

CULTURE **PERTH & KINROSS**

**Culture Perth and Kinross Limited
(A company limited by guarantee)**

Company number: SC518247

**Trustees' Report and Consolidated Financial Statements
for the year ended 31 March 2020**

Culture Perth and Kinross Limited (a company limited by guarantee)

Trustees' Report and Consolidated Financial Statements

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Culture Perth and Kinross Limited (a company limited by guarantee)

Chair's Report

It is my great pleasure to once again introduce this report on the activity of Culture Perth and Kinross for the year ended 31 March 2020. This report reflects our fourth full year of operation, one which was full of innovative activity, extensive community engagement and significant new partnerships before interruption towards the end of the year as a result of the terrible COVID-19 pandemic, which as I write is still ongoing and taking a toll on the country in many ways.

The COVID-19 Pandemic and our reaction

Before I go through this I wanted to record on behalf of the Board our thanks to all staff members and all our volunteers for their part in the calm and efficient way in which they have approached the crisis. The outstanding spirit was encapsulated in an excellent YouTube video which involved quite a number of CPK colleagues and which should be a further source of great pride.

Whilst there continues to be much uncertainty locally as to what the long-term impacts of the pandemic may be on communities and the local economy, we at Culture Perth and Kinross remain committed to supporting the citizens of the region throughout the recovery process and as new priorities emerge.

We have worked closely with Perth and Kinross Council, to ensure we have been able to continue to deliver an eLibrary service, bringing eBooks, eAudiobooks, eNewspapers and eMagazines to individuals online. We have made more of our collections and learning content available online and continue to develop new content to support individuals explore and engage with their local culture and heritage during this period of lockdown.

The speed with which we have been able to increase our digital output has been made possible by the tremendous work undertaken by our committed staff and excellent volunteers throughout this year. New partnerships with Google Arts and Culture, Abertay University and the Perth and Kinross Rural LEADER Fund have been supporting an increase in our digital capacity as a route to making more of our collections and resources as accessible as possible to local, national and international audiences.

I write as we prepare to reopen where we can, a large and complex task that is being handled with great skill and energy by those concerned.

The year before COVID-19

We delivered innovative exhibitions including 'Only in Whispers' which saw us recreate the interior of a grand Country House in Perth Museum and Art Gallery; and, 'Conservation in Action' which unveiled the work of highly skilled conservators working to preserve some of the most significant and much-loved objects from the Collection including the 'Perth Mummy'. Such was the importance of this work it made headlines around the world, with features in South and North American media and across Europe putting both Perth Museum and Art Gallery and the region on the radar of many new audiences.

We enjoyed a wonderful summer season with our 'Jacobite Clans' exhibition attracting record visitor numbers. We were delighted to welcome the Cabinet Secretary for Economy, Fair Work and Culture, Fiona Hyslop MSP for a tour of the exhibition in August.

The Board undertook a review of its membership this year and took the opportunity to further strengthen the skills, knowledge and experience round our table with the recruitment of three new members each bringing considerable senior experience in Museums, Libraries, Culture and public sector finance. We are now in a stronger than ever position to support the organisation as it navigates the challenges of post lockdown operations over the coming year.

Other important matters

The Board also continue to work closely with Perth and Kinross Council on the development of the major capital project which will transform the way we deliver museum and gallery services and the visitor's experience of our collections, recognised as being of national significance. Plans for the redevelopment of Perth City Hall are now well advanced and in a strong position to progress when Government and Public Health advice allows. The Board have been discussing in detail how the new building will operate once open to ensure we bring the history and heritage of the area to greater national and international prominence and bring benefits, not just to Culture Perth and Kinross and Perth City, but to the wider Tay region.

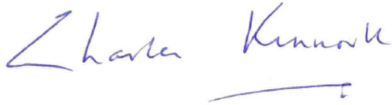
We extend our sincere thanks to our supportive funders among them the Gannochy Trust, Museums and Galleries Scotland, National Fund for Acquisitions, Perth and Kinross Rural LEADER, the Scottish Library and Information Council, the National Lottery Heritage Fund and the Scottish Book Trust.

Culture Perth and Kinross Limited (a company limited by guarantee)

Chair's report

A note of particular thanks must go to our principal funder and supporter Perth and Kinross Council. The Council's ongoing commitment to us as an organisation both financial and logistical, along with their continued trust and faith in our work is greatly valued by all of us within Culture Perth and Kinross.

As a Board we recognise that we do not work in isolation and any success is one we share with our staff, our volunteers, our many partners and most importantly our communities, visitors, customers and audiences. Whatever form your engagement with us takes as we move forward, I would like to offer our most sincere gratitude for your continued support and for making our work matter. I very much look forward to continuing to work in collaboration with you all.

A handwritten signature in blue ink that reads "Charles Kinroull". The signature is written in a cursive style with a horizontal line underneath the name.

CHARLES KINNOULL
CHAIR

Culture Perth and Kinross Limited (a company limited by guarantee)

Report of the Trustees

The trustees, who are also the directors of the company for the purposes of company law, are pleased to present their annual report and audited financial statements for the year ended **31 March 2020**.

Objectives and Activities

- To advance the arts, heritage and culture;
- To provide recreational facilities, and organise recreational activities, with such facilities/activities being made available to members of the public at large, with the object of improving their conditions of life;
- To advance education;
- To advance citizenship and/or community development (which may include the promotion of civic responsibility, volunteering, the voluntary sector and/or the effectiveness or efficiency of charities);
- To relieve those in need by reason of age, ill health, disability, financial hardship or other disadvantage;
- To advance such similar charitable purposes as the directors may consider appropriate from time to time, through the provision of services (including those entrusted to it by Perth and Kinross Council), which contribute to advancing wellbeing (primarily the wellbeing of residents of the area served by Perth and Kinross Council) including:
 - a) the operation, management and development of Cultural Facilities (including arrangements to facilitate access to such facilities by those on lower incomes or with special needs and to encourage wider participation in cultural activities); and
 - b) the development and delivery of Cultural Activities and events directed towards wider participation in such activities.

These objects inform the **vision**, *'to be at the heart of a Cultural Community that connects people, ideas, knowledge and collections'* and **mission**, *'to develop and deliver a range of innovative and creative cultural services, public programmes and partnerships which engage a wide and diverse audience in the best of local, national and international culture'* for the organisation which in turn drive the annual activities of the organisation.

The charity delivers in key service areas set out below:

Libraries and Information Services

- 48.8 staff resources (FTE).
- 13 Libraries in locations across Perth and Kinross.
- A mobile library service with 3 vehicles making approx. 102 stops every two weeks to remote rural locations, targeted communities, schools and nurseries, residential care homes and sheltered housing complexes.
- A digital library service which includes e-book, e-audiobook, e-newspaper and e-magazines as well as comprehensive reference resources.
- A range of volunteering, outreach, learning and early years' services designed to support literacies, reader development, inclusion and health and well-being.

Museum and Galleries Services

- 22.8 staff resources (FTE).
- Three **4*** Museums and Galleries venues (Perth Museum and Art Gallery and the Fergusson Gallery in Perth and Alyth Museum) housing a collection of over **450,000** objects which is a Recognised Collection of National Significance to Scotland.
- Exhibitions and Public Programming including events, talks and workshops.
- Heritage Learning, Volunteering and Outreach programmes across Perth and Kinross.

Archives and Local and Family History Services

- 6.4 staff employed (FTE).
- The Perth and Kinross Archive holds the records of Perth & Kinross Council and its predecessors, and those of local individuals, estates, businesses and organisations. Records date back over 800 years and the service is an important resource for researchers and is currently based within the AK Bell Library in Perth.
- Family and Local History services primarily support individuals to find out more about their local area and in particular to discover their ancestry and local family connections. The service has a number of resources and collections which support such research including local books, pamphlets, historic local newspapers and maps.

Report of the Trustees

Objectives and Activities (cont.)

Creativity

- **2.3 FTE** Project staff across all areas of the organisation work with partners, communities and individuals to support:
 - Training, development and employment opportunities for young people within the cultural and heritage sector.
 - Employability and business growth within the cultural and heritage sector through Perthshire Creates and other creative industry networks.
 - A network of Maker_Spaces in 5 Library locations across the region.

Following a review of our first year of operations (2017-18), **6 key strategic objectives** were identified. These compliment national and local priorities, as set out in the *National Improvement Framework* and the *Perth and Kinross Strategic Priorities for Culture 2018-2021* and support delivery of the key objects of Culture Perth and Kinross as set out in the Articles of Association. These inform the **Strategic Operating Plan** and **Team Plans**.

- 1. To increase access to, and develop new audiences for, our services and collections.**
- 2. To support digital inclusion and innovation across all our services.**
- 3. To use cultural experiences and services to help address inequalities and to promote personal growth and development.**
- 4. To engage proactively and creatively with customers, communities and partners.**
- 5. To contribute to cultural sector debate and development at a local and national level.**
- 6. To increase the resilience and sustainability of the organisation.**

Achievements and Performance

Through the scrutiny of the Board and actions of senior officers, Culture Perth and Kinross promotes an environment of continuous improvement using a combination of performance and demographic data, customer and visitor feedback, self-evaluation and, where appropriate, external scrutiny to identify improvement actions and development priorities. There are a number of key performance indicators (KPIs) which are scrutinised by the Board and reported to Perth and Kinross Council as a key funder, on a quarterly basis. Sitting behind these are detailed management information reports which support the day to day running of the organisation.

The improvements and actions for the organisation are set out in our Strategic Operating Plan 2019-21. Through use of a 'Golden Thread', all plans are aligned to local and national strategic priorities including the *Perth and Kinross Priorities for Culture and Sport 2018-2021* and the *Perth and Kinross Community Plan (SOA) 2013-2023*.

CPK Strategic Objective 1: To increase access to, and develop new audiences for, our services and collections

Throughout 2019/20 new approaches to programming were being tried and tested within our Museums and Galleries with a view to increasing our work with contemporary artists and the opportunities for deeper engagement with audiences.

We began the year with a new immersive visitor experience in our Galleries, Only in Whispers. Designed by critically acclaimed designer Becky Minto, more usually known for her work producing award-winning set designs for the Theatre, this exhibition recreated the interior of a lost Perthshire mansion house allowing the visitors to uncover local myths and legends as they toured each room. The exhibition was a first for the Museum and working with Becky helped develop an understanding of how gallery spaces could be transformed and the appetite for different styles of exhibition presentation which is further supporting the development of programming content. 85% of visitors to the exhibition said they were very satisfied with their experience.

"Very imaginative and immersive", "The attention to detail and the sensory experience", "The setting, it really felt like you were walking through a house. And there were so many things to interact with, it made it really fun." Comments from Visitors to Only in Whispers.

Report of the Trustees

Achievements and Performance (cont.)

Following a commission from Culture Perth and Kinross and inspired by photographic archive material held in the Collections, award-winning photographer Sophie Gerrard brought her exploratory project, *Drawn to the Land* to Perth Museum and Art Gallery. The exhibition took an intimate look at the contemporary Scottish landscape through the eyes of women working in Perthshire. For the showing in Perth, Sophie documented farmers and shepherds in Auchterarder, Crieff, Amulree and Butterstone. The project was one of two warmly received photography exhibitions this year as part of new programming approaches with our galleries. The second exhibition was 'A Contested Land' a contrasting series of works by photography collective Document Scotland. The exhibition explored the complex relationship between Scotland's people, history and landscape through the work of four photographers and was the first showing of the exhibition in Scotland.

"I really enjoyed this. I loved reading about the different women, who come across so vividly. Inspirational.", "Absolutely fascinating, great to see a focus on women on what might be viewed as a masculine domain.", "Good to see a representation of hill/mountain sheep farming not all crafty and twee but focused on the daily successes and failures in beauty & space." Comments from Visitors to Drawn to the Land.

We launched the new Soutar Festival of Words which ran from 26 – 28 April. A packed programme with 29 events for all ages including author talks, poetry readings and a poetry walk, and creative writing workshops featuring authors such as Denzil Meyrick, Bernard MacLaverty, Alex Grey, Luke Winter, Kate Leiper and Professor Kirsteen McCue. Poet in Residence for the Festival, Jon Plunkett was commissioned to create and perform several new poems which reflected on the themes of the festival.

Our Summer exhibition, 'Jacobite Clans' highlighted the role that the Jacobites in the local area played in Scottish history. It was developed with partners, such as Blair Castle and Archive, the Library of Innerpefferay and National Galleries Scotland who for the first time ever, loaned Richard Wilson's Flora Macdonald and William Mosman's Prince Charles Edward Stuart. Several private collections also generously loaned key objects for the exhibition, some of which had never been on public display previously. The exhibition was the first time we have introduced Gaelic interpretation into gallery texts which we were able to do through a partnership with and funding from Bord na Gaidhlig. The exhibition received 95% positive satisfaction in feedback from visitors.

"Very interesting - well laid out - very informative and having both Gaelic and English equally displayed was excellent", "The exhibition was an interesting account as to how Jacobitism related to clanship. Well done, as this is often an untold perspective.", "The variation in items is very impressive and gives full and detailed insight. the descriptions and time line are placed well and are useful in identifying important people." Comments from Visitors to Jacobite Clans.

As a companion piece to Jacobite Clans we commissioned artist and performer Belle Jones to deliver an exhibition providing a female interpretative voice by undertaking a series of workshops with Perth Women's Collective. Belle worked with the group to examine the life and actions of Flora Macdonald through a contemporary female lens resulting in an immersive, soundscape-based exhibition imaging the varied responses to Flora's actions had they taken place in the present day.

Also, in the Summer we were fortunate to be able to display the Solheim Cup, to coincide with the tournament being held at Gleneagles. The trophy was unveiled by PGA Professional Karyn Dallas, the Scottish Girls National Coach alongside several female golfers from across Perthshire. In addition to displaying the Trophy we also had a small display telling the story of Perth's Fairway Maid, Jessie Valentine. Jessie's lifelong golfing career with championship wins at home and abroad through the 1930s and 1950s led to her becoming a Scottish sporting legend. Awarded an MBE for services to golf, she turned professional in the 1960s using her skills to design golf clubs for women. The display proved to be very popular with local golfers and we were delighted to host surviving members of Jessie's family at the launch of the display.

In November, we launched our largest exhibition of works by JD Fergusson to date. The exhibition featured more than 40 works and explored the many influences on his painting including examples from some of the key influences on his painting; Matisse, Derain and Peplow, which were generously loaned to us by the National Gallery, TATE and the National Galleries of Scotland. A tour of the exhibition by Artist and Art Historian Lachlan Goudie was filmed and used as a promotional introduction to the exhibition online.

We continued to deliver a highly successful programme of author talks and events in our Libraries and welcomed authors such as Ann Cleeves, Peter May, Anthony Horowitz and Lin Anderson. Libraries also participated in Book Week Scotland, a national celebration of books and reading, with a series of author talks for Mobile Library customers and the Author Helen Field, whose event was held in ASDA in Perth to reach an audience which may not otherwise have attended a library event.

Report of the Trustees

Achievements and Performance (cont.)

"Fantastic. Mr Horowitz is a lovely person & made my son's day.", "Very inspiring & funny Excellent evening- Anthony was a brilliant speaker so engaging, thoughtful & energetic.", "Ann really engaged with the audience in a lovely, intimate setting", "Thoroughly enjoyable, excellent speaker, great venue." Comments from attendees at library events.

Table 1. Visits In Person to Culture Perth and Kinross Venues

It is challenging to make like for like comparisons across 2018/19 and 2019/20 as the latter year was the first in which the Fergusson Gallery closed from October 2019 and was due to reopen for the new season in April 2020. There was also a two-week closure of all venues over the Christmas and New Year period, an extension from the previous year of 5 days. All venues closed on 17 March 2020 and so footfall for that month is half what we would have expected to see. We also had extended closures for building works at Coupar Angus Library and Scone Library this year reducing footfall for these services.

	2016/17	2017/18	2018/19	2019/20	2019/20 v 2018/19
Total number of visits in person	679,989	675,772	666,845	643,825	Decrease of 3.4%
Number of visits in person to Libraries	614,000	595,923	600,320*	578,303	Decrease of 3.6%
Numbers of visits in person to Museums and Galleries	65,989	79,849	66,525	65,522	Decrease of 1.5%

*In 2018/19 there was a reduction of 1 mobile library from the service.

CPK Strategic Objective 2: To support digital inclusion and innovation across all our services

We secured funding of £59,924 from Museums & Galleries Scotland (MGS) to undertake a project with Abertay University in Dundee to increase access to the Collections through the introduction of innovative and interactive digital engagement opportunities. The project involves the development of an online portal, MyMuseum, to better connect audiences with the natural history, archaeology and fine art Collections. The project is working with volunteers and the new portal will allow users to save their favourite items from the digitised collections and share them with other people via their own personally designed online museum.

Following the success of our Digital Maker_Space at the AK Bell Library, this year we secured funding of £54,000 from Perth and Kinross Rural LEADER programme to support the development of 4 further Maker_Spaces in libraries in Crieff, Blairgowrie, Kinross and Aberfeldy. The geographic spread of resources increases access to the cutting-edge technologies within rural areas and the project also received funding of £10,000 from Perth and Kinross Council's Economic Development funds in recognition of its impact on opportunities for local business and digital upskilling in rural areas. Additionally, the project secured funding from the Scottish Library and Information Council to employ a Creative Technologist, the first time such a role has been sited within a library context.

This year we continued to invest in our online library services and launched a new Pressreader service in June 2019. Pressreader gives library customers access to 20 million searchable pages from more than 700 UK newspaper titles, covering every aspect of local, regional and national news. As well as news articles, readers often use the service to find obituaries, advertisements, letters and family notices. As a result of this development we have seen an 83.6% increase in usage.

We continued to extend our social media presence this year with the launch of new Instagram channels for the Museum, Libraries and Perthshire Creates. These are reaching a much younger demographic than our Facebook or Twitter accounts and bringing us into contact with new audiences. We also launched a series of podcasts, initially linked to the Jacobite Clans exhibition and supporting a much deeper exploration of the family histories highlighted in the exhibition itself. Additional podcasts feature authors including Ann Cleeves, discussions on good reads, and explorations of local history and culture. As a result of this and continuing extensions to our social media content we saw a 22.8% increase in engagement over the year.

We remain committed to seeking improvements in the customer experience online and this year launched a new single app, provided by RBDigital which brings together all library eBook, eAudiobook and eMagazine resources into one easy to access portal rather than the several individual routes customers had to navigate previously. These improvements helped deliver substantial increases in our online activity as detailed in Table 2 below.

Table 2. Library Lending Activity

	2017/18	2018/19	2019/20	Percentage +/-
Loan items	503,531	505,028	461,003	8.7% decrease
e-books	6,742	7,398	10,859	46.8% increase
e-audio	5,694	7,936	11,237	41.6% increase
e-magazines/papers	9,043	15,931	29,254	83.6% increase

Table 3. Number of Online Visits to Culture Perth and Kinross Services

	2016/17	2017/18	2018/19	2019/20	2019/20 v 2018/19
Total Number of online visits to libraries, museums and galleries	861,668	1,064,866	1,444,257	2,121,113	46.9% increase
Number of online visits to Libraries	789,406	848,653	890,023	930,063	4.5% increase
Numbers of online visits to Museums and Galleries	72,262	174,840	554,234	1,191,050	115% increase

Table 4. Number of Social Media Engagements

	2016/17	2017/18	2018/19	2019/20	2019/20 v 2018/19
Total Number of social media engagements with all services	2,105,552	2,233,063	2,679,964	3,290,558	22.8% increase
Number of social media engagements with Libraries	1,194,555	1,411,398	1,487,016	143,476*	n/a
Total Number of social media engagements with Museums and Galleries	910,997	821,665	1,192,948	3,134,574	162.7% increase

** Impressions no longer included in Libraries KPI definition*

CPK Strategic Objective 3: To use cultural experiences and services to help address inequalities and to promote personal growth and development

We received a National Lottery Heritage Fund grant of £32,500 for *Perth & Kinross Remembers*, a project to collect, conserve, catalogue, and make accessible the wide variety of outputs from First World War memorialisation projects which have taken place in Perth and Kinross from 2014 to 2018. During that time, the Archive and the Local and Family History Department supported thirty community projects which collectively documented the lives of thousands of local soldiers, the communities which they came from and the contributions which they made to the war. These projects have produced a variety of outputs including research, publications, artwork, film and sound recordings, digital and original collections of First World War records – also, records of the commemorative events themselves, such as posters, booklets, orders of service and photos. To ensure its safe-keeping, we will bring all this material together into a Legacy Collection which will be permanently preserved in Perth and Kinross Archive, and made available for researchers in the future. Perth and Kinross Remembers has also received partnership funding from three local organisations, the Friends of Perth & Kinross Archive, Jimmie Cairncross Charitable Trust and Perth Common Good Fund, reflecting its importance to local communities and their history.

We continue to work with a broad range of local community groups to extend cultural experiences to those who may not otherwise engage with our activities. Churches Action for The Homeless (CATH) visited the museum over several weeks and worked with members of staff from the Learning Team. The budding artists from CATH drew inspiration from the museum’s collections, both behind the scenes and in the exhibitions, *Only in Whispers: The Myths and Legends of Perthshire* and the permanent collection on display in the Wild and Wonderful gallery. Using various forms of art medium, the group produced work to represent their favourite objects in the museum. This work was then displayed in the foyer within the Museum.

Report of the Trustees

Achievements and Performance (cont.)

We once again delivered events linking with other local programming such as LGBTQI History month, Perthshire Pride, Perthshire Women’s Festival, the WOW Festival and Gypsy Traveller History Month which, in partnership with the local Gypsy Traveller community, is now the largest offering of events in Scotland reflecting the importance of this community and culture to the region.

The learning and outreach programme attached to each of our exhibitions is designed to engage with marginalised groups and others who would not usually attend Museum exhibitions. This year the programme included a project with Fife College and inmates from HMP Perth Prison who worked to develop a collaborative painting as a reflection of the exhibition of John Bellany works on display. Bellany’s own struggles with addiction are often explored in his work providing a unique perspective for the participants to reflect on their own issues. The final work was a highly personal and emotive piece in the style of Bellany and was displayed at Perth Museum and Art Gallery. Although the group were unable to come to the unveiling of the work themselves, Officers from the Prison attended and spoke of the positive impact the project had and sense of achievement and pride the men participating had expressed; feelings which were often absent in their lives to date.

The Collections Development Policy for our Museums and Galleries was reviewed to better focus on collecting activity which reflects the diverse communities and cultures which are represented within Perth and Kinross and to ensure that the stories and experiences of all communities can be represented in our programming.

We secured additional funding from the Gannochy Trust of £25,000 per year for 3 years to support a new Heritage and Culture Pathways Programme. The programme is designed to build interest in career and employment opportunities within the Culture and Heritage sector by providing opportunities to experience different types of activity and job roles within the sector. Heritage focused careers events for Primary and Secondary schools as well as a programme of Foundation and Modern Apprenticeships, work placements and post graduate internships are being delivered in partnership with Developing the Young Workforce, Perth College UHI, Perth and Kinross Heritage Trust, Historic Environment Scotland and Museums & Galleries Scotland to support and nurture young people to develop their interests in heritage and culture, progress to gaining qualifications and develop a career in the sector. Young people can come in and out of the pathway at various points to suit their needs, interests and learning journey.

Our cohort of excellent and highly valued volunteers continue to be supported within the organisation and we actively recruit to support key projects and areas of work which we would not otherwise be able to deliver. We have achieved Volunteer Friendly status this year as an organisation in recognition of the measures we have in place to support volunteers. The range of activities and projects which volunteers support is extensive and includes research, helping at events and with public engagement, documentation, supporting focus group discussions, undertaking audience surveys and observations for evaluations as well as the general advocacy for the organisation they undertake with the wider community. This year we have delivered a number of skills training days for volunteers to help them develop their research and documentation work and improve their digital skills.

Table 5. Total Number of Volunteer Hours

	2016/17	2017/18	2018/19	2019/20
Total Number Volunteers	210	190	216	218
Number of Volunteer Hours	6,135	5,937	7,263	7,213
Financial Value	£77,494	£86,964	£110,064	£112,556

CPK Strategic Objective 4: To engage proactively and creatively with customers, communities and partners

Partnership and collaborative working are at the heart of much of our activity. Work this year has strengthened local and national partnerships further helping to embed Culture Perth and Kinross in the cultural community. Key partnerships included National Museums of Scotland (Discovering Ancient Egypt), TATE, National Galleries of Scotland, National Gallery (Fergusson) and Scottish Maritime Museum (Icons 2: John Bellany).

In an extension of our programme of Design Markets, we held our first RE:Design Christmas Market, in partnership with Zero Waste Perth and featured artists and makers whose work is based on creative repurposing and upcycling of a wide variety of materials. Exhibitors included: Anetgems, silver jewellery and upcycled sterling silver reworked silverware; Cloots! Creative salvaged textile accessories; Cornelia Weinmann Design, handmade linen tops with decorative appliqué made from repurposed fabric; Creative Catalyst Project, Functional and contemporary up-cycled products from various items including vinyl banners and coffee sacks and Lelley Makes; bags, homewares and accessories which are sewn from upcycled denim jeans.

Report of the Trustees

Achievements and Performance (cont.)

To support creative engagement with new audiences, our Taste of the Past event used Geocaching to guide participants around the city to explore the various trades and businesses which have left their mark on the city. Along the route there were stalls manned by some of our volunteers and opportunities to try some of the foods which would have been commonplace on household tables throughout the 18th and 19th Centuries. The event attracted seasoned Geocachers from Elgin, Dundee, Falkirk, Glasgow, Stirling, Edinburgh and Alloa almost all of whom were first time participants in a Museum event.

Engaging with communities has been a significant focus of the City Hall development as a route to develop new audiences for the Museum when it opens and to ensure local voices and experiences are reflected in the stories and displays which are developed there. A series of City Hall Memories days were established to provide an opportunity for those with personal memories of the City Hall to share their photographs, stories (written or spoken) or memorabilia for use in a future touring exhibition and on MyMusuem. Two Perth City Hall Memories Day events took place, one at Perth Museum and Art Gallery in June 2019, and the other in February 2020 at Gannochy Community Centre as part of the ongoing partnership with Caledonian Housing Association. These events have delivered approximately 20 oral histories, 16 written stories, and over 100 images. Further events are planned for the coming year.

CPK Strategic Objective 5: To contribute to cultural sector debate and development at a local and national level

Culture Perth and Kinross is represented on several key local strategic groups and partnerships including the Perth and Kinross Advisory Group for Culture and Sport, the Perth City Development Board, the Cultural Transformation Programme Board, the Creative Exchange Project Board, Community Access, the Community Equality Advisory Group, the LGBTQI Strategic Group and the Child Protection Committee. Participation in these groups enables us to help inform wider debate, represent the views and interests of our service users and influence cultural development in the region.

Culture Perth and Kinross also works with national agencies and organisations to both support quality development within our services and to work with, influence and inform national policy development and debate. Groups include, Heads of Public Libraries, Society of Antiquaries of Scotland, Local Studies Scotland, Recognised Collection Holders, Scottish Libraries Early Years Strategic Group and the Scottish Prison Service Library Managers.

This year we hosted several good practice and sharing events with national partners including St Andrews University Museums, Glasgow University, the Scottish Council on Archives, North Ayrshire Libraries and Museums Galleries Edinburgh. Culture Perth and Kinross also hosted a National Museums Development Consultation event.

Staff spoke about work being undertaken within the organisation at several Scottish and UK conferences including the Museums Association, Scottish Museums Federation, Museums & Galleries Scotland and the Edge Conference.

CPK Strategic Objective 6: To increase the resilience and sustainability of the organisation

Investing in our staff team continues to be of critical importance for the Board and the Management Team. We have continued to support staff development and training to support organisational development and performance. A new programme of Delayed Office Opening sessions was introduced bringing all staff together for a morning programme of training workshops and development sessions every second month. To date sessions covering 20 topics including GDPR, Freedom of Information, Performance Management, Risk Assessments, Working with Individuals with Autism, Dementia Friendly Services and Customer Service have been delivered.

Following a review this year we retained full museum Accreditation status for Perth Museum and Art Gallery, The Fergusson Gallery and Alyth Museum. The Accreditation Scheme in Scotland is administered by Museums & Galleries Scotland on behalf of Arts Council England and is the UK industry standard for museums and galleries. The retention of Accreditation is validation of the work on the care and conservation of the Collections undertaken by Culture Perth and Kinross.

The appointment of a Conservator to the Museums & Galleries Team has enabled further appraisal of collections care and prioritisation of both remedial and more extensive conservation of Collections to be identified. An appraisal and review of Local History Maps and Newspapers held in the Collections has also been undertaken enabling plans for greater public access to these documents to be developed.

We were awarded a grant of £59,000 to conserve more than 450 objects from the Nationally Significant Collections of unique archaeological, social history and world cultures material held at Perth Museum and Art Gallery. These items tell the story of Perthshire and its people at home and abroad, from the earliest times to the present day.

Report of the Trustees

Achievements and Performance (cont.)

Following the appointment of new competent advisors, Law at Work, we have been undertaking a programme to review Physical Safety Audits and Fire Risk Assessments for each of our properties. We have also continued to support staff training in key aspects of the Safe Systems of Work in each of our venues and in broader Health and Safety topics to support a positive culture and safe working environment. The Health and Safety Policy and Procedures were reviewed and updated to reflect changes in legislation and good practice guidance from HSE and Law at Work and is communicated to staff through the Health and Safety Committee. Health and Safety continues to be included on the agenda of each Board meeting, with regular reviews of the Organisational Risk Profile.

We continue to support a culture of continuous improvement within the organisation, embedding performance reporting and evaluation in all aspects of our work. Staff undertook a self-evaluation of Library Services using the How Good is Our Public Library? framework although an external peer assessment of this has had to be put on hold due to the current pandemic and lockdown. This will be completed when travel and operating restrictions are eased sufficiently to do so.

We have also continued to invest in making improvements to our infrastructure to support more efficient and effective ways of working and this year implemented XERO, a new financial system. The new system gives greater control and flexibility in how we manage our finances on a day to day basis and is transforming financial reporting and audit activity.

We have continued to make efficiencies within the organisation to reduce the costs per visit which this year was £5.17 per visit, a reduction of 1.9% on 2018/19 and of 4.6% since we started operating in 2016.

A focus on building organisational capacity to fundraise from Trusts and Foundations began to show returns for the organisation this year with an 81% increase (£123,000) in successful applications from this route. This means the percentage of our income from Trusts and Foundations is now 7.43%, up from 4.56% in our first-year operation. Overall the percentage of our income from fundraising, trusts and trading activity is now 12.14%, up from a first-year base of 9.24%.

Table 6. Income from Trusts and Foundations

Year	2016/17	2017/18	2018/19	2019/20
Total income from Trusts and Foundations	£169,071	£90,326	£151,280	£274,629

We also continue to diversify the routes and opportunities for individual giving to the organisation and whilst income from in house donations were lower this year, in part due to the closure of services, overall income was up 13% on the previous year and 68.6% higher than in our first year of operations as set out below.

Table 7. Income from Individual Giving

Route	2016/17	2017/18	2018/19	2019/2020
General Donations (Boxes)	£15,281	£15,071	£15,193	£14,602
Charity Checkout	-	-	£101	£848
Give As You Live	-	-	£64	£139
Archives Appeal	-	-	£3,530	£3,717
PSNS Campaign	-	-	£1,794	£323
Staff fundraising activities	-	-	£2,111	£3,545
Mummy Conservation Campaign	-	-	-	£1,397
Holiday money exchange	-	-	-	£362
Gift Aid on Small Donations Scheme	-	-	-	£833
TOTAL	£15,281	£15,071	£22,793	£25,767

Culture Perth and Kinross Limited (a company limited by guarantee)

Report of the Trustees

Trading Operations

Culture Perth and Kinross has one trading subsidiary which is a company limited by shares. This company, with **3.3 FTE** staff, looks after the commercial activity within our venues including,

Venue Hire

There are several spaces within key venues which are available for public hire, including;

- Soutar Theatre, Sandeman Meeting Room, McKenzie Room – AK Bell Library
- Lecture Theatre, Library Meeting Room – Perth Museum and Art Gallery
- Soutar House

Income from Venue Hire in 2019/20 was **£41,453**.

Catering

A limited catering offer is made available to support venue hire and events activity. A café is also run within the AK Bell Library.

Catering income contributed **£97,314** to the trading company in 2019/20.

Retail

There is a limited retail offer in Perth Museum and Art Gallery, Fergusson Gallery and Alyth Museum and includes sales of prints, postcards, stationery, books and gift items. Retail books (mostly locally produced and relevant titles) are offered for sale at AK Bell and other Libraries.

Retail sales totalled **£29,192** in 2019/20.

There is some other activity which generates income for the trading company including commercial event activity (ticketed, non-charitable).

Development

At the time of writing this report, the first steps to easing lockdown are being undertaken and we are beginning a process of slowly reintroducing our front facing services and opening venues. However, we do this in the context of ongoing restrictions, public health and health and safety guidance and in the knowledge that this will continue for some considerable time. Assessment of the medium to long term impact on our communities and the services we provide for them are difficult to predict currently and so a recovery planning process is underway. This is underpinned by the following assumptions:

- The immediate impacts of the current situation will last in some form until a COVID-19 vaccination programme and or effective treatment is in place and we will need to respond to that as an operating environment until at least the end of 2021. We need to plan for the short to medium term and in due course undertake research with our audiences and stakeholders about longer term priorities.
- Prior to a COVID-19 vaccine becoming widely available, there may be periods of relatively free movement for many interspersed with periods of tight lockdown and the scale and frequency of these will be hard to predict. This will have a direct impact on what our audiences want from us and how and when it can be delivered.
- Pre-vaccine periods of movement are likely to be characterised by major behavioural change. This is also difficult to predict, but it seems unlikely that people will want to travel far, or that they will be comfortable mixing in densely populated spaces. This will have a direct impact on the composition of our audiences.
- There will be an economic recession. This will lead to hardship for many people, some of whom will already be experiencing loss of income and stability during lockdown. This will further impact on the needs and interests of local communities and what services they want or need from us.
- Partnership working will become even more critical and we should seek to be working with the many new community response groups which have been established to provide very localised support and assistance in communities across the region.

Report of the Trustees

Development (cont.)

We will continue to work with the Strategic Objectives identified in the **Strategic Operating Plan 2019-2021** however as our understanding of the impacts of the pandemic develops these will be reviewed and further refined. In the meantime, we will continue to progress the following developments:

1. To increase access to, and develop new audiences for, our services and collections

We will do this by:

- Developing our understanding of who our audiences are, and what they want from their cultural experiences as they emerge from lockdown and learn to live with new social distancing and public health guidance.
- Further developing our online digital programming offer to increase the accessibility of our Collections and resources and reach as many people both locally and nationally as we can.
- Continuing to develop our public programming approaches.
- Continuing to develop collaborations and partnerships at a local, national and international level.

2. To support digital inclusion and innovation across all our services

We will do this by:

- Investing in our digital infrastructure to ensure we develop to be an agile and adaptive organisation resilient to the impacts of further business disruption from localised lockdowns or other government interventions.
- Seeking innovative digital partnerships to develop new technology-based programming and learning opportunities.
- Embedding Maker_Spaces within service and within wider creative community.
- Engaging with the development of new digital trails around Perth City Centre.
- Continuing to develop the MyMuseum online portal.

3. To use cultural experiences and services to help address inequalities and to promote personal growth and development

We will do this by:

- Working with partners to provide better access to information and resources to support self-directed care and well-being.
- Continuing to develop and deliver the Heritage and Culture Pathways Programme and link this to the Kickstart and other government employment schemes for 16-24 year olds.
- Further develop our volunteering offer to integrate this with the community resilience volunteering which emerged during the pandemic.

4. To engage proactively and creatively with customers, communities and partners

We will do this by

- Seeking collaborations and partnerships as part of all our project developments.
- Continuing to explore and provide opportunities for customers and audiences to feedback to us and to use this information to influence service planning and development.

5. To contribute to cultural sector debate and development at a local and national level

We will do this by:

- Further developing our national partnerships and collaborations.
- Engaging in local, regional and community planning and recovery processes.
- Contributing to a strong local network of cultural and heritage organisations.

6. To increase the resilience and sustainability of the organisation

We will do this by:

- Ensuring excellent and rigorous performance and financial management.
- Implementing an ongoing programme of supported self-evaluation and review.
- Implementing a new Fundraising Strategy which takes cognisance of the changed context within which fundraising for culture and heritage will now take place.
- Implementing a new programme of wellbeing for staff and volunteers and recruiting a Wellbeing Champion to support staff through their return to work after lockdown.
- Supporting our staff to develop the skills, knowledge and experience which will support organisational resilience.

Culture Perth and Kinross Limited (a company limited by guarantee)

Report of the Trustees

Financial Review

The Group's financial results for the year 1st April 2019 to 31st March 2020 are shown on pages **20 to 50**.

Total Incoming group resources for the year were **£4.041 million** including restricted fund income of £483k.

Costs Incurred of **£3.404 million** has resulted in a surplus on unrestricted funds of £154.6k, prior to accounting for the loss on the defined benefit pension scheme. Group net liabilities as at 31 March 2020 were £1.197 million (2019 - £1.46 million). Unrestricted funds at the year-end were £251k (2019 - £97k).

The restricted funds, of £369k (2019 - £275k), relates to funds which are not available for general purposes of the charity as they have been restricted by the donor to specific purposes (see note 23 of the financial statements).

Culture Perth and Kinross Trading Ltd

The results of the charity's wholly owned subsidiary company are consolidated with those of the charity in the group financial statements. Further details are provided at note 17. The principal activity of the trading company is the provision of catering, retail services and venue hire.

Culture Perth and Kinross Trading Ltd's operating profit for the year 1st April 2019 to 31st March 2020 was **£22,110 (2019 - £10,261)**, of which 50% will be donated to the parent company.

Sources of finance

Core funding is provided through a service level agreement with Perth and Kinross Council. This provides 80.6% of operating Income for the group with other funds coming from trading activity, ticket sale income and donations. Grant funding of £482,750 was also received in the year but the majority of this is restricted. Detail of all Group donations (including grants and legacies) is provided in note 3 of the financial statements.

The entrance for the Museum and use of the Library is free to the public with small charges for additional services or late books. As well as the primary purpose, charitable trading, the charity has made some progress in attracting financial support for events and exhibitions through donations, ticket sales and sponsorship.

Group Net Current Assets are £801k, of which £1.4m is held in cash at bank and in hand as at 31st March 2020. £1.367m of this is in a temporary deposit account in the name of Culture Perth and Kinross Limited, and is administered by Perth and Kinross Council as part of banking and treasury services agreement. Recognition of the group's share of the Tayside Pension Fund deficit has meant £2.035m recognised on the Balance Sheet, resulting in net liabilities of £1.197m.

Culture Perth and Kinross commenced operations on 1st April 2016, assets and the temporary book collections were transferred to the charity from Perth and Kinross Council. The internationally renowned Permanent Museum collection remains in the ownership of Perth and Kinross District Council whilst Culture Perth and Kinross provide the curation, visitor experience and care of the collections. Charitable activity can be seen in note 4 of the financial statements.

Reserves Policy

Maintaining a level of reserves helps to meet unexpected events, and to provide funds for planning and development of cultural services. In 2020/21 we will continue to fundraise for unrestricted reserves and supportive trading opportunities. The Trustees believe that an appropriate level of unrestricted funds would be £500k. General Reserves at 31st March 2020 are in deficit of £1.567m; however this is after recognition of the company's share of the Tayside Pension Fund deficit of £1.818m. The Charity will endeavour to build up its reserves over the next five years.

Going concern

Funding for 2020/21 has been agreed for the period to 31st March 2021. Anticipated funding reduction in 2019/20 was mitigated by a savings plan and tight operational control. The Pension Liability is underwritten and guaranteed by Perth and Kinross Council as part of the "TUPE" of staff to Culture Perth and Kinross Limited, which allows the Board to assess going concern at operational surplus, whilst working to reduce such liability. The Charity will respond to anticipated further reductions in core funding with plans to expand trading opportunities and new avenues open to this Charity such as increased donations and fundraising. Directors, along with the Chief Executive, review the business strategy and are satisfied that they are able to prepare accounts on a going concern basis. The service level agreement with Perth and Kinross Council has been agreed for 2020/21.

Culture Perth and Kinross Limited (a company limited by guarantee)

Report of the Trustees

Risk Management

The major strategic, business and operational risks associated with the Charity are identified. An Organisational Risk Register has been developed with risk review and mitigation systems which are reviewed by the management team. The Risk Register is discussed by the Finance and Resources Committee and then presented to the Board to allow Trustees to review these risks and satisfy themselves that adequate systems and procedures are in place to manage the risks identified. Where appropriate, risks are covered by insurance.

All significant activities undertaken are subject to a risk review as part of the initial activity assessment and implementation, for example, as part of exhibition and project planning. Major risks are identified and ranked in terms of their potential impact and likelihood. The work has identified risks associated with financial sustainability and developed mitigation steps. Internal control risks are minimised by procedures for all transactions and projects. Attention also has been focused on risks arising from fire, health and safety of staff and customers and security. Procedures are in place to ensure compliance with health and safety of staff, volunteers and customers.

Structure, Governance and Management

Culture Perth and Kinross Limited is a company limited by guarantee governed by its **Articles of Association** adopted on 6 November 2015. The company is registered with the Office of the Scottish Charity Regulator (OSCR). Culture Perth and Kinross is a sole member company with the sole member being Perth and Kinross Council. As such, a representative is in attendance at Board meetings, but does not have the right to vote at these meetings.

As set out in the Articles of Association, the Chair and Vice-Chair are appointed by the Board, which can be up to twelve trustees, from within its membership. Perth and Kinross Council nominates three trustees from its standing elected Councillors. There can be up to nine independent trustees who are nominated by a **Nominations Committee** and appointed by the Sole Member. The roles of Chair and Vice-Chair can only be held by independent trustees. The trustees have the power to co-opt trustees where there is an identified need for additional specialist knowledge to support decision making.

When considering nominations to the Board, use is made of a **Board Skills Matrix** which identifies the critical skills, knowledge and experience required to ensure the success of the Charity.

There is a **Directors Code of Conduct** in place which is reviewed and signed up to by trustees on initial appointment and annually thereafter.

On appointment, trustees are provided with background information on the Charity, including copies of annual and performance reports and information on their role and responsibilities as a charity trustee. New trustees meet individually with the Chair of the Board and the Chief Executive as part of an induction programme and are given tours of key venues as an introduction to the staff, operations and key activities of the Charity. Following the first year of operation, the induction process for new trustees is being reviewed with a view to developing a revised programme to support future appointments.

The Board of Trustees administers the Charity and the Articles of Association outline what can and cannot be delegated. A **Scheme of Delegation** has been agreed which sets out the detail of tasks and principles which will be delegated by the Board and to whom. The Scheme of Delegation identifies key committees covering finance, resources, strategy and development and the terms of reference for each of these groups. The Chief Executive is appointed to manage the day-to-day operations of the Charity and has delegated authority, set out within the Scheme of Delegation for operational matters including finance, employment and programming.

None of the trustees receive remuneration or other benefit from their work with the Charity. Any connection between a trustee and a senior manager must be disclosed to the full Board. All meetings are headed with an opportunity for trustees and others present to make a declaration of any interests and a register of any such interests is maintained. A conflict of interest policy and register of interests and hospitality are in place.

The Council commissions Culture Perth and Kinross to deliver services on their behalf and there is an annual Services Agreement in place. This agreement is monitored through quarterly contract monitoring meetings and by the Perth and Kinross Council Scrutiny Committee who oversee all large scale contractual arrangements undertaken by the Council to ensure Best Value and that the needs and interests of local communities are being met.

Culture Perth and Kinross Trading Limited, which is the trading subsidiary, has a Board which comprises three Directors drawn from the Board of Culture Perth and Kinross and including the chair of the Finance and Resources Committee. The business of the trading company is dealt with in the body of the Board meetings and subcommittee structures of the Charity.

Culture Perth and Kinross Limited (a company limited by guarantee)

Report of the Trustees

Statement of Trustees' Responsibilities

The Trustees, who are also the directors of Culture Perth and Kinross Limited for the purpose of Company Law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that year.

In preparing these accounts, 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 estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 2006, with 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the case of each of the persons who are trustees at the time when the Trustees' Report is approved:

- so far as the Trustees are aware, there is no relevant information of which the Charity's auditor is unaware; and
- each Trustee has taken all the steps that s/he ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

Auditor

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

This report has been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2016) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The report was approved by the board on **16 December 2020** and signed on its behalf by:



W J H Elles (Vice-Chair)

Culture Perth and Kinross Limited (a company limited by guarantee)

Report of the Trustees

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC518247 (Scotland)

Registered Charity number

SC046353

Registered office

AK Bell Library
2-8 York Place
Perth
PH2 8EP

Trustees (and Directors)

W J H Elles	
A J Parrott	
G D M Bullough	(resigned 1 November 2019)
J D C Findlay	
E K Grossart	(resigned 22 August 2019)
C Kinnoull	
S M Howie	(resigned 29 June 2020)
Councillor C J Ahern	
Councillor K M Baird	(resigned 26 October 2019)
S Dawe	
Councillor A Jarvis	(appointed 25 October 2019)
A Khan	(appointed 19 February 2020)
R King	(appointed 19 February 2020)
K M Thomson	(appointed 19 February 2020)

Auditors

Azets Audit Services
Statutory Auditors
5 Whitefriars Crescent
Perth
Perthshire
PH2 0PA

Solicitors

Lindsays Solicitors
Caledonian Exchange
19A Canning Street
Edinburgh
EH3 8HE

Management Accounting

Azets
25 Bothwell Street
Glasgow
G2 6NL

Bankers

Royal Bank of Scotland
Perth Chief Office
12 Dunkeld Road
Perth
PH1 5RB

REFERENCE AND ADMINISTRATIVE DETAILS (CONT.)

Senior Officers

Helen Smout	- Chief Executive Officer
Gillian Findlay	- Head of Museums and Collections (resigned 15/08/2020)

Report of the Independent Auditors to the Trustees and Members of Culture Perth and Kinross Limited (a company limited by guarantee)

Opinion

We have audited the financial statements of Culture Perth and Kinross Limited ("the parent charitable company") for the year ended 31 March 2020 which comprise the Group and Parent Statement of Financial Activities, the Group and Parent Statement of Financial Position, the Group Statement of Cash Flows, and related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' 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 and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charity's ability to continue as a going concern. For example, given the current situation with COVID-19 still being in its infancy, it is difficult to evaluate all the potential implications on the charity's operations and the wider economy.

Other information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report of the Independent Auditors to the Trustees and Members of Culture Perth and Kinross Limited (a company limited by guarantee)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements have not been received from branches not visited by us; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Chair's Report and the Report of the Trustees.

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 group 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 and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the parent 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

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



Neil Morrison (Senior Statutory Auditor)

for and on behalf of Azets Audit Services

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

5 Whitefriars Crescent

Perth

PH2 0PA

Date: 21st December 2020

Culture Perth and Kinross Limited (a company limited by guarantee)

**Consolidated Statement of Financial Activities (including consolidated income and expenditure account)
for the Year Ended 31 March 2020**

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Income and endowments from:							
Donations and legacies	3	-	482,750	482,750	-	205,203	205,203
Charitable activities	4	3,327,203	-	3,327,203	3,343,893	-	3,343,893
Other trading activities	5	190,203	-	190,203	202,802	-	202,802
Investments	6	2,882	-	2,882	2,558	-	2,558
Other income		38,358	-	38,358	43,688	-	43,688
Total income		3,558,646	482,750	4,041,396	3,592,941	205,203	3,798,144
Expenditure on:							
Raising funds	7	76,583	-	76,583	81,383	-	81,383
Charitable activities	8	3,327,449	388,425	3,715,874	3,470,249	280,305	3,750,554
Total		3,404,032	388,425	3,792,457	3,551,632	280,305	3,831,937
Net income		154,614	94,325	248,939	41,309	(75,102)	(33,793)
Other financial costs	10	(46,000)	-	(46,000)	(32,000)	-	(32,000)
Gain/(loss) on defined benefit pension scheme		60,000	-	60,000	(638,000)	-	(638,000)
Transfers between funds	12	-	-	-	11,839	(11,839)	-
Net movement in funds	13	168,614	94,325	262,939	(616,852)	(86,941)	(703,793)
Fund balances at 1 April 2019		(1,735,243)	275,442	(1,459,801)	(1,118,391)	362,383	(756,008)
Fund balances at 31 March 2020		(1,566,629)	369,767	(1,196,862)	(1,735,243)	275,442	(1,459,801)

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

Culture Perth and Kinross Limited (a company limited by guarantee)

**Company Statement of Financial Activities (including income and expenditure account)
for the Year Ended 31 March 2020**

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Income and endowments from:							
Donations and legacies	3	-	482,750	482,750	-	205,203	205,203
Charitable activities	4	3,337,763	-	3,337,763	3,343,893	-	3,343,893
Investments	6	2,850	-	2,850	2,535	-	2,535
Other income		38,358	-	38,358	43,688	-	43,688
Total income		3,378,971	482,750	3,861,721	3,390,116	205,203	3,595,319
Expenditure on:							
Charitable activities	8	3,235,906	388,425	3,624,331	3,359,068	280,305	3,639,373
Total		3,235,906	388,425	3,624,331	3,359,068	280,305	3,639,373
Net income		143,065	94,325	237,390	31,048	(75,102)	(44,054)
Other financial costs	10	(46,000)	-	(46,000)	(32,000)	-	(32,000)
Gain/(loss) on defined benefit pension scheme		60,000	-	60,000	(638,000)	-	(638,000)
Transfers between funds	12	-	-	-	11,839	(11,839)	-
Net movement in funds	13	157,065	94,325	251,390	(627,113)	(86,941)	(714,054)
Fund balances at 1 April 2019		(1,745,504)	275,442	(1,470,062)	(1,118,391)	362,383	(756,008)
Fund balances at 31 March 2020		(1,588,439)	369,767	(1,218,672)	(1,745,504)	275,442	(1,470,062)

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.


The notes form part of these financial statements

Culture Perth and Kinross Limited (a company limited by guarantee)

**Consolidated Statement of Financial Position
At 31 March 2020**

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	16	36,658	7,257
Current assets			
Stocks		13,586	17,244
Debtors and prepayments	18	149,872	81,486
Cash at bank and in hand	19	1,428,837	1,423,636
		<u>1,592,295</u>	<u>1,522,366</u>
Liabilities			
Creditors: amounts falling due within one year	20	<u>(790,815)</u>	<u>(940,424)</u>
Net current assets		801,480	581,942
Pension liability	22	(2,035,000)	(2,049,000)
Total net liabilities		<u>(1,196,862)</u>	<u>(1,459,801)</u>
The funds of the charity			
Restricted funds	23	369,767	275,442
Unrestricted funds	23	151,371	96,757
Designated funds	23	100,000	-
Pension reserve	23	(1,818,000)	(1,832,000)
		<u>(1,196,862)</u>	<u>(1,459,801)</u>

The financial statements were approved by the Board of Trustees on **16 December 2020** and were signed on its behalf by:



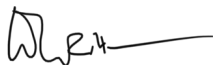
W J H Elles

Culture Perth and Kinross Limited (a company limited by guarantee)

**Company Statement of Financial Position
At 31 March 2020**

	Notes	2020 £	2019 £
Fixed assets			
Investments	17	1	1
Tangible assets	16	33,571	5,958
		<u>33,572</u>	<u>5,959</u>
Current assets			
Debtors and prepayments	18	165,584	91,356
Cash at bank and in hand	19	1,393,590	1,401,506
		<u>1,559,174</u>	<u>1,492,862</u>
Liabilities			
Creditors: amounts falling due within one year	20	<u>(776,418)</u>	<u>(919,883)</u>
Net current assets		782,756	572,979
Pension liability	22	(2,035,000)	(2,049,000)
Total net liabilities		<u>(1,218,672)</u>	<u>(1,470,062)</u>
The funds of the charity			
Restricted funds	23	369,767	275,442
Unrestricted funds	23	129,561	86,496
Designated funds	23	100,000	-
Pension reserve	23	(1,818,000)	(1,832,000)
		<u>(1,218,672)</u>	<u>(1,470,062)</u>

The financial statements were approved by the Board of Trustees on **16 December 2020** and were signed on its behalf by:



W J H Elles

Culture Perth and Kinross Limited (a company limited by guarantee)

**Consolidated Statement of Cash Flows
for the Year Ended 31 March 2020**

	Notes	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash flows from operating activities:					
Net cash provided by operating activities	27	45,035	96,195	28,700	68,588
Cash flows from investing activities:					
Purchase of tangible fixed assets		(42,716)	-	(39,466)	-
Interest received		2,882	2,558	2,850	2,535
Change in cash and cash equivalents in the reporting period		5,201	98,753	(7,916)	71,123
Cash and cash equivalents at the beginning of the reporting period		1,423,636	1,324,883	1,401,506	1,330,383
Cash and cash equivalents at the end of the reporting period		1,428,837	1,423,636	1,393,590	1,401,506

The notes form part of these financial statements

Culture Perth and Kinross Limited (a company limited by guarantee)

Notes to the Financial Statements for the Year Ended 31 March 2020

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparing the financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, as issued by the Financial Reporting Council, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and 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). They are prepared on the historical cost basis.

Culture Perth and Kinross Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charity's transactions are denominated.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires trustees to exercise their judgements in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Basis of consolidation

The financial statements consolidate the results of the charity and its wholly owned subsidiary, Culture Perth and Kinross Trading Limited (company number SC526979, registered in Scotland), on a line by line basis. The company together with Culture Perth and Kinross Trading Limited comprises the Group.

As described in Note 28, Culture Perth and Kinross Limited is deemed to be a subsidiary undertaking of its ultimate parent, Perth and Kinross Council. Accordingly, the financial statements of Perth and Kinross Council will incorporate the results of Culture Perth and Kinross Limited and its trading subsidiary.

Going concern

These financial statements have been prepared on a going concern basis following assessment by the trustees of the group's financial position at the date of approval which included consideration of forward revenue and cash flow projections for the next 12 months.

Culture Perth and Kinross Limited is dependent on the continuance of financial support from its principal funders, Perth and Kinross Council, and on the adequacy of its income generating endeavours in relation to charitable trading activities (which are primarily cultural and educational) and other fundraising.

The board has reviewed operating revenue and cash flow forecasts prepared by management on the basis of approved income and expenditure budgets, with due allowance made for timing factors associated with grants and other trading receipts.

Management's forecasts indicate the adequacy of working capital to allow the group to continue to pay its debts as they fall due for at least a year from the date of this report. Accordingly, and in view of the confirmed funding agreements in place for 2020/21 with Perth and Kinross Council, the board is satisfied that the group can continue to trade as a going concern for the foreseeable future.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Charity's ability to continue as a going concern. For example, given the current situation with COVID-19 still being in its infancy, it is difficult to evaluate all the potential implications on the Charity's operations and the wider economy.

1. ACCOUNTING POLICIES - continued

Recognition and allocation of income

Income is recognised when the charitable company has legal entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably. Where practicable, income is related to the operating activities of the charitable company. Where there are terms placed on income that limit the company's discretion over how the income can be used, that income is shown as restricted income in the accounts.

Income from grants, donations and legacies

Where there are performance conditions attached to any grants and donations, income is recognised when the conditions have been met or when meeting the conditions are within the company's control, and there is sufficient evidence that they have been met or will be met. Where a grant condition allows for the recovery of any unexpended grant, a liability is recognised when repayment becomes probable. Where donor imposed conditions require that the resource is expended in a future accounting period, income is recorded as deferred income at the Statement of Financial Position date.

Entitlement to legacy income exists when the company has sufficient evidence that a gift has been left, the executor is satisfied that the gift will not be required to satisfy claims on the estate and any conditions are within the control of the company or have been met. Where legacies have been notified to the company and the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material. Legacy income is measured at fair value, generally the cash amount receivable, and discounted if deferred for more than 12 months. The unwinding of the discount is recognised as interest receivable.

Where incoming resources are given specifically to provide a fixed asset, or a fixed asset is donated, all of the incoming resource is recognised in the Statement of Financial Activities when receivable. Once the asset is acquired, the relevant fund is reduced over the useful economic life of the asset in line with its depreciation.

Income from charitable activities

Incoming resources from charitable activities: Perth and Kinross Council service fees; income derived from the operation of the museum and galleries services; library and other information services and arts and development programmes.

Income from investments

Income from investments is credited to income in the period in which it is receivable.

Expenditure

Expenditure is recognised when the company has entered into a legal or constructive obligation and related where practicable to the operating activities of the company. Where possible, expenditure is attributed directly to the function to which it relates. Where this is not possible, it is allocated on a percentage basis consistent with the function's use of resources. The allocation of support costs is shown in Note 9.

Resources expended are included in the Statement of Financial Activities on an accrual basis, inclusive of any Value Added Tax which cannot be recovered.

Costs of raising funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds, together with associated support costs.

Charitable activities include expenditure associated with the operation of the museums, galleries and library services, and cultural programmes undertaken to further the purposes of the Charity and include both the direct costs and support costs relating to these activities.

Support costs are the costs of central functions that assist the work of the Charity but do not directly undertake charitable activities. Governance costs relate to the costs associated with the governance of the Charity and its assets and are primarily associated with the constitutional and statutory requirements and include in estimate of the cost of senior management time and other resources on long-term strategy and financial planning activities.

1. ACCOUNTING POLICIES - continued

Pensions

The Charity is a member of the Tayside Superannuation Fund ('the Fund'), a defined benefit pension scheme. A defined benefit pension plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to: age, length of service, and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the Statement of Financial Position date less the fair value of plan assets at the Statement of Financial Position date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually, the Company engages with independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts, together with the return on plan assets, less amounts included in net interest, are disclosed as 'Actuarial loss on defined benefit schemes'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from an employee service during the period, and;
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is recognised in profit or loss as 'Other finance costs'.

Taxation

Culture Perth and Kinross Limited is a partially exempt organisation under Schedule 9 of the VAT Act 1994. During the year, VAT returns have been submitted on a partially exempt basis.

Irrecoverable VAT is charged against the cost of activities where it is incurred.

Culture Perth and Kinross Limited is a registered charity, and therefore is not liable to income tax and corporation tax on income and gains derived from its charitable activities, as it falls within the various exemptions available for registered charities.

The subsidiary company has an obligation to covenant any available taxable profits up to Culture Perth and Kinross Limited under Gift Aid.

1. ACCOUNTING POLICIES - continued

Financial instruments

Financial instruments are recognised in the statement of financial position when the Charity 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 payments discounted at a market rate of interest for a 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 interest 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 and expenditure. Where the fair value cannot be reliably measured, they are recognised at cost less impairment.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the Charity has transferred substantially all the risk and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation, or expiry.

Creditors and provisions are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. CRITICAL JUDGEMENTS AND ESTIMATES

In preparing the financial statements, trustees make estimates and assumptions which affect reported results, financial position, and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of these 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).

Culture Perth and Kinross Limited (a company limited by guarantee)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	Total 2020 £	Unrestricted funds £	Restricted funds £	Total 2019 £
Group and company						
Crockart Foundation	-	50,000	50,000	-	84,000	84,000
Scottish Government Centenary Fund	-	-	-	-	3,230	3,230
CPK Acquisitions	-	800	800	-	-	-
National Museum Scotland Acquisition Grant	-	-	-	-	4,475	4,475
Festival of Museums	-	1,500	1,500	-	1,003	1,003
JD Fergusson Art Foundation - Works on Paper	-	2,447	2,447	-	-	-
Living Communities Participation Fund	-	25,000	25,000	-	-	-
Museums & Galleries Scotland - Flora MacDonald	-	3,952	3,952	-	28,978	28,978
Young Designers Summer School	-	-	-	-	3,240	3,240
National Museum Scotland East of Asia Project	-	1,300	1,300	-	1,882	1,882
Diverse CiTay	-	-	-	-	3,107	3,107
Conservation Works	-	1,610	1,610	-	-	-
General Restricted Funds - Museums and Galleries	-	1,720	1,720	-	2,369	2,369
Visual Arts and Crafts Makers Awards	-	5,991	5,991	-	3,000	3,000
Archives Appeal	-	3,717	3,717	-	3,530	3,530
Soutar Festival and Competition	-	200	200	-	4,000	4,000
Cultural Redevelopment Project	-	193,684	193,684	-	43,639	43,639
Stone Ball Acquisition	-	-	-	-	3,250	3,250
Museums & Galleries Scotland - MyMuseum	-	14,981	14,981	-	-	-
Museums & Galleries Scotland - Conservation Studio	-	3,779	3,779	-	-	-
The Ferryman Project	-	7,253	7,253	-	-	-
JD Fergusson Art Foundation	-	1,758	1,758	-	-	-
Forteviot Grant	-	13,888	13,888	-	-	-
Heritage & Culture Pathways Programme	-	25,000	25,000	-	-	-
Scottish Forestry	-	2,069	2,069	-	-	-
SLIC Film Club	-	3,258	3,258	-	-	-
Idlewild Trust	-	3,000	3,000	-	-	-
Museums & Galleries Scotland - Perth City Hall	-	14,942	14,942	-	-	-
Perth & Kinross Remembers	-	32,303	32,303	-	-	-
Digital Maker_Spaces	-	56,220	56,220	-	-	-
Pipeline Project	-	9,000	9,000	-	15,500	15,500
Enchanted Forest	-	1,378	1,378	-	-	-
Small Grants & Donations	-	2,000	2,000	-	-	-
	-	482,750	482,750	-	205,203	205,203

Culture Perth and Kinross Limited (a company limited by guarantee)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2020 £	Unrestricted funds £	Restricted funds £	Total 2019 £
Group						
Perth and Kinross Council service fees	3,256,116	-	3,256,116	3,264,115	-	3,264,115
Donations and gifts	16,827	-	16,827	15,843	-	15,843
Museums and galleries	10,307	-	10,307	8,681	-	8,681
Libraries and information	43,953	-	43,953	55,254	-	55,254
	<u>3,327,203</u>	<u>-</u>	<u>3,327,203</u>	<u>3,343,893</u>	<u>-</u>	<u>3,343,893</u>
	Unrestricted funds £	Restricted funds £	Total 2020 £	Unrestricted funds £	Restricted funds £	Total 2019 £
Company						
Perth and Kinross Council service fees	3,256,116	-	3,256,116	3,264,115	-	3,264,115
Donations and gifts	27,387	-	27,387	15,843	-	15,843
Museums and galleries	10,307	-	10,307	8,681	-	8,681
Libraries and information	43,953	-	43,953	55,254	-	55,254
	<u>3,337,763</u>	<u>-</u>	<u>3,337,763</u>	<u>3,343,893</u>	<u>-</u>	<u>3,343,893</u>

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2020 £	Unrestricted funds £	Restricted funds £	Total 2019 £
Group						
Cafeteria and trading activities	190,203	-	190,203	202,802	-	202,802
	<u>190,203</u>	<u>-</u>	<u>190,203</u>	<u>202,802</u>	<u>-</u>	<u>202,802</u>

6. INCOME FROM INVESTMENT

	Unrestricted funds £	Restricted funds £	Total 2020 £	Unrestricted funds £	Restricted funds £	Total 2019 £
Group						
Perth and Kinross Council loan interest	2,882	-	2,882	2,558	-	2,558
	<u>2,882</u>	<u>-</u>	<u>2,882</u>	<u>2,558</u>	<u>-</u>	<u>2,558</u>
Company						
Perth and Kinross Council loan interest	2,850	-	2,850	2,535	-	2,535
	<u>2,850</u>	<u>-</u>	<u>2,850</u>	<u>2,535</u>	<u>-</u>	<u>2,535</u>

Culture Perth and Kinross Limited (a company limited by guarantee)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

7. EXPENDITURE ON FUND RAISING ACTIVITIES

Group	Direct costs	Support costs	Governance costs	Total 2020	Direct costs	Support costs	Governance costs	Total 2019
	£	£	£	£	£	£	£	£
Cafeteria and trading activities	76,583	-	-	76,583	81,383	-	-	81,383
	<u>76,583</u>	<u>-</u>	<u>-</u>	<u>76,583</u>	<u>81,383</u>	<u>-</u>	<u>-</u>	<u>81,383</u>

8. EXPENDITURE ON CHARITABLE ACTIVITIES

Group	Direct costs	Support costs	Governance costs	Total 2020	Direct costs	Support costs	Governance costs	Total 2019
	£	£	£	£	£	£	£	£
Museums and Galleries (including Arts development)	932,054	520,120	127,576	1,579,750	912,704	486,121	139,325	1,538,150
Libraries and information	1,746,987	353,104	36,033	2,136,124	1,841,177	343,082	28,145	2,212,404
	<u>2,679,041</u>	<u>873,224</u>	<u>163,609</u>	<u>3,715,874</u>	<u>2,753,881</u>	<u>829,203</u>	<u>167,470</u>	<u>3,750,554</u>

Company

Museums and Galleries (including Arts development)	932,054	520,120	36,033	1,488,207	912,704	486,121	28,144	1,426,969
Libraries and information	1,746,987	353,104	36,033	2,136,124	1,841,177	343,082	28,145	2,212,404
	<u>2,679,041</u>	<u>873,224</u>	<u>72,066</u>	<u>3,624,331</u>	<u>2,753,881</u>	<u>829,203</u>	<u>56,289</u>	<u>3,639,373</u>

Culture Perth and Kinross Limited (a company limited by guarantee)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

9. SUPPORT COSTS ALLOCATED TO ACTIVITIES

	Museums and Galleries (including Arts development)	Libraries and information	Total 2020	Museums and Galleries (including Arts development)	Libraries and information	Total 2019
	£	£	£	£	£	£
Group and company						
Promotion, publicity and sales	16,080	16,080	32,160	19,717	19,717	39,434
Supplies and services	89,420	89,420	178,840	81,265	81,265	162,530
Support services	414,619	247,605	662,224	385,139	242,100	627,239
	<u>520,119</u>	<u>353,105</u>	<u>873,224</u>	<u>486,121</u>	<u>343,082</u>	<u>829,203</u>

The costs of advertising are included in promotion, publicity and sales.

Supplies and services incorporate other overhead costs relating to property, transport, materials/supplies, and various other office related costs.

Support services incorporate employment costs related to central finance and administration.

10. OTHER FINANCIAL ASSETS

	2020	2019
	£	£
Interest on pension scheme liabilities	(269,000)	(248,000)
Return on pension scheme liabilities	223,000	216,000
	<u>(46,000)</u>	<u>(32,000)</u>

11. GOVERNANCE COSTS ALLOCATED TO ACTIVITIES

	Museums and Galleries (including Arts development)	Libraries and information	Total 2020	Museums and Galleries (including Arts development)	Libraries and information	Total 2019
	£	£	£	£	£	£
Group and company						
Accountancy and audit fees	14,363	14,363	28,726	6,470	6,470	12,940
Wages and salaries	21,353	21,353	42,706	20,714	20,715	41,429
Other	230	230	460	414	414	828
Irrecoverable VAT	87	87	174	546	546	1,092
	<u>36,033</u>	<u>36,033</u>	<u>72,066</u>	<u>28,144</u>	<u>28,145</u>	<u>56,289</u>

12. TRANSFER BETWEEN FUNDS

- (a) The sum of £50,000 has been transferred from unrestricted general funds to the designated IT Fund to cover the cost of replacing IT equipment in the future.
- (b) The sum of £50,000 has been transferred from unrestricted general funds to the designated COVID-19 fund to cover the costs arising from the COVID-19 pandemic, such as adapting venues so they can be reopened safely.

13. NET MOVEMENT OF FUNDS

	Group 2020	Group 2019	Company 2020	Company 2019
This is stated after charging: Auditor's remuneration	10,100	6,800	7,500	4,200
	<u>10,100</u>	<u>6,800</u>	<u>7,500</u>	<u>4,200</u>

14. BOARD MEMBERS

Trustees were not paid, nor did they receive any other benefits from employment with the Charity or its subsidiary, nor did they receive payment for professional or other services supplied to the Charity. Trustees were not reimbursed for travel expenses incurred in connection with their duties as a trustee during the year.

Culture Perth and Kinross Limited (a company limited by guarantee)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

15. EMPLOYEES

Number of employees

The average number of employees, per head count, during the year was:

	Group 2020 number	Group 2019 number	Company 2020 number	Company 2019 number
Museums and Galleries (including Arts development)	29	31	29	31
Libraries and Information	88	86	88	86
Catering and Trading activities	4	4	4	4
	121	121	121	121

The average number of employees, on a full time basis, during the year was:

Museums and Galleries (including Arts development)	26	27	26	27
Libraries and Information	57	56	57	56
Catering and Trading activities	2	3	2	3
	85	86	85	86

Employment costs

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	1,960,399	2,069,287	1,878,208	1,975,209
Social security costs	327,136	323,893	323,979	318,227
Pension costs	502,960	496,802	496,766	485,365
	2,790,495	2,889,982	2,698,953	2,778,801

The key management personnel of the group comprise the Chief Executive and the senior management team detailed on page 17. The employee benefits for key management, included within employment costs above, totalled £145,076 (2019 - £190,273).

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

16. TANGIBLE FIXED ASSETS

	Plant and machinery £	Total £
Group		
Cost		
At 1 April 2019	10,542	10,542
Additions	42,716	42,716
At 31 March 2020	53,258	53,258
Depreciation		
At 1 April 2019	3,285	3,285
Charge for year	13,315	13,315
At 31 March 2020	16,600	16,600
Net book value		
At 31 March 2020	36,658	36,658
At 31 March 2019	7,257	7,257
	Plant and machinery £	Total £
Company		
Cost		
At 1 April 2019	7,943	7,943
Additions	39,466	39,466
At 31 March 2020	47,409	47,409
Depreciation		
At 1 April 2019	1,985	1,985
Charge for year	11,853	11,853
At 31 March 2020	13,838	13,838
Net book value		
At 31 March 2020	33,571	33,571
At 31 March 2019	5,958	5,958

Culture Perth and Kinross Limited (a company limited by guarantee)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

17. FIXED ASSET INVESTMENTS

Company	Unlisted investments £
At 31 March 2019 and 31 March 2020	<u>1</u>

Unlisted investments relate entirely to Culture Perth and Kinross Limited's beneficial interest in its trading subsidiary, Culture Perth and Kinross Trading Limited. It is represented by one £1 ordinary share held in Culture Perth and Kinross Trading Limited (company number SC526979).

Culture Perth and Kinross Trading Limited, incorporated in Scotland, is a wholly-owned trading subsidiary of Culture Perth and Kinross Limited, established in order to operate catering services on behalf of the group.

Net assets of Culture Perth and Kinross Trading Limited as at 31 March 2020 totalled £21,812 which comprised fixed assets of £3,087, current assets of £66,606, and liabilities of £47,881. Relevant financial information regarding Culture Perth and Kinross Trading Limited for the year ended 31 March 2020 is as follows:

	2020 £	2019 £
Turnover	190,203	202,802
Cost of sales	(62,859)	(68,648)
Gross profit	<u>127,344</u>	<u>134,154</u>
Administrative expenses	(105,266)	(123,916)
Other operating income	-	-
Interest receivable and similar income	32	23
Profit on ordinary activities before taxation	<u>22,110</u>	<u>10,261</u>
Tax on profit on ordinary activities	-	-
Profit for the financial period	<u>22,110</u>	<u>10,261</u>

18. DEBTORS

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	5,595	22,313	-	9,523
Sundry debtors	144,277	59,173	138,233	54,845
Due by group company	-	-	27,351	26,988
	<u>149,872</u>	<u>81,486</u>	<u>165,584</u>	<u>91,356</u>

Culture Perth and Kinross Limited (a company limited by guarantee)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

19. CASH AND CASH EQUIVALENTS

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	1,428,837	1,423,636	1,393,590	1,401,506
	<u>1,428,837</u>	<u>1,423,636</u>	<u>1,393,590</u>	<u>1,401,506</u>

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade creditors	612,790	736,126	604,230	732,472
Taxes and social security costs	147,257	159,637	141,420	150,909
Other creditors	30,768	44,661	30,768	36,502
	<u>790,815</u>	<u>940,424</u>	<u>776,418</u>	<u>919,883</u>

21. FINANCIAL INSTRUMENTS

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Financial assets				
Financial assets measured at amortised cost	149,872	81,486	165,584	91,356
	<u>149,872</u>	<u>81,486</u>	<u>165,584</u>	<u>91,356</u>
Financial liabilities				
Financial liabilities measured at amortised cost	643,558	780,787	634,998	768,974
	<u>643,558</u>	<u>780,787</u>	<u>634,998</u>	<u>768,974</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors, amounts owed by related parties and gift aid debtor.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and amounts owed to related parties.

22. PENSION AND OTHER POST-RETIREMENT BENEFITS

Culture Perth and Kinross Limited is a member of the Tayside Superannuation Fund ('the Fund'), a defined benefit scheme with the assets held in separate trustee administered funds. This Local Government Pension Scheme ('LGPS') is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme (Scotland) Regulations 2014 and currently provides benefits based on career average revalued earnings. The administering authority for the Fund is Dundee City Council. The Pension Fund Committee oversees the management of the Fund whilst the day to day fund administration is undertaken by a team within the administering authority. Where appropriate, some functions are delegated to the Fund's professional advisers.

As the administering authority to the Fund, Dundee City Council (after consultation with the Fund Actuary and other relevant parties) is responsible for the preparation and maintenance of the Funding Strategy Statement and the Investment Strategy Statement.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The next actuarial valuation of the Fund will be carried out as at 31 March 2021 and will set contributions for the period from 1 April 2022 to 31 March 2025. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

On the Employer's withdrawal from the Fund, a cessation valuation will be carried out in accordance with Regulation 62 of the Local Government Pension Scheme (Scotland) Regulations 2014, which will determine the termination contributions due by the Employer, on a set of assumptions deemed appropriate by the Fund Actuary.

In general, participating in a defined benefit pension scheme means that the Employer is exposed to a number of risks:

- Investment risk – the Fund holds investment in asset classes, such as equities, which have volatile market values and, while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges;
- Interest rate risk – the Fund's liabilities are assessed using market yields on high quality corporate bonds to discount future liability cash flow. As the Fund holds assets such as equities, the value of the assets and liabilities may not move in the same way;
- Inflation risk – all of the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that assets are not linked to inflation, and;
- Longevity risk – in the event that the members live longer than assumed, a deficit will emerge in the Fund. There are also other demographic risks.

In addition, as many unrelated employers participate in the Tayside Pension Fund, there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations, so that the difference may fall on the remaining employers.

All of the risk above may also benefit the Employer e.g. higher than expected investment returns or employers leaving the fund with excess assets which eventually get inherited by the remaining employers.

Perth and Kinross Council provides underwriting and a guarantee to Culture Perth and Kinross Limited's admitted employees' membership of the LGPS, administered by Dundee City Council.

Culture Perth and Kinross Limited (a company limited by guarantee)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

The estimated asset allocation for Culture Perth and Kinross as at 31 March 2020 is as follows:

Asset breakdown	31 Mar 2020		31 Mar 2019	
	£000s	%	£000s	%
Equities	5,824	66%	6,158	69%
Gilts	122	1%	128	1%
Other bonds	1,556	18%	1,338	15%
Property	1,083	12%	1,113	12%
Cash	266	3%	157	2%
Alternatives	-44	-0%	21	0%
Total	8,807	100%	8,915	100%

We have estimated the bid values where necessary. Please note that the individual percentages shown are to the nearest percentage point for each asset class and may not sum to 100%. The final asset allocation of the Fund assets as at 31 March 2020 is likely to be different from that shown due to estimation techniques. Based on the above, the Employer's share of the assets of the Fund is less than 1%.

The financial assumptions used to calculate the results are as follows:

Assumptions as at	31 Mar 2020	31 Mar 2019	31 Mar 2018
	% p.a.	% p.a.	% p.a.
Discount rate	2.35%	2.45%	2.60%
Pension increases	1.85%	2.40%	2.30%
Salary increases	2.85%	3.40%	3.30%

These assumptions are set with reference to market conditions as at 31 March 2020.

Our estimate of the Employer's past service liability duration is 25 years.

Culture Perth and Kinross Limited (a company limited by guarantee)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

Net pension asset as at	31 Mar 2020	31 Mar 2019	31 Mar 2018
	£000s	£000s	£000s
Present value of the defined benefit obligation	10,842	10,964	9,505
Fair value of Fund assets (bid value)	8,807	8,915	8,126
Deficit / (Surplus)	2,035	2,049	1,379
Present value of unfunded obligation	-	-	-
Unrecognised past service cost	-	-	-
Impact of asset ceiling	-	-	-
Net defined benefit liability / (asset)	2,035	2,049	1,379

The amounts recognised in the profit and loss statement are:	Year to	Year to
	31 Mar 2020	31 Mar 2019
	£000s	£000s
Service cost	858	846
Net interest on the defined liability (asset)	46	32
Administration expenses	3	4
Total loss (profit)	907	882

Culture Perth and Kinross Limited (a company limited by guarantee)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

Reconciliation of opening & closing balances of the present value of the defined benefit obligation	Year to	Year to
	31 Mar 2020	31 Mar 2019
	£000s	£000s
Opening defined benefit obligation	10,964	9,505
Current service cost	858	728
Interest cost	269	248
Change in financial assumptions	(1,248)	636
Change in demographic assumptions	-	(318)
Experience loss/(gain) on defined benefit obligation	-	-
Liabilities assumed / (extinguished) on settlements	-	-
Estimated benefits paid net of transfers in	(140)	(78)
Past service costs, including curtailments	-	118
Contributions by Scheme participants and other employers	139	125
Unfunded pension payments	-	-
Closing defined benefit obligation	10,842	10,964

Culture Perth and Kinross Limited (a company limited by guarantee)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

Reconciliation of opening & closing balances of the fair value of Fund assets	Year to	Year to
	31 Mar 2020	31 Mar 2019
	£000s	£000s
Opening fair value of Fund assets	8,915	8,126
Interest on assets	223	216
Return on assets less interest	(718)	174
Other actuarial gains/(losses)	-	-
Administration expenses	(3)	(4)
Contributions by employer including unfunded	391	356
Contributions by Scheme participants and other employers	139	125
Estimated benefits paid plus unfunded net of transfers in	(140)	(78)
Settlement prices received / (paid)	-	-
Closing Fair value of Fund assets	8,807	8,915

Remeasurement of the net assets / (defined liability)	Year to	Year to
	31 Mar 2020	31 Mar 2019
	£000s	£000s
Return on Fund assets in excess of interest	(718)	174
Other actuarial gains/(losses) on assets	-	-
Change in financial assumptions	1,248	(636)
Change in demographic assumptions	-	318
Experience gain/(loss) on defined benefit obligation	-	-
Changes in effect of asset ceiling	-	-
Remeasurement of the net assets / (defined liability)	530	(144)

Culture Perth and Kinross Limited (a company limited by guarantee)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

23. MOVEMENT IN FUNDS (GROUP AND COMPANY)

	Balance at 31 March 2018 £	Net movement in funds £	Transfers between funds £	Balance at 31 March 2019 £	Net movement in funds	Transfers between funds	Balance at 31 March 2020
Unrestricted funds							
General funds	(30,391)	31,048	85,839	86,496	143,065	(100,000)	129,561
Pension reserve	(1,088,000)	(670,000)	(74,000)	(1,832,000)	14,000	-	(1,818,000)
	<u>(1,118,391)</u>	<u>(638,952)</u>	<u>11,839</u>	<u>(1,745,504)</u>	<u>157,065</u>	<u>(100,000)</u>	<u>(1,688,439)</u>
Designated funds							
IT Fund	-	-	-	-	-	50,000	50,000
COVID-19 Fund	-	-	-	-	-	50,000	50,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
Restricted funds							
Crockart Foundation	44,504	34,199	-	78,703	(7,991)	-	70,712
Creative Learning Network	3,413	-	-	3,413	(3,413)	-	-
National Museum Scotland							
Acquisition Grants	405	-	-	405	-	-	405
Small Grants - Library	768	-	-	768	-	-	768
Living Communities							
Participation Fund	33,750	(13,297)	-	20,453	10,521	-	30,974
Museums & Galleries							
Scotland - Collections Review	-	11,839	(11,839)	-	-	-	-
Cultural Redevelopment							
Project	84,321	(74,483)	-	9,838	-	-	9,838
Pipeline Project	7,255	(2,876)	-	4,379	(4,379)	-	-
Guildry Incorporation	5,000	(5,000)	-	-	-	-	-
General Restricted Funds -							
Museums and Galleries	123,628	(10,671)	-	112,957	1,720	-	114,677
General Restricted Funds -							
Library Information Services	58,739	(19,278)	-	39,461	7	-	39,468
Scottish Government							
Centenary Fund	-	824	-	824	(824)	-	-
Archives Appeal	-	3,530	-	3,530	1,906	-	5,436
Mummy Grant	-	-	-	-	120	-	120
Soutar Festival and							
Competition	-	111	-	111	(111)	-	-
Legacy – Mrs A Robertson	600	-	-	600	-	-	600
Bookmark Donation	-	-	-	-	500	-	500
Museums & Galleries							
Scotland - MyMuseum	-	-	-	-	11,898	-	11,898
Enchanted Forest	-	-	-	-	784	-	784
Digital Maker_Spaces	-	-	-	-	23,439	-	23,439
Perth & Kinross Remembers	-	-	-	-	10,916	-	10,916
The Ferryman Project	-	-	-	-	1,001	-	1,001
Forteviot Grant	-	-	-	-	5,576	-	5,576
Heritage & Culture Pathways							
Programme	-	-	-	-	19,514	-	19,514
Scottish Forestry	-	-	-	-	1,940	-	1,940
SLIC Film Club	-	-	-	-	3,259	-	3,259

Culture Perth and Kinross Limited (a company limited by guarantee)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

23. MOVEMENT IN FUNDS (GROUP AND COMPANY) cont

Total from overleaf	362,383	(75,102)	(11,839)	275,442	76,383	-	351,825
Idlewild Trust	-	-	-	-	3,000	-	3,000
Museums & Galleries Scotland - Perth City Hall	-	-	-	-	14,942	-	14,942
	<u>362,383</u>	<u>(75,102)</u>	<u>(11,839)</u>	<u>275,442</u>	<u>94,325</u>	<u>-</u>	<u>369,767</u>
TOTAL FUNDS (Company)	(756,008)	(714,054)	-	(1,470,062)	251,390	-	(1,218,672)
Unrestricted funds subsidiary	-	10,261	-	10,261	11,549	-	21,810
TOTAL FUNDS (Group)	<u>(756,008)</u>	<u>(703,793)</u>	<u>-</u>	<u>(1,459,801)</u>	<u>262,939</u>	<u>-</u>	<u>1,196,862</u>

Culture Perth and Kinross Limited (a company limited by guarantee)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

23. MOVEMENT IN FUNDS (GROUP AND COMPANY) cont

Net movement in funds, included in the above, are as follows:

	Incoming Resources £	Resources expended £	Gains and losses £	Movement In funds £
Unrestricted funds				
General funds	3,558,646	(3,404,032)	14,000	168,614
Restricted funds				
Crockart Foundation	50,000	(57,991)	-	(7,991)
Creative Learning Network	-	(3,413)	-	(3,413)
National Museum Scotland Acquisition Grants	800	(800)	-	-
National Museum Scotland Mummy Grant	1,300	(1,180)	-	120
Festival of Museums	1,500	(1,500)	-	-
JD Fergusson Art Foundation - Works on Paper	2,447	(2,447)	-	-
Conservation Works	1,610	(1,610)	-	-
General Restricted Funds - Museums and Galleries	1,720	-	-	1,720
General Restricted Funds - Library Information Services	-	7	-	7
Bookmark Donation	500	-	-	500
Book Week Scotland	750	(750)	-	-
Living Communities Participation Fund	25,000	(14,479)	-	10,521
Enchanted Forest	1,378	(594)	-	784
Bord Na Gaidhlig	500	(500)	-	-
Mobile Libraries Day	250	(250)	-	-
Museums & Galleries Scotland - MyMuseum	14,981	(3,083)	-	11,898
Museums & Galleries Scotland - Flora MacDonald	3,952	(3,952)	-	-
Digital Maker_Spaces	56,220	(32,781)	-	23,439
Perth & Kinross Remembers	32,303	(21,387)	-	10,916
JD Fergusson Art Foundation	1,758	(1,758)	-	-
Heritage & Culture Pathways Programme	25,000	(5,486)	-	19,514
Cultural Redevelopment Project	193,684	(193,684)	-	-
Pipeline Project	9,000	(13,379)	-	(4,379)
Scottish Forestry	2,069	(129)	-	1,940
SLIC Film Club	3,259	-	-	3,259
Idlewild Trust	3,000	-	-	3,000
The Ferryman Project	7,253	(6,252)	-	1,001
Visual Arts and Craft Makers Awards	5,991	(5,991)	-	-
Scottish Government Centenary Fund	-	(824)	-	(824)
Archives Appeal	3,717	(1,811)	-	1,906
Soutar Festival and Competition	200	(311)	-	(111)
Museums & Galleries Scotland - Conservation Studio	3,779	(3,779)	-	-
Forteviot Grant	13,887	(8,311)	-	5,576
Museums & Galleries Scotland - Perth City Hall	14,942	-	-	14,942
	<u>482,750</u>	<u>(388,425)</u>	<u>-</u>	<u>94,325</u>
TOTAL FUNDS	<u>4,041,396</u>	<u>(3,792,457)</u>	<u>14,000</u>	<u>262,939</u>

24. PURPOSES OF DESIGNATED FUNDS

IT Fund

In 2019/20, the Charity budgeted for IT equipment that was to be replaced as part of a rolling programme. Due to COVID-19, and cost savings measures, the equipment was not replaced and it was agreed that IT equipment would only be replaced as and when it failed, rather than on a rolling programme. £50,000 was set aside for this purpose.

COVID-19 Fund

In March 2020, as the COVID-19 pandemic took hold, a stop was placed on non-essential spend in the organisation. It was recognised that reopening of venues would result in substantial PPE, equipment, signage costs and require new ways of working in the organisation. The board agreed to set up a fund to cover the additional costs arising from the COVID-19 pandemic and the equipment and adaptations required to reopen our venues safely.

25. PURPOSES OF RESTRICTED FUNDS

The Crockart Foundation

The Charity benefits from the net annual income of this Foundation of the late James Baird Crockart. The funds are to be used in the purchase of books on outdoor sports and handed over to public Library for use of the public both within and out with the county of Perth or other such activities as approved by the Foundation's trustees and chief librarian. The Foundation's trustees have also approved the purchase of e-resources from this funding.

National Funding for Acquisitions Grants

Grants received support the purchase of new acquisitions to Perth and Kinross permanent collections in line with the Collections Development Policy. These grants fund part of the acquisition costs with Culture Perth and Kinross providing the match funding.

Living Communities Participation Fund

Funds received from the Gannochy Trust to support the Living Communities Participation Fund, which aims to increase the engagement of schools in local heritage learning, and increase the involvement with Perth and Kinross Council Museum and Gallery collections. Culture Perth and Kinross pays small grants to the schools based on the fund criteria.

Museums & Galleries Scotland - Collection Review

Awarded from the Museums & Galleries Scotland Recognition Fund, this project is a review of the broad range of Perth and Kinross Council collections. The aims are to review, document, share knowledge and engage with the community during the review process in order to unlock the potential of the collections held and to maximise their impact for public benefit. This project was completed in 2018/19.

Cultural Redevelopment Project

This income represents additional funds received from Perth & Kinross Council, specifically for costs incurred in relation to supporting work on the Capital Developments projects.

General Restricted Funds - Museums and Galleries

The transfer of various trusts from Perth and Kinross Council's reorganisation of small trusts. This has been done via a formal application with the Office of the Scottish Charity Regulator, for a charity reorganisation scheme. This fund has been set up to recognise that the restriction of these trusts are for the promotion, improvement, purchase of items, and encouragement of engagement with fine arts, painting, sculpture, and museum collections.

General Restricted Funds - Library Information Services

The transfer of various trusts from Perth and Kinross Council's reorganisation of small trusts. This has been done via a formal application with the Office of the Scottish Charity Regulator, for a charity reorganisation scheme. This fund has been set up to recognise that the restriction of these trusts are for the promotion and improvement of libraries and the purchase of books/media to enhance the literature collection in the libraries.

Archives Appeal

As part of Perth & Kinross Archive's 40th anniversary celebrations, a fundraising campaign was launched in order to raise funds to purchase two museum quality display cases. The cases will allow our archive to develop a small exhibitions programme, showcasing regular displays and stories from our archive collections. The fundraising target for the campaign is £7,400.

25. PURPOSES OF RESTRICTED FUNDS - continued

Legacy – Mrs Anne S Robertson

A bequest of artwork consisting of an oil painting of her father, John McMillan Marshall, by JD Fergusson and a £5,000 cash legacy. The artwork was added to the Council's permanent collection, which Culture Perth and Kinross administers. The expenditure to date has been on the conservation of the piece.

Museums & Galleries Scotland - MyMuseum

Funding received from Museums & Galleries Scotland, the MyMuseum project aims to inspire a step change in CPK's capacity to meaningfully connect people with objects and their stories by introducing innovative and interactive digital engagement opportunities using accessible and fun online platforms. This project will work in partnership with students to create the digital tools the museum requires to connect audiences to collections, enabling them to become advocates through creating and sharing their own content. Funding of £59,924 was awarded for this two year project.

Digital Maker_Spaces

Funding received from Perth & Kinross Rural LEADER Programme, the Public Library Improvement Fund, and Perth and Kinross Council Economic development, to develop a network of digital technology hubs within key rural library locations which make cutting edge creative digital technologies more accessible across rural Perthshire. The Maker_Spaces, located in Breadalbane Community Library, Strathearn Community Library, and Blairgowrie Library provide free access to the latest hi-spec creative technologies, and offers users a collaborative working space to explore the potential of how technology can be utilised to develop business capacity and creative practice. A Creative Technologist, and 2 Digital Enablers were also recruited as part of this project.

Perth & Kinross Remembers

With funding from the National Lottery Heritage Fund, Perth Common Good fund, and Friends of Perth & Kinross Archive, this is a First World War legacy project which will collect, catalogue and make accessible the wide variety of outputs from First World War memorial projects which have taken place in Perth & Kinross since 2014. A dedicated project officer has been recruited to deliver this project.

The Ferryman Project – Strategic Loan Bursary

A bursary of up to £11,650 was awarded to Culture Perth and Kinross to support the loan of The Pool of London, by Andre Derain, from the Tate's National Collection. The Pool of London was on display in Perth Museum and Art Gallery from November 2019 to February 2020.

Forteviot Grant

A grant of £13,887 to allow Culture Perth and Kinross staff to work with specialist conservators, to carry out essential condition assessments of exhibits destined for the new Museum within Perth City Hall.

Gannochy Trust – Heritage & Culture Pathways Programme

The Heritage and Culture Pathways Programme aims to deliver a programme of work placements, foundation and modern apprenticeships and paid graduate internships for young people aged 16 – 25yrs which support career pathways in the heritage and culture sector. Funding of £25,000 per year was secured for this 3 year programme.

Scottish Forestry – Forest Memories

A grant awarded from the Scottish Forestry to support a Forest Memories event in March 2020. A Collecting Day was planned, this one day event was designed to bring people in to meet the team and share their stories and memorabilia. It was hoped the event would assist in identifying a few people to interview and record their personal experiences of working in forestry. Unfortunately the event was cancelled due to the COVID-19 pandemic, however it will be rescheduled for a later date.

SLIC Film Club

£3,000 was awarded as part of a joint PLIF application to set up a SLIC Library film club. 12 library authorities across Scotland all received funding to set up film clubs in a local library with the aim to improve the provision of film and moving image education, and to engage communities with public libraries and with each other through film. By setting up a film club in one of our community libraries we hope to bring new audiences to the library, provide an opportunity for increased engagement between library services and their community and support people who otherwise would not have the opportunity to experience film. The funding we received has purchased high quality technical equipment to provide a cinematic experience, funds to purchase a licence to screen a wide range of commercially available films, and specialist staff training for film education activity.

Culture Perth and Kinross Limited (a company limited by guarantee)

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

25. PURPOSES OF RESTRICTED FUNDS - continued

Idlewild Trust

A grant of £3,000 was awarded towards the cost of the conservation works required on the Osteology exhibits destined for display in the new Museum in Perth City Hall.

Museums & Galleries Scotland - Perth City Hall

£59,770 awarded by Museums and Galleries Scotland, in order to clean and conserve 462 Archaeology, Social History and World Cultures Recognised Collections exhibits for display in the new Museum in Perth City Hall.

26. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total 2020 £	Unrestricted funds £	Restricted funds £	Total 2019 £
Group						
Fund balances as at 31 March 2020 are represented by:						
Tangible fixed assets	7,058	29,600	36,658	7,257	-	7,257
Current assets	1,252,128	340,167	1,592,295	1,246,924	275,442	1,522,366
Creditors: amounts falling due within one year	(790,815)	-	(790,815)	(940,424)	-	(940,424)
Pension scheme deficit	(2,035,000)	-	(2,035,000)	(2,049,000)	-	(2,049,000)
	<u>(1,566,629)</u>	<u>369,767</u>	<u>(1,196,862)</u>	<u>(1,735,243)</u>	<u>275,442</u>	<u>(1,459,801)</u>
Company						
Fund balances as at 31 March 2020 are represented by:						
Tangible fixed assets	3,971	29,600	33,571	5,958	-	5,958
Investments	1	-	1	1	-	1
Current assets	1,219,007	340,167	1,559,174	1,217,420	275,442	1,492,862
Creditors: amounts falling due within one year	(776,418)	-	(776,418)	(919,883)	-	(919,883)
Pension scheme deficit	(2,035,000)	-	(2,035,000)	(2,049,000)	-	(2,049,000)
	<u>(1,588,439)</u>	<u>369,767</u>	<u>(1,218,672)</u>	<u>(1,745,504)</u>	<u>275,442</u>	<u>(1,470,062)</u>

Culture Perth and Kinross Limited (a company limited by guarantee)

Notes to the Financial Statements - continued for the Year Ended 31 March 2020

27. RECONCILIATION OF NET INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Net income for the reporting period (as per the statement of financial activities)	262,939	(703,793)	251,390	(714,054)
Adjustments for:				
Movement in defined pension benefit liability	(14,000)	670,000	(14,000)	670,000
Interest received	(2,882)	(2,558)	(2,850)	(2,535)
Depreciation	13,315	2,635	11,853	1,985
(Increase)/Decrease in stocks	3,658	433	-	-
(Increase)/Decrease in debtors	(68,386)	430	(74,228)	(14,916)
Increase/(Decrease) in creditors	(149,609)	129,048	(143,465)	128,108
Net cash provided by operating activities	<u>45,035</u>	<u>96,195</u>	<u>28,700</u>	<u>68,588</u>

28. RELATED PARTIES

The parent and ultimate controlling party is Perth & Kinross Council.

Substantial funding is received from Perth & Kinross Council by way of grants and service level fees for general purposes and other activities.

Perth & Kinross Council is the sole member of Culture Perth and Kinross Limited. As sole member, Perth & Kinross Council has certain powers of control, which are set out in the Articles, including the right to nominate up to 3 elected members of the Council to serve on the board of directors, as well as to decide on the appointment and removal of all other directors.

Given the degree of control and influence which exists in the funding, operational and governance relationship, 100% of Culture Perth and Kinross Limited's general funds and net assets are consolidated in Perth & Kinross Council's annual group accounts, in accordance with financial reporting and accounting standards and other regulations applicable to local authorities delivering services through arm's length external organisations.

Related party transactions and balances with Perth & Kinross Council are exempted from disclosure in accordance with paragraph 33.11(a) of FRS 102.

Balances and transactions between the company and its wholly owned subsidiary, Culture Perth and Kinross Trading Limited, have been eliminated on consolidation in these group accounts and are exempted from disclosure in accordance with paragraph 1.12(e) of FRS 102.

29. COMPANY STATUS

Culture Perth and Kinross Limited is a company limited by guarantee, and the contribution of members to the liability of the Company is restricted by the Memorandum and Articles of Association to a maximum of £1. The company is registered in Scotland.