fees and Consultants fees	-	85,155	85,155	69,525
	-	99,375	99,375	89,624

Fife Cultural Trust receives support services from Fife Council free of charge. It has not been possible to reliably value the provision of these services and therefore no support costs have been disclosed in these financial statements.

8. Operating Surplus

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
The operating surplus is stated after charging/(crediting)				
Auditors' remuneration (including expenses) for audit	12,180	16,450	11,155	15,425
for other services	2,040	-	-	-
Depreciation	84,114	55,968	84,114	55,968

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2016

9. Staff numbers and costs

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

	2016	2015
	£	£
Wages and salaries	5,691,936	5,480,811
Social security costs	323,740	320,557
Pension costs – service charge cost	1,652,000	1,438,000
	<u>7,667,676</u>	<u>7,239,368</u>

Three members of staff were made redundant during the year and received payments totalling £66,306. The cost of these redundancies is fully funded by Fife Council.

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

	2016	2015
	Number	Number
Employees	<u>373</u>	<u>331</u>

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

	2016	2015
	Number	Number
£60,000 - £70,000	1	-
£70,001 - £80,000	-	-
£80,001 - £90,000	-	1
£120,001 - £130,000	1	-
	<u>2</u>	<u>1</u>

The total employee benefits of the senior management team were £226,415 (2015: 295,155).

No member of the Board received remuneration or any expenses from Fife Cultural Trust other than Directors indemnity insurance (2015: nil).

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2016

10. Tangible assets (for group and company)

	Fixture, fittings & equipment £
Cost	
As at 1 April 2015	400,766
Additions	145,699
	<hr/>
As at 31 March 2016	546,465
	<hr/> <hr/>
Depreciation	
As at 1 April 2015	125,041
Charge	84,114
	<hr/>
As at 31 March 2016	209,155
	<hr/> <hr/>
Net book value	
As at 31 March 2015	275,275
As at 31 March 2016	337,310
	<hr/> <hr/>

11. Investments

	2016 £	2015 £
Investment in subsidiary undertaking	100	100
	<hr/> <hr/>	<hr/> <hr/>

Fife Cultural Services (Trading) Limited is a wholly owned subsidiary, incorporated in Scotland. The profit for the year in Fife Cultural Services (Trading) Limited is £nil (2015: £nil) and closing shareholders' funds are £100 (2015: £100).

12. Stock

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Stock	61,057	58,161	61,057	58,161
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2016

13. Debtors

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	81,142	60,447	81,142	60,447
Prepayments and accrued income	234,702	145,662	174,844	110,642
Fife Council	172,261	72,160	172,261	72,180
Amounts due from subsidiary	-	-	58,833	33,975
	<u>488,105</u>	<u>278,269</u>	<u>487,080</u>	<u>277,244</u>

14. Creditors: amounts falling due within one year

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	41,362	85,041	41,362	85,041
Fife Council	2,625,618	157,490	2,625,618	157,490
Accruals and deferred income	1,035,950	934,699	1,034,925	933,674
VAT	378,568	360,004	378,568	360,004
	<u>4,081,498</u>	<u>1,527,234</u>	<u>4,080,473</u>	<u>1,536,209</u>

15. Deferred income

Deferred income comprises advanced ticket sales.

	Group	Charity
	£	£
Balance as at 1 April 2015	216,862	216,862
Amounts released during the year	(29,159)	(29,159)
Balance at 31 March 2016	<u>187,703</u>	<u>187,703</u>

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2016

16. Financial assets and liabilities

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Financial assets measured at amortised cost	3,674,009	1,277,255	3,672,884	1,276,130
Financial liabilities measured at amortised cost	(1,072,812)	(960,368)	(1,071,787)	(959,343)
	<u>2,601,197</u>	<u>316,887</u>	<u>2,601,097</u>	<u>316,787</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.

17. 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.

18. Pension Scheme

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

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2016

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

	31 March 2016	31 March 2015
	£'000	£'000
Opening defined benefit obligation	35,822	30,416
Current service cost	1,652	1,438
Past service cost (including curtailments)	97	35
Interest cost on defined benefit obligation	1,165	1,333
Contributions by members	296	298
Actuarial losses/(gains)	(3,852)	2,835
Benefits paid	(883)	(533)
Unfunded benefits paid	(3)	-
Closing defined benefit obligation	34,294	35,822

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

	31 March 2016	31 March 2015
	£'000	£'000
Opening fair value of plan assets	32,189	28,251
Interest income on plan assets	1,040	1,233
Contributions by members	296	298
Contributions by the employer	1,204	1,129
Contributions in respect of unfunded benefits	3	-
Actuarial loss/gain	(1,018)	1,811
Benefits paid	(883)	(533)
Unfunded benefits paid	(3)	-
Closing fair value of plan assets	32,828	32,189

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Notes to the Financial Statements
For the year ended 31 March 2016

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

	31 March 2016	31 March 2015
	£'000	£'000
Current service cost	(1,652)	(1,438)
Past service cost (including curtailments)	(97)	(35)
Total service cost	(1,652)	(1,473)
Net interest		
Interest income on plan assets	1,040	1,233
Interest cost on defined benefit obligation	(1,165)	(1,333)
Total net interest	(125)	(100)
Total defined benefit cost recognised in net income/expenditure per the SOFA	(1,874)	(1,573)

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

	31 March 2016	31 March 2015
	%	%
Equities	68	72
Bonds	16	16
Property	10	8
Cash	6	4

The estimated employer contributions for the year to 31 March 2017 are £1,137,000.

The principal actuarial assumptions used in the calculations are:

	31 March 2016	31 March 2015
	% per annum	% per annum
Pension Increase Rate	2.2	2.4
Salary Increase Rate	3.4	3.5
Discount Rate	3.5	3.2

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Notes to the Financial Statements
For the year ended 31 March 2016

Mortality

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

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

19. Analysis of net assets between funds

Group	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Balance at 31 March 2016				
Represented by:				
Fixed assets	337,310	-	337,310	275,725
Net current assets	(386,285)	177,104	(209,181)	(101,450)
Retirement benefit scheme deficit	(1,466,000)	-	(1,466,000)	(3,633,000)
	<u>(1,514,975)</u>	<u>177,104</u>	<u>(1,337,871)</u>	<u>(3,458,725)</u>

Charity	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Balance at 31 March 2016				
Represented by:				
Fixed assets	337,410	-	337,410	275,825
Net current assets	(386,385)	177,104	(209,281)	(101,550)
Retirement benefit scheme deficit	(1,466,000)	-	(1,466,000)	(3,633,000)
	<u>(1,514,975)</u>	<u>177,104</u>	<u>(1,337,871)</u>	<u>(3,458,725)</u>

FIFE CULTURAL TRUST
Notes to the Financial Statements
For the year ended 31 March 2016

20. Reserves

Unrestricted reserves

Group	Opening Balance at 1 April 2015	Incoming	Outgoing	Transfers	Actuarial Gain	Closing Balance at 31 March 2016
	£	£	£	£	£	£
Unrestricted fund	(60,180)	10,820,856	(10,749,380)	(60,271)	-	(48,975)
Pension reserve	(3,633,000)	-	(667,000)	-	2,834,000	(1,466,000)
	<u>(3,693,180)</u>	<u>10,820,856</u>	<u>(11,416,380)</u>	<u>(60,271)</u>	<u>2,834,000</u>	<u>(1,514,975)</u>
	<u><u>(3,693,180)</u></u>	<u><u>10,820,856</u></u>	<u><u>(11,416,380)</u></u>	<u><u>(60,271)</u></u>	<u><u>2,834,000</u></u>	<u><u>(1,514,975)</u></u>

Charity	Opening Balance at 1 April 2015	Incoming	Outgoing	Transfers	Actuarial Loss	Closing Balance at 31 March 2016
	£	£	£	£	£	£
Unrestricted fund	(60,180)	10,226,376	(10,154,900)	(60,271)	-	(48,975)
Pension reserve	(3,633,000)	-	(667,000)	-	2,834,000	(1,466,000)
	<u>(3,693,180)</u>	<u>10,226,376</u>	<u>10,821,900</u>	<u>(60,271)</u>	<u>2,834,000</u>	<u>(1,514,975)</u>
	<u><u>(3,693,180)</u></u>	<u><u>10,226,376</u></u>	<u><u>10,821,900</u></u>	<u><u>(60,271)</u></u>	<u><u>2,834,000</u></u>	<u><u>(1,514,975)</u></u>

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Restricted Funds

	Fund Balance Brought Forward	Incoming Resources	Outgoing Resources	Transfers	Fund Balances Carried Forward
	£	£	£	£	£
Patronbase system	9,489	-	-	(2,847)	6,642
Mobile Staging	10,898	-	-	(2,180)	8,718
Creative Scotland Project - Re:move - Residency	16,859	-	-	(3,371)	13,488
Creative Scotland – Visual Arts & Crafts Janet Brown Bequest	(23,609)	21,265	(26,350)	28,594	(100)
Side Entrance Improvement Project	20,214	-	-	-	20,214
Treasure Trove	5,119	-	-	-	5,119
Public Library Improvement Fund (PLIF)	670	11,658	(13,420)	1,092	-
Kirkcaldy Film Festival	10,000	-	-	(10,000)	-
The Bothy & Bothy Ballads	1,875	5,500	(7,375)	-	-
Creative Economy Development Fund	8,909	14,467	(28,376)	5,000	-
Get Fife Dancing	(3,110)	-	-	3,110	-
Creative Identities Dance	16,978	-	(10,991)	(3,281)	2,706
Creative Scotland – Small Scale Capital Project	4,155	-	-	(4,155)	-
Fife Challenge	46,532	-	-	(7,000)	39,532
Cultural Prescriptions	(11,489)	-	-	11,489	-
WW1	5,874	4,428	(8,259)	6,457	8,500
Creative Learning Network	(27,897)	22,633	(8,899)	14,163	-
The Arts Hub	(4,583)	-	-	4,583	-
Creative Development Network	156,694	259,436	(370,325)	2,400	48,205
Cultural Consortium	(11,635)	-	-	11,635	-
Think Innovation	(7,207)	-	(864)	8,071	-
Treasure Plus	(206)	-	-	206	-
NHS	680	2,053	(1,033)	(1,700)	-
Dianne Arbus	1,000	-	-	(1,000)	-
Loghgelly Improvements	3,245	4,194	(4,704)	(2,735)	-
Modern Apprentices	5,000	-	-	-	5,000
Walk on Project	-	15,000	-	-	15,000
Dunfermline Museum & Art Gallery	-	5,000	(5,009)	9	-
Fife Art Exhibition	-	3,200	(3,200)	-	-
Read Write Count	-	5,897	(7,628)	1,731	-
Tablet Tasters	-	7,550	(4,470)	-	3,080
	-	1,000	-	-	1,000
	234,455	383,281	(500,903)	60,271	177,104

FIFE CULTURAL TRUST
Notes to the Financial Statements
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21. Notes to the statement of cash flows

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

	2016	2015
	£	£
Net income/(expenditure) for the reporting period (as per the SOFA)	(713,146)	(430,938)
Adjustments for:		
Interest received	-	-
Depreciation	84,114	55,968
Net cost in respect of pensions	667,000	444,000
(Increase)/decrease in stock	(2,896)	(1,876)
(Increase)/decrease in debtors	(209,836)	151,981
Increase/(decrease) in creditors	2,544,264	150,805
Net cash provided by (used in) operating activities	2,369,500	369,940

Analysis of cash and cash equivalents

	2016	2016
	£	£
Cash in hand	3,323,155	1,099,354
Total cash and cash equivalents	3,323,155	1,099,354

22. Related Parties

Fife Council made a contribution in line with the Services Agreement of £8,362,770 (2015: £8,298,026). Facilities were leased to Fife Cultural Trust for a peppercorn rent. Fife Council also provided various support functions including Legal, Finance and IT for which the Company received these free of charge. Details of sums due to/from Fife Council are disclosed in notes 13 and 14.

23. 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.