

Company Registration No. SC526979 (Scotland)

CULTURE PERTH AND KINROSS TRADING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

CULTURE PERTH AND KINROSS TRADING LIMITED

COMPANY INFORMATION

Directors	Mr W J H Elles Mr A J Parrott Mr C J Ahern
Company number	SC526979
Registered office	A K Bell Library 2-8 York Place Perth United Kingdom PH2 8EP
Auditor	Azets Audit Services 5 Whitefriars Crescent Perth United Kingdom PH2 0PA
Bankers	Royal Bank of Scotland 12 Dunkeld Road Perth United Kingdom PH1 5RB

CULTURE PERTH AND KINROSS TRADING LIMITED

CONTENTS

	Page
Directors' report	1
Directors' responsibilities statement	2
Independent auditor's report	3 - 5
Statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9 - 13

CULTURE PERTH AND KINROSS TRADING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr W J H Elles
Mr A J Parrott
Mr C J Ahern

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.


Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Mr W J H Elles
Director

26 November 2021

CULTURE PERTH AND KINROSS TRADING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

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

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

CULTURE PERTH AND KINROSS TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF CULTURE PERTH AND KINROSS TRADING LIMITED

Opinion

We have audited the financial statements of Culture Perth and Kinross Trading Limited (the 'company') for the year ended 31 March 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

CULTURE PERTH AND KINROSS TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF CULTURE PERTH AND KINROSS TRADING LIMITED

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

CULTURE PERTH AND KINROSS TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF CULTURE PERTH AND KINROSS TRADING LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

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

Azets Audit Services

For and on behalf of Azets Audit Services

10th December 2021

**Chartered Accountants
Statutory Auditor**

5 Whitefriars Crescent
Perth
United Kingdom
PH2 0PA

CULTURE PERTH AND KINROSS TRADING LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Turnover	7,421	190,203
Cost of sales	(4,312)	(62,859)
Gross profit	<u>3,109</u>	<u>127,344</u>
Administrative expenses	(12,717)	(105,266)
Other operating income	10,000	-
Operating profit	<u>392</u>	<u>22,078</u>
Interest receivable and similar income	13	32
Profit before taxation	<u>405</u>	<u>22,110</u>
Tax on profit	(1,906)	-
(Loss)/profit for the financial year	<u><u>(1,501)</u></u>	<u><u>22,110</u></u>

CULTURE PERTH AND KINROSS TRADING LIMITED

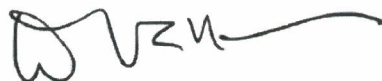
BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	3		1,625		3,087
Current assets					
Stocks		13,733		13,586	
Debtors	4	483		11,638	
Cash at bank and in hand		11,725		41,381	
		<u>25,941</u>		<u>66,605</u>	
Creditors: amounts falling due within one year	5	<u>(17,255)</u>		<u>(47,880)</u>	
Net current assets			8,686		18,725
Total assets less current liabilities			<u>10,311</u>		<u>21,812</u>
Capital and reserves					
Called up share capital			1		1
Profit and loss reserves			10,310		21,811
Total equity			<u>10,311</u>		<u>21,812</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 26 November 2021 and are signed on its behalf by:



Mr W J H Elles
Director

Company Registration No. SC526979

CULTURE PERTH AND KINROSS TRADING LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2019		1	10,261	10,262
Year ended 31 March 2020:				
Profit and total comprehensive income for the year		-	22,110	22,110
Donation to charitable parent company		-	(10,560)	(10,560)
Balance at 31 March 2020		1	21,811	21,812
Year ended 31 March 2021:				
Loss and total comprehensive income for the year		-	(1,501)	(1,501)
Donation to charitable parent company		-	(10,000)	(10,000)
Balance at 31 March 2021		1	10,310	10,311

CULTURE PERTH AND KINROSS TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Culture Perth and Kinross Trading Limited is a private company limited by shares incorporated in Scotland. The registered office is A K Bell Library, 2-8 York Place, Perth, United Kingdom, PH2 8EP.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

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

Revenue from the sale of goods is recognised when all of the following conditions have been satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transactions; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

CULTURE PERTH AND KINROSS TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical costs includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost or valuation of assets less their residual values over their useful lives on a reducing value basis.

Depreciation is provided on the following basis:

Plant and equipment	25% straight line
---------------------	-------------------

A full year's depreciation is provided in the year of acquisition and no depreciation is charged in the year of disposal.

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted retrospectively, if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying value of the asset and are recognised within profit or loss.

1.4 Stocks

Stocks are stated at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks.

1.5 Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

CULTURE PERTH AND KINROSS TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. Tax is recognised in the statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.8 Government grants

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 0 (2020 - 4).

	2021 Number	2020 Number
Total	-	4

CULTURE PERTH AND KINROSS TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3	Tangible fixed assets		Plant and equipment £
	Cost		
	At 1 April 2020 and 31 March 2021		5,849
	Depreciation and impairment		
	At 1 April 2020		2,762
	Depreciation charged in the year		1,462
	At 31 March 2021		4,224
	Carrying amount		
	At 31 March 2021		1,625
	At 31 March 2020		3,087
4	Debtors	2021	2020
	Amounts falling due within one year:	£	£
	Trade debtors	-	5,595
	Other debtors	483	6,043
		483	11,638
5	Creditors: amounts falling due within one year	2021	2020
		£	£
	Bank loans and overdrafts	-	6,134
	Trade creditors	1,400	3,786
	Taxation and social security	-	5,837
	Other creditors	10,907	27,428
	Accruals and deferred income	4,948	4,695
		17,255	47,880

6 Related party transactions

The company has taken advantage of the exemption under FRS 102 paragraph 1AC.35 from the requirement to disclose the information on transactions with entities which are part of the group on the basis that the consolidated group financial statements are publically available.

CULTURE PERTH AND KINROSS TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Parent company

The company is a wholly owned subsidiary of Culture Perth and Kinross Limited, a charitable company registered in Scotland (No SC518247). The registered office of Culture Perth and Kinross Limited is A K Bell Library, 2 - 8 York Place, Perth PH2 8EP. The ultimate controlling party is Perth & Kinross Council.

CULTURE PERTH AND KINROSS TRADING LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

		2021		2020
	£	£	£	£
Turnover				
Sales - Museums and galleries		3,971		25,607
Catering - Museums and galleries		-		6,555
Room hire - Museums and galleries		-		8,146
Sales - Libraries and information		681		8,242
Catering - Libraries and information		123		90,931
Room hire - Libraries and information		300		33,307
Photocopier and charges - Libraries and informatio		2,346		17,415
		<u>7,421</u>		<u>190,203</u>
Cost of sales				
Opening stocks	13,586		17,244	
Purchases - Museums and galleries	-		10,656	
Purchases - Libraries and information	2,731		45,642	
Equipment purchases - Libraries and information	1,128		1,463	
Equipment rental - Libraries and information	600		1,440	
Closing stocks	<u>(13,733)</u>		<u>(13,586)</u>	
		<u>(4,312)</u>		<u>(62,859)</u>
Gross profit	41.89%	<u>3,109</u>	66.95%	<u>127,344</u>
Other operating income				
Government grants receivable and released		10,000		-
Administrative expenses				
Staff costs recharged - Libraries and information	-		91,542	
Licences and subscriptions	828		1,071	
Accountancy	3,186		4,275	
Auditors' remuneration	4,700		2,600	
Bank charges	2,248		3,343	
Bad and doubtful debts	280		-	
Miscellaneous supplies and expenses	13		932	
Irrecoverable VAT	-		41	
Depreciation	<u>1,462</u>		<u>1,462</u>	
		<u>(12,717)</u>		<u>(105,266)</u>
Operating profit		<u>392</u>		<u>22,078</u>
Interest receivable and similar income				
Investment interest	<u>13</u>		<u>32</u>	
		<u>13</u>		<u>32</u>
Profit before taxation	5.46%	<u><u>405</u></u>	11.62%	<u><u>22,110</u></u>

