

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 2022

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Trustees' Report and Consolidated Financial Statements

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Chair's Report

It is my enormous pleasure to introduce this report once again on the activity of Culture Perth and Kinross Limited for the year ended 31 March 2022. This report reflects just our sixth full year of operation, and yet another which saw further business interruption as a result of the terrible COVID-19 pandemic. We have however, risen to the challenge and remained committed to our communities; both working with them to develop new content and experiences, and delivering the best cultural and heritage services we could with the restrictions placed upon us at the time. That commitment only grows stronger for us all and is fuelled in part by the strength of our partnerships and collaborations.

We continue to work closely with, and are immensely grateful to, Perth & Kinross Council. Their continued financial and strategic support has ensured we have been able to continue to deliver services in times of great uncertainty. Our work together on the City Hall continues, and our shared objectives and vision for the project have been further refined whilst construction work onsite has been in some of its busiest phases.

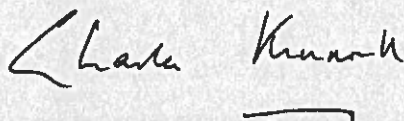
We have continued to shape our organisation for the future, building both our staff teams and strengthening our Board further to ensure future success.

We are grateful to our many partners and supporters who continue to invest in, and champion, our work not just locally, but across the UK. Our sincerest thanks to the Gannochy Trust, The Crockart Foundation, the Jimmie Cairncross Charitable Trust, The Scottish Book Trust, Museums and Galleries Scotland, Creative Scotland, Ceteran EcoMuseum, The National Gallery, National Lottery Heritage Fund, Abertay University and the Perth and Kinross Rural LEADER Fund. The support of these organisations, trusts, and foundations has enabled us to deliver an astonishing programme of events, workshops, talks, exhibitions and school and community-based work. As restrictions have eased, their funding and support have been essential to our pivot from the digital platforms favoured during lockdown, to blended experiences; welcoming back in-person audiences whilst enabling us to widen our reach and offer more inclusive activity.

This report highlights some of the work we have delivered this year including MyMuseum, an innovative project to make digitised collections more accessible; the Perthshire Seed Library, a new initiative exploring food sustainability and encouraging people to experiment with growing their own food; the Joan Eardley exhibition which was part of the celebrations of 100 years since one of Scotland's most popular twentieth century artist's birth; and our Soutar Festival, a celebration of Scots language and culture in all its forms. These projects and so many more have brought joy and some slight relief from other, more serious concerns to many people.

As a Board we recognise and applaud the immense efforts made by our staff and our volunteers. Their enthusiasm and commitment have been outstanding, and alongside our Board, we all feel very privileged to be able to deliver services of comfort, relief and respite for our communities through both the ordinary and extraordinary of the last year.

Whatever form your engagement with us takes over the coming year as we continue to navigate the emerging post-pandemic world, I would like to offer our most sincere gratitude for your continued support in these exceptional times and for making our work matter. I very much look forward to continuing to work in collaboration with you all.



CHARLES KINNOULL
CHAIR

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

Trustees' Report

The Trustees, who are also the Directors of the Group for the purposes of company law, are pleased to present their annual report and audited financial statements for the year ended 31 March 2022.

Objectives and Activities

The **Articles of Association** for Culture Perth and Kinross Limited detail its objects as being:

- 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 & Kinross Council), which contribute to advancing wellbeing (primarily the wellbeing of residents of the area served by Perth & 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 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

- **32.6** staff resources (FTE)
- **13** Libraries in locations across Perth and Kinross. *Due to the pandemic and resulting operational restrictions, reopening libraries took place on a phased basis from May until November 2021.*
- 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 eBook, eAudiobook, eNewspaper and eMagazines 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. *Activity continued to be curtailed this year due to operating restrictions arising from the pandemic and activity increased month on month during the year as restrictions eased over time following the January – April lockdown.*

Museum and Galleries Services

- **19.7** 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. *Operating restrictions saw a phased reopening of Museums from 30 April and reduced opening hours for the Fergusson and Alyth venues.*

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- Exhibitions and Public Programming including events, talks and workshops. *As with libraries, restrictions arising from the pandemic impacted on the ability to deliver face to face programmes, however, activity increased month on month as restrictions eased.*
- Heritage Learning, Volunteering and Outreach programmes across Perth and Kinross. *These took place online or as restrictions eased which reduced our work in this area substantially.*

Archives and Local and Family History Services

- **5.2** 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. *Service delivery has been impacted on by restrictions resulting from the pandemic, however, as these eased increased access to and engagement with services was evident.*

Creativity

- **3.8** Project staff (FTE) 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.
 - A network of Maker_Spaces in 5 Library locations across the region. *The operation of these was impacted by pandemic related restrictions, however, were all fully operational from December 2021.*

During 2021/22 a review was undertaken of the Strategic Objectives which had been in place for the organisation since 2017. Following this review, a new set of Strategic Objectives and Outcomes (KSO) was identified, and these are set out below. These revised KSO reflect national, local and sectoral strategy and policy and support the delivery of the key objects of Culture Perth and Kinross Limited as set out in the Articles of Association. The KSO inform the **Strategic Operating Plan and Team Plans.**

1. To increase access to, and develop new audiences for, our services and collections.
2. To democratise access to digital experiences and technologies for our communities to support their creative, personal and professional development
3. To use cultural experiences and services to help address inequalities and to promote personal growth and development.
4. To ensure development, conservation and further the understanding of the collections in our care.
5. To deliver a high performing organisation which benefits from strong strategic and operational leadership.

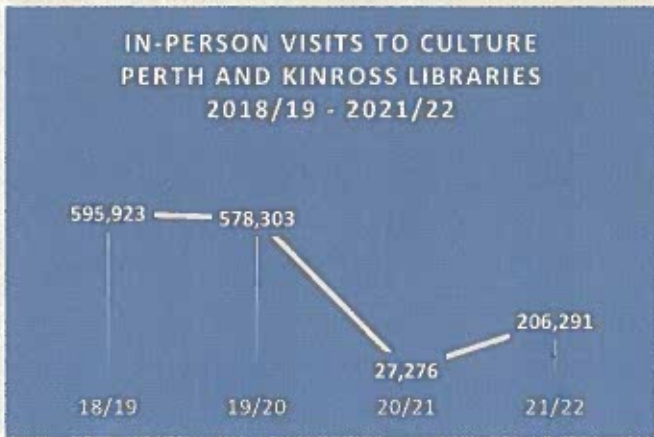
Achievements and Performance

2021/2022 - Building Back

We began the year in another period of lockdown, with staff working from home to develop plans for the reopening of services which was undertaken on a phased basis from 30 April. The first venues to reopen were the Fergusson Gallery and Perth Museum and Art Gallery, each of which opened with new exhibitions to encourage and engage visitors once more. Libraries began reopening their doors from mid-May although continuing restrictions on operations meant a very gradual return to full service over the course of the year and this impacted on audience engagement and visitor numbers.

Building back our audiences during the year and developing audiences for the new City Hall Museum, due to open in 2024, were key priorities for the organisation. Whilst in-person visits showed month-on-month growth and variations from venue to venue, by the end of the year in-person visits were just 38.4% of pre-pandemic figures demonstrating the continuing impact of ongoing restrictions in place throughout the year and the caution around 'normal' activity which many people are still exercising.

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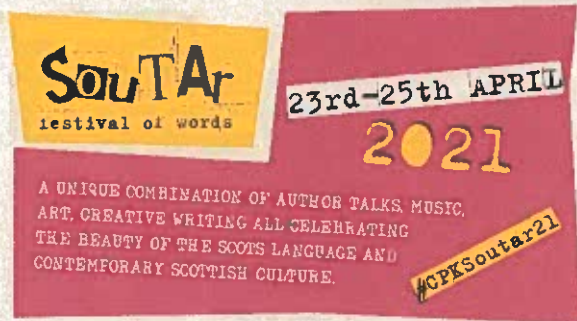
The graphs above demonstrate the different behaviours of service users with museums showing a sharper bounce back towards pre-pandemic levels than libraries. If the current rates of return are to be continued, then recovery to pre-pandemic levels of service engagement will not take place until the end of 2023.

Customer behaviours have been changing and audience research was commissioned from ScotInform to identify any underlying trends or issues which could be addressed within our programme and planning.

Our Public Programmes

We began the year with our Soutar Festival; a programme of events and talks which celebrates the Scots language and contemporary Scottish Culture in the name of Perth-born poet, William Soutar. The festival takes place on the weekend of the poet's birthday in April and due to the lockdown restrictions in place at the time, the entire Festival was delivered online. With funding from The Friends of William Soutar, The Jimmie Cairncross Charitable Trust and Thorntons Law Firm, 20 events were held over 3 days including talks from Sally Magnusson, Elaine C. Smith and Booker prize winner Douglas Stuart who took part from the USA. The festival attracted 2,466 participants and drew audiences from England, Wales, Ireland, North America, Australia and Denmark.

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"Brilliant event felt very inclusive."

"My son age 23 and I really enjoyed Gaelic introduction and will be continuing to learn more about was in the presentation. Thank you."

"A huge thank you to all those involved in organising such a wonderful weekend and I hope you are all feeling very proud of such a great event for Perth and Kinross."

Comments from Festival Audience Members

As we returned to our venues and began to welcome visitors and customers back through our doors, we took the decision to offer a full programme of temporary exhibitions within the Museum and target work with local communities through engagement activity and events to build back in-venue audiences.

In June 2021, we opened our first major summer exhibition for 2 years, 'All Aboard', this was a celebration of the railways of Perth and Kinross, both those lost and those still in operation. The curatorial team worked closely with the Scottish Model Engineering Trust (SMET), Caledonian Railway Association, Highland Railway Association and the North British Rail Research Group to create an exhibition with cross-generational appeal to both local residents and visitors. Just under 11,000 visits were made to the exhibition during its run which was 60% of pre-pandemic visits for the same period, however, this was a strong performance in comparison to national visitor return rates, reflecting the positive engagement with local audiences. The exhibition was accompanied by a series of talks and events and SMET operated a free ride-on miniature train outside the museum which proved hugely popular with young families.

As many restrictions remained in place over the summer months, we devised a programme of outdoor events to encourage people back into the city centre and engage with local audiences in ways which allowed for social distancing and other measures to be easily managed whilst contributing to local economic recovery. The programme also afforded an opportunity to engage with local artists, writers and performers many of whom had not had opportunities to participate in events in the preceding 18 months. 'Pop Out Perth' received funding from Perth & Kinross Council's Events Fund and delivered 20 events utilising spaces within the local public realm such as St Paul's Church and the Horsecross Plaza. 3,263 individuals attended the events (though many more 'watched on' from a distance when passing by) and evaluation showed that 84% of attendees were from Perth and Kinross (32% lived in the City Centre) and that 16% were from outside Perth and Kinross. 45% of attendees had not previously been to events offered by Culture Perth and Kinross Limited, raising our profile and helping to diversify our audiences.



Miriam Wolanski Circus performing at St Paul's Church as part of Pop Out Perth

Our autumn exhibition at Perth Museum and Art Gallery was **Romans: Edge of Empire** and its partner exhibition, **The Antonine Wall: Beyond Boundaries** which was developed as part of the Rediscovering the Antonine Wall Project. The Edge of Empire exhibition drew from the Museum Collections and told the story of the Roman empire in Perthshire and of the important archaeological work currently being undertaken which is furthering our understanding of the Roman's time in Scotland. The exhibition design included the use of QR Codes, a first for the Museum and an opportunity to trial these as a way of offering extended content around key objects on display. 3D Mapping was also used for the first time, bringing to life the landscape and the Roman's advance. Visitors' response to the exhibition was very positive and visitor numbers for the month of January 2022 were up by 182% compared to January 2019 with

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more than 12,428 visiting the museum during that time. Although many schools were still not engaging in out-of-school activities at this time, pupils from St Stephen's and North Inch Primary schools (P3 through to P7) participated in workshops within the exhibition to support their Romans Topic in school. An events programme running alongside the exhibition included The Time Travelling Cook and Scottish Crannog Centre as well as costumed interpreters The Clanranald Trust and The Antonine Guard.

2021 was the centenary year of the birth of Artist **Joan Eardley** and as part of a national programme of events to celebrate this, Eardley100, Perth Museum and Art Gallery hosted an exhibition of the artist's work, drawn from our own collections and significant loans. As one of the final commemorative shows in the Eardley100 programme, the curatorial team chose not focus on biographical information in their exhibition interpretation, but focused instead on Eardley's inspiration, personality and drive. The anecdotes, in-gallery talks and use of photographs of the artist sought to make her a relatable and very human figure. This seemed to strike a chord with visitors and the exhibition was very popular; one visitor had travelled from Brighton only for the purpose of visiting it.

With more schools re-engaging with out of school activities by late autumn, a programme of learning opportunities inspired by Eardley and the exhibition was delivered. Pupils studying Higher Art at Pitlochry, Blairgowrie and Perth secondary schools attended workshops exploring Eardley's style as a painter and undertook sketching exercises using various dry materials such as charcoal, pencil and pastels. Students from Perth College UHI and the Creative Catalyst project also participated in workshops producing work which was displayed within the Museum's community case.

"Thanks for all your thoughtful organisation and the relaxed but rich menu of experiences and creating opportunities."

"I learnt more about abstract drawing, the different sketches have different effects, I learnt to paint fast, don't worry about being perfect, be more free with lines, be more free with your work."

Feedback from Workshop Participants

"Fantastic to see the range of work from early to late seascapes, great photos of studio work, I saw a lot of work that I hadn't seen (elsewhere), the paintings texture is magnificent, the display was fantastic, amazing to see the scale of the work, very inspiring, moving and thought provoking."

Visitor Comment

In October, a new **Creative Writing for Wellbeing** course was launched at the AK Bell Library in partnership with the Walled Garden (Perth & Kinross Association of Voluntary Services) project working with creative writing practitioner, Victoria McNulty. The project aims to benefit individuals through the experience of working with a skilled creative facilitator and learn to express their feelings, thoughts and experiences in writing to help improve their mental health. Due to the potentially sensitive nature of the topics, participants may have chosen to explore, Group sizes are kept small with no more than 8 participants. Holding the Groups within the library space also encourages participants to engage with the broad range of health and wellbeing materials available which they can use to support their recovery journey.

We now have writing Groups in our Breadalbane and North Inch Libraries as well as at the AK Bell Library and are keen to roll this out further over the coming year where demand is identified.

Our Climate Crisis Response

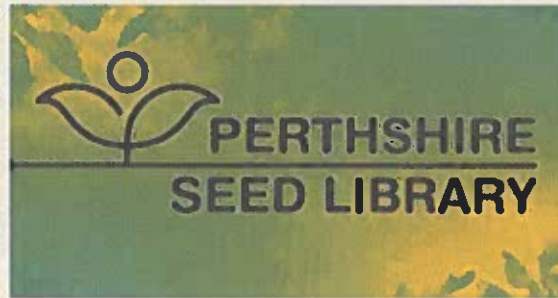
We recognise our impact on the climate and are seeking to reduce these where we can and offset those we cannot avoid or reduce. We have established a network of Green Champions within the organisation who are tasked with developing and delivering initiatives which will reduce waste, improve recycling and reuse and reduce our carbon footprint. We recognise that we cannot address all the challenges ahead of us in isolation or overnight and are developing a climate crisis action plan to ensure our progress can be monitored effectively. In addition to work being undertaken within the organisation, we are also developing programming and community engagement activity around key climate crisis issues which are aligned to our work.

The Culture Perth and Kinross Limited **BIOBLITZ** was an opportunity to share observations of common and rare species, creating a local snapshot of wildlife in Perth and Kinross. Using the iNaturalist App, 3,287 observations of over 1,000 species were made by 400 community observers. The CPKBIOBLITZ was organised as part of the programme to accompany **The Shadow World by Artists Walker and Bromwich**, an installation at Perth Museum and Art Gallery which provoked visitors to consider what might be left of our native species without positive change and intervention.

The CPKBIOBLITZ and Walker and Bromwich installation were delivered as part of our **Climate Perth and Kinross** strand of work, delivered across several service areas and activities during 2021/22 and linked to the COP26 Summit held in Glasgow in November 2021.

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As part of Climate Perth and Kinross, the launch of our new **Perthshire Seed Library**, in partnership with Perthshire Organic Gardeners was held in November 2021. This new initiative, supported by 8 volunteers, aims to promote the development of a biodiverse and ecologically sustainable seed system in Perthshire and to encourage growing and gardening for health and wellbeing. Seed Library members must also be members of the library helping develop wider library use, and each member can select up to 12 packets of seeds from an extensive inventory each year. Members receive a free monthly newsletter produced by Perthshire Organic Gardeners and can participate in a range of training and networking events. Since its launch, 92 individuals have joined with 16 of these new to the wider library. Members have reported saving an average of £13.00 per year on seed costs.



Also, under the Climate Perth and Kinross banner, the curatorial team worked with the National Gallery and Perth and Kinross Association of Voluntary Services (PKAVS) to bring, **Jan Van Huysum's magnificent painting, Flowers in a Terracotta Vase (1736-7) to be displayed at the Walled Garden in the grounds of Murray Royal Hospital in Perth.** As part of a tour of six locations across the United Kingdom, the painting was displayed for a week, from 31 July to 8 August 2021. The project was targeted particularly at individuals with mental health

issues. A series of artist-led workshops engaged participants from Murray Royal Hospital, and members of the public, to explore themes of wellbeing and the benefits of the outdoor environment on health. Many of the people coming to view the painting were first-time visitors to the Walled Garden and a number had travelled from beyond Perth and Kinross specifically to see the painting. The project helped cement relationships with the National Gallery and as a result we will be the first host of a new touring exhibition from them in June 2022.

Following a brief reopening in the late summer of 2021, we undertook a redevelopment of **Alyth Museum** over the winter closure period. Working with the Ceteran EcoMuseum and with funding from Museums and Galleries Scotland, this small social history museum has been transformed into a visitor hub and orientation centre for the Ceteran EcoMuseum. The new displays encourage visitors to engage with the wider heritage environment in the region, linking to more than 25 sites of key local historic or environmental interest in Eastern Perthshire. Work began on the redevelopment in August 2021 with Initial brainstorming / storyboarding exercises with volunteers from the EcoMuseum and input from other community Groups including Alyth Development Trust and EcoKids. The final design has created two new galleries; an interpretation hub, changeable displays and a temporary exhibition space with content curated by the Ceteran EcoMuseum and local community Groups. The new Museum opened in May 2022.



"Visiting the Ceteran Ecomuseum was a great pleasure for us. I think it set our fieldtrip off on the right footing – truly inspiring." Senior Lecturer; School of Design (Edinburgh University)

City Hall Museum Project

The Perth City Hall Museum project continued to move forward over the course of the year with construction onsite and continued development of interpretation narratives. Fundraising for conservation work continued and approximately half of the £359,000 target was secured from trusts and foundations.



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A number of engagement activities, designed to co-produce content with communities for the new City Hall Museum were initiated including **Blended Memories**, a conversation with former Dewar's staff developed in partnership with the Bacardi Archives and the Dewars Retirement Association. An exhibition in Perth Museum and Art Gallery shared the stories of former workers of whisky distiller and blender John Dewar & Sons. More than a place of work, Dewar's established a broad community of relations, friends and colleagues. The exhibition was designed to provide a relaxing, contemplative space enabling people to watch films, reminisce and reconnect with friends and to draw further stories and material to support interpretation in the Trade and Industry displays within the new Museum. Conversations also took place with former employees or their relatives at the AK Bell Library and online. 18 oral histories were recorded during the exhibition and a further 10 visitors were interviewed. More than 146 ex-employees contributed via Facebook with 3 individuals lending material which will be displayed within the new museum. The exhibition and the engagement approach to gathering recent social history was very well received by visitors and participants alike and proved to be a very popular draw for visitors to the museum and will be used to support other areas of City Hall interpretation over the course of 2022/23.



As part of the research and development programme for the new **City Hall Museum**, Culture Perth and Kinross Limited was honoured to welcome local and London-based Māori representatives from Ngāti Rānana to Perth Museum and Art Gallery to conduct a ceremony with the kahu kākāpō, a Māori feather cloak in the museum collection, in anticipation of its journey to the British Museum where it underwent conservation treatment. The cloak, which was

donated to the museum in 1842, is the only surviving example of its type in the world and will eventually go on display at the new museum. Conservation Officer, Anna Zwagerman, and Curator, Mark Hall, travelled to London with the Cloak to work with feather conservation specialists at the British Museum. A [short film](#) of this project has been produced by the British Museum, and will be launched later in 2022.



We are currently developing a Memorandum of Understanding (MOU) with The Museum of New Zealand Te Papa Tongarewa (Te Papa), to further cement working relationships and set out the approach to future collaboration on the research, interpretation and presentation of Māori objects and stories held within the Collections of Perth and Kinross.

Our Digital Year

We developed and approved a new **Digital Strategy** for the organisation this year. The new strategy reflects our learning from the 'digital pivot' driven by the pandemic, and our ambitions to use digital technologies to not only improve our effectiveness and efficiency as an organisation but to improve the digital experiences of our audiences. The Strategy will run for three years from 2022 to 2025. In that time several projects which have been developed this year will be consolidated with relevant learning and practice rolled out across the organisation.

The development of the Digital Strategy benefited greatly from the appointment of a **Digital Transformation Officer** within our Museums and Galleries Team. This Museums and Galleries Scotland funded post was focused on using new and emerging technologies to produce engaging digital content from our collections to help improve access to, and an understanding of, the vast array of material which we are unable to display. Through this work we are developing a digital database of 3D images and have upskilled staff in the process of Photogrammetry and the production of digital content. 66 3D images have been completed to date and much of the digital content produced through this project is now available to the public on our newly launched MyMuseum portal.

The **MyMuseum** project was also made possible with funding from Museums and Galleries Scotland. MyMuseum is a dynamic, user-friendly and shareable digital platform which enables people to explore the digitised collections and curate their own collections and digital displays in a virtual museum environment. 10 volunteers worked on the project during lockdown and captured over 1000 Perthshire Advertiser and Cowper/Flood Collection images. The project engaged with Abertay University and 8 computer gaming students undertook MyMuseum as their professional project module. The digital platform was developed with Dorset Creative and 3 funded student placements were created to

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give students an opportunity to work with a commercial design company developing a prototype virtual museum. Whilst the MyMuseum platform can be accessed from our website, the project also delivered a large interactive table which enables small Groups to engage together and explore the MyMuseum collections. This table is currently being used in Perth Museum and Art Gallery; however, we will be taking it out to other venues to promote the platform, give the public an opportunity to explore the collections, and use it as a tool for supporting engagement with communities around the opening of the new City Hall Museum.

"The students felt exceptionally well supported throughout the development of this project. Communication from both CPK and Dorset Creative was regular, constructive, and professional. This enabled the students to develop their skills and workflows in a nurturing environment that enhanced output." Course Leader, Abertay University

"A new learning project to focus on, particularly during the lockdown period, the incentive to renew my interest in photography, researching some of the objects I was cataloguing and getting to know some of the other volunteers better during the Zoom sessions provided me with contacts (with similar interests) outside of my immediate environment." MyMuseum Volunteer

Our libraries also benefited from digital investment this year and following a grant award from the Crockart Foundation, Culture Perth and Kinross Limited Libraries became the first service in Scotland to offer innovative **Hublets** to library users. Hublets are free-to-access tablets which can be released from a secure docking station by scanning a library card. The wireless tablets come preloaded with a broad range of apps, including PressReader and the Library Catalogue. Users can access the internet and services such as Skype, Facetime and Zoom, making them much more flexible than a more traditional desk-based PC or laptop commonly found in libraries. Hublets can be used by individuals or Groups and are proving popular with support workers and trainers working with individuals who have little online experience. Hublets are now available in 7 Libraries, and to date 1,322 individuals have made use of these.



In July, our Museums and Galleries Team were delighted to once again be **shortlisted for a Kids in Museums Award** having previously been nominated in 2019. This year the nomination was in the Best Digital Activity category for CPKPlay, a new online website aimed at families, which was developed and delivered in response to the pandemic and subsequent closures of our services. <https://cpkplay.co.uk/>

Our **social media** continues to be a strong route for engagement with audiences and promoting our services and activities. In 2021/22 there were **3,834,365 engagements** with our social media channels. Whilst this was a drop of 11% on the previous year when we saw 4,309,696, much of that higher figure was pandemic related engagement during the first, more chaotic period of initial lockdown. The 2021/22 engagements figures are an 80% increase on the figures for 2019/20 (2,121,113 engagements).

Developing Our Collections

Work continued throughout the year on preparations for the displays which will form the core of the new museum in Perth City Hall due to open in Spring 2024. As part of this an extensive programme of **conservation activity on collections** has been undertaken throughout the year. From April 2021 to January 2022 several skulls including those of an Auroch, Beaver, Boar and Bear were subject to external conservation work by Natural History Conservation's osteology specialists. As well as the work on the skulls and some Elk and Red Deer antlers, the company cleaned, conserved and remounted the Moa Skeleton (Moa is an ostrich-like flightless bird native to New Zealand and which is now extinct.)



Before Treatment



After Treatment

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Our conservation works this year has been supported by funding from The Whisky Auctioneer Ltd, Forteviot Trust, Leche Trust, Idlewild Trust, Museums and Galleries Scotland Small Projects Fund, and the Gordon Fraser Charitable Trust.

In September, staff within the **Local and Family History service** undertook a review and condition survey of the **historic newspaper collection** to identify volumes for retention and 'disposal' whilst improving the long-term storage of the collection. The scale of the task, and the nature of the work made this an ideal project for our volunteers and 9 individuals gave 474hrs of time over 161 visits to the AK Bell Library to complete the review during a 12-week period. The support of volunteers meant that the Local and Family History Officer could focus on the accurate recording of each newspaper's status ensuring our custodial responsibilities to the collection were met. The Local History Officer was also able to progress cataloguing, and future plans for conservation and digitisation of the collection will be progressed through our participation in a national newspaper digitisation project being developed in partnership with the National Library of Scotland and Local Studies services across Scotland.

"Discovering more about my native area in bygone days, finding family photos and printed matter about them"

"Finding quirky articles and advertisements. Realisation that a Group of volunteers can achieve results very quickly – something that would have taken a single employee months to do."

Feedback from Volunteers on their experience of the project.

Our collections-based services continued to support **research enquiries** throughout the year, responding to 1,055 online and in-person requests. We continued to **add to the collections** too, acquiring 35 objects or Groups of objects over the course of the year. Whilst additions were predominantly through donation, several acquisitions were purchased through auction or via Treasure Trove and we were once again very fortunate to receive support from the National Fund for Acquisitions to secure the following:

- Photograph album containing images of life at Muirton of Ardblair, Perthshire, 1893.
This album along with a further donation of photographs of the village will inform an exhibition at Perth Museum and Art Gallery in the Autumn 2022.
- A late 18th/19th century carved and painted wood tobacco advertising figure in the form of a Highlander, from the Tobacconist's shop of Charles Rattray formerly situated at 160 High Street, Perth.
This figure compliments the other objects from the tobacconists which were salvaged by Perth Museum and Art Gallery in 1981 before the building was demolished.
- Gentleman's court dress worn by Charles Graham Sidey, Lord Provost of Perth, for Queen Victoria's visit to Perth in 1842.
This complements the collection of Provost's robes held and has a unique story to add to the collection.

Developing Our People

Following a period of service disruption and staff redeployment resulting from the pandemic and operational restrictions, a **restructuring of the senior and executive management teams** was undertaken in the summer and autumn 2021. Senior Officer and Manager posts were reviewed in consultation with staff and a new service structure developed to take better account of organisational priorities as we move to open the new City Hall Museum and recover our business following the pandemic. 4 new Heads of Service now sit with our Chief Executive to form the Executive Management Team; Head of Culture and Heritage looks after the day to day service delivery of our Museums and Galleries, Libraries, Local and Family History and Archives; Head of Audiences and Learning who looks after our public programmes and learning activity across the organisation as well as our marketing and communications team; Head of Operations and Support Services who looks after our IT services, Health and Safety and Venues; and, Head of Finance and Resources looking after the finance, staffing and admin functions of the organisation.

The new structure took effect in October 2021 and terms of reference for the Executive, Senior and Extended Management Teams were reviewed to ensure they would support the effectiveness of the new structure.

Culture Perth and Kinross Limited was selected as a partner in the **British Museum Knowledge Exchange** in 2020, however, the pandemic delayed in-person exchanges taking place until November 2021 and February 2022. The objectives of the Knowledge Exchange were to:

- Develop individual and organisational knowledge and skills
- Help build relationships between the two organisations
- Provide insight into and gain exposure to specific areas of museum working
- Shape sustainable methods for sharing knowledge and skills across the sector

Culture Perth and Kinross Limited hosted British Museum staff member, Sophie Wills (Project Manager, International Engagement & Digital Programme Assistant / Digital Learning and Resource Manager) for a bespoke professional skills-sharing five-day placement, in November while the British Museum hosted Culture Perth and Kinross Limited Museums

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& Galleries staff member, Beata Gromek (Senior Visitor Services Assistant) in return. Both gained from their experiences:

"I wanted to say a big thank you on behalf of the BM for hosting Sophie last week. Sophie said she had a great time and really valued the chance to share so much about your respective organisations and ways of working – lots of ideas to take away! It sounds like it was a really special experience, so thank you so much for going out of your way to be such brilliant and welcoming hosts."

Georgia Mallin, Knowledge Share Programme Manager, British Museum

"CPK are doing a great many projects which are very exciting to see, I am definitely taking some ideas back for digital initiatives to look at what can be possible within our parameters. I think the organisation is really starting to pave the way for a digital transformation and the work that everyone is doing post the shift from pre-COVID work is great. I hope some of my discussions and responses have been food for thought."

Sophie Wills

"It was a very full programme at the British Museum which enabled me to see many aspects of their visitor experience. I was struck by what we had in common and by some of the very different approaches, driven partly by the scale of each organisation. I am grateful to have had this opportunity and am already applying some of the ideas this exchange has prompted."

Beata Gromek

We continued to support the development of our staff, delivering further programmes of online training and offering a range of face-to-face development opportunities as part of our Delayed Office Opening programme. Supporting leadership in the organisation, we continued our participation in the Surviving to Thriving: Supporting Sustainable Scottish Heritage Businesses Programme run by Museums and Galleries Scotland, Built Environment Forum Scotland (BEFS), and Greenspace Scotland. A number of staff participated in workshops, talks and courses as part of the programme with very positive feedback on their experiences and the differences it has made to their work practice.

As part of the **Heritage and Culture Pathways programme**, which is supported by funding from The Gannochy Trust, we hosted 3 young people on the Kickstarter scheme, with each taking a six-month work placement in either Archives, Museums or the Operations Team. Each young person was given access to additional training and development opportunities to help build their CV and each has gone on to secure other employment since leaving their placement. We also hosted 2 Foundation Apprentices from Perth College UHI and a young person on the Young Person's Guarantee Scheme. We also host several work placements for students as well as 4 graduate traineeships.

"I've had an amazing time working for the archives at CPK. I learned a lot while on placement there which has given me lots of transferable skills such as using databases and cataloguing items. I feel very lucky to be able to work in the archives since it's not a role that comes up very often without a degree. ... I worked on creating a social media campaign which allowed me to showcase some of my favourite items in the collection and promote the department. I even had the opportunity to put on a display in the museum with my fellow Kickstarters! Everyone was so friendly and helpful, and I'll miss the team lots. I feel like I have made great relationships with my colleagues which has added to my placement with CPK and made every day enjoyable."

Young Person on Archive Kickstarter Placement

Fundraising

Whilst donation and individual income have been slower to return to pre-pandemic levels we were very successful this year in securing funding from Trusts and Foundations.

Year	2018/19	2019/20	2020/21	2021/22
Total income from Trusts and Foundations	£151,280	£274,629	£278,358*	£360,373

We are very grateful to these funders who enable us to add value to projects, extend our reach and impact or develop new innovative work. Our sincere thanks go to all our funders in this most challenging year:

- Perth & Kinross Council
- Archives Revealed
- Creative Scotland
- Creative Scotland – Cultural Recovery Fund
- Crockart Foundation
- Friends of P&K Archive
- Friends of The National Libraries
- Friends of William Soutar – Soutar Festival

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- Gannochy Trust
- Jimmie Cairncross Charitable Trust
- Museums and Galleries Scotland
- National Fund for Acquisitions
- National Museums Scotland
- PKC Digital Inclusion Fund
- Scottish Book Trust
- Scottish Library and Information Council (SLIC) – Public Library COVID Relief Fund
- SLIC Book Week Scotland Fund
- SLIC Public Library Improvement Fund
- The Forteviot Charitable Trust

3.4 Income from Donations and Individual Giving (incl. year on year comparisons)

There was some recovery in general donations this year and we further increased the number of contactless donations points however overall donation income did not recover to pre-pandemic levels.

Route	2018-19	2019/2020	2020/21	2021/22
General Donations (Boxes)	£15,193.00	£14,602.14	£897.00	£10,223.64
Contactless Donations				£2,272.70
Charity Checkout incl. book hero	£100.50	£848.33	£4,278.00	£726.89
Give As You Live	£64.05	£139.19	£48.00	
Archives Appeal	£3,530.00	£3,717.05		
PSNS Campaign	£1,794.03	£322.93		
Staff fundraising activities	£2,111.00	£3,545.00	£232.00	£572.00
Mummy Conservation Campaign		£1,396.84	£302.00	
Holiday money exchange		£362.46		
Gift Aid on Small Donations Scheme		£832.88		£130.25
One off donations from individuals (unrestricted)			£1,500.00	
Art Tickets (donations on pre-booked PMAG tickets)			£371.00	£225.85
TOTAL	£22,792.58	£25,766.82	£7,628.00	£14,151.33

Trading Operations

Culture Perth and Kinross Limited has one trading subsidiary which is a company limited by shares.

The Covid-19 pandemic and resulting operating restrictions prevented much of our usual trading activity from taking place.

Venue Hire

Our venue hires, which include lecture theatres and meeting rooms at the AK Bell Library and Perth Museum and Art Gallery as well as meeting room space at the Soutar House, continued to be impacted on by the restrictions in place as a result of the pandemic. New equipment was purchased using the Covid Designated Fund within reserves to enable venues to offer blended online/in-person meeting facilities and live streaming options to customers. The uptake of meetings and the return of venue hire business has been slower than we would have liked although with the removal of all restrictions there is hope for a return to more usual levels of activity during 2022/23.

Income from Venue Hire in 2021/22 was £6,135

Catering

The Café at the AK Bell Library reopened in May 2021 however after several months of loss the Board took the decision to close this activity down. Staff who had been working in the café were offered alternative work within the organisation which one individual chose to take this up and the other two staff found alternative employment by the time of closure.

Income from Catering in 2020/21 was £25,736

Retail

A small retail offer is available within the AK Bell Library, Perth Museum and Art Gallery and at the Fergusson Gallery. The Perth Museum and Art Gallery shop was redesigned and relaunched in November 2021 resulting in an immediate uplift in sales. Additionally, a small coffee bar, offering teas, coffee and pre-wrapped snacks was established in response to customer feedback and requests for some form of catering to be available within the Museum.



Also in November, a new pilot book sales offering was established at Comrie Library as part of a refresh of the library layout on its reopening. A selection of local interest and gift books have been made available for sale alongside second-hand books in a bid to test the potential market opportunity for similar developments in other library sites. This will be evaluated in 2022/23.

Retail sales totalled **£3,971** in 2020/21 and in 2021/22 totalled **£31,119**. An increase of 684%.

There is some other occasional activity which generates income for the trading company including commercial event activity (photocopying charges, ticketed, non-charitable) however this activity was almost all ceased due to the pandemic and income from these sources in 2021/22 was **£9,781**.

Development

In the six years since its launch, Culture Perth and Kinross Limited has worked to establish a strategic governance framework which ensures best value and a culture of continuous improvement. This framework includes strategic and operational plans, staff development and training, Board scrutiny and oversight and ongoing processes of evaluation, monitoring and reporting.

Following the exceptional circumstances of 2020/21, this framework was reviewed in 2021/22 to ensure the governance foundation for the organisation which it provides remained fit for purpose and focused in these most difficult of times and provided strong, clear direction during the process of recovery and building back our services and relationships with audiences in light of lengthy periods of service disruption resulting from lockdowns and operating restrictions.

Following review, 5 refreshed Strategic Objectives and a set of high-level actions were identified, which will be cascaded across the organisation through team and project plans with progress and success being monitored through the use of Key Performance Indicators.

The coming year presents further challenge and enormous opportunity as we head further towards the opening of the new City Hall Museum and further progress is made in the pandemic recovery journey. Our key actions and priorities as an organisation for the coming and subsequent year are:

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

How we will do this:

- a. Refine audience development and programming strategies to reflect changing visitor behaviours, needs and interests to capitalise on the opportunity of City Hall and impacts of increased 'staycationing'.
- b. Embed our 'audience first' approach and continue to develop our programme of events, workshops, classes and exhibitions to provide bold, creative, challenging and engaging experiences.
- c. Undertake a review of Library services to ensure these are sustainable and reflect the changing needs and interests of communities implementing any approved recommendations.
- d. Develop opportunities to take local collections and stories to new regional venues and locations to raise awareness and increase engagement and participation.
- e. Continue to develop our outreach and engagement activities through innovative collaborations with local communities to increase participation with our services and collections.
- f. Build on our relationships with communities and community organisations as well as partners such as LAL, HX, National Library of Scotland, Scottish Council on Archives, British Museum, National Galleries, TATE, NMS and NGS and new regional touring networks to develop and produce programming.
- g. Work with Groups and individuals whose stories are underrepresented in our collections to address the imbalance and amplify their voices in our collections, programming and services.
- h. Embed the use of equality and poverty impact assessments in our planning and development activity to ensure our work reflects our communities and their needs and interests.

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- i. We will develop benefits realisation plans for all City Hall workstreams on which CPK lead pre-opening and for the first 3 years post-opening.
- j. We will work with Tay Cities Deal and other Tourism partners to develop both regional and venue specific marketing and promotional campaigns to engage wide and diverse audiences with the new attraction.

2. To democratise access to digital experiences and technologies for our communities to support their creative, personal and professional development

How we will do this:

- a. Implementation of the Digital Strategy and Action Plan
- b. Continue to expand the range of Maker-space users and digital learners making use of our extended digital resources, supporting innovative approaches to coding and digital skills acquisition.
- c. Undertake a redevelopment of our website to make more of our resources digitally accessible.
- d. We will continue to develop our use of social media, expanding the range of content available on YouTube, Instagram and Podcast channels to improve our communications, extend our reach and engage audiences who are not venue visitors.
- e. We will continue to develop the flexibility of People's Network resources in their libraries to support access including through use of laptops, tablets, Hublets and staff/volunteer support.
- f. Continue to develop the content of eLibrary services to support reader development and increase engagement.
- g. We will further develop engaging content for both the CPKPlay and CPKMuseums and our presence on Ancestry UK, Google Arts and Culture and other partner platforms to extend our reach and impact on audiences and in particular underrepresented audiences and audiences beyond Perth and Kinross borders.

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

How we will do this:

- a. Work collaboratively with Community Learning and Development, schools and Perth College UHI to support both formal and informal learning programmes within our venues and online.
- b. Deliver the Culture and Heritage Pathways programme offering young people traineeships, apprenticeships, and work placements to support employability in the culture and heritage sector.
- c. Further develop our volunteering offer to support community engagement and participation within our services.
- d. We will collaborate with the NHS, Health and Social Care Partnership, PKAVS and community organisations to deliver activity programmes which promote wellbeing and increase access to health and wellbeing resources and information within our libraries.
- e. We will explore health and wellbeing themes identified in collaboration with communities in our exhibition and events programmes to support emerging COVID recovery priorities.
- f. We will develop principles for co-production and collaboration which will inform our work with communities and ensure consistency and transparency in our approach.
- g. We will ensure diverse services and programme offer which celebrates local and national cultures and heritage and encourages community led experiences.

4. To ensure development, conservation and further the understanding of the collections in our care.

How we will do this:

- a. Undertake a review of our Collections Management Framework to ensure this reflects the impacts on the Collections of City Hall and PMAG development and that best practice is being implemented wherever possible.
- b. Revise our Library Book Acquisitions Policy to ensure it reflects the communities we serve, their needs and interests.
- c. Continue to develop opportunities to explore and further research lesser known and understood aspects of the collections to bring these to a wider audience.
- d. Continue to work on the Archive Strategy and work towards accreditation for the service in 2023/24.
- e. Continue to invest in upskilling curatorial and museum staff and volunteers in collections care, conservation and documentation skills to support the long-term preservation of the collections.
- f. Work with community Groups to develop capacity to support care and presentation of community-based collections.

5. To deliver a high performing organisation which benefits from strong strategic and operational leadership.

How we will do this:

- a. Implement fundraising Strategies for both City Hall and core business.
- b. Diversify and increase income through charges, fees and commercial business activity to the benefit of core budgets.
- c. Retain and draw on as required external expertise on key compliance issues including Health and Safety, including COVID compliance, HR, Law and Finance.

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Trustees' Report

- d. Undertake an ongoing programme of performance improvement through data analysis and self-evaluation using sector relevant frameworks and peer review.
- e. Continue to develop and implement programmes of staff development and promote a positive working culture which proactively supports wellbeing in the workplace.
- f. Review workforce policies and procedures to support increased diversity in our workforce.
- g. Continue to develop the retail offer in-venue and online to maximise income to the organisation.
- h. Research and pilot new ways of income generation which might be more widely applied across the organisation.
- i. Undertake an annual Board review and implement improvement recommendations.
- j. Continue to contribute to cultural sector debate and development at a local and national level and working to complement and support key local and national strategic priorities for culture, heritage and communities.
- k. Continue to invest in leadership development programmes for existing and emerging leaders within the organisation.
- l. We will develop a Climate Crisis Action Plan to progress key actions to reduce our impacts on the environment and where required, off-set our carbon footprint
- m. We will implement programming and activities which support our communities to take climate action including through our Seed Libraries and EcoMuseum initiatives.

Financial Review

The Group's financial results for the year 1st April 2021 to 31st March 2022 are shown on pages 22 to 26.

Total Incoming Group resources for the year were £4.38 million including restricted fund income of £1.06 million.

Costs Incurred of £3.24 million has resulted in a surplus of £79k, prior to accounting for the gain on the defined benefit pension scheme, and transfers between funds. Group net assets as at 31 March 2022 were £88k (2021 – net liability of £1.3 million). Unrestricted funds at the year-end were £686k, of which £233k were designated.

The restricted funds, of £947k 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 24 of the financial statements)

Culture Perth and Kinross Trading Limited

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 1. The principal activity of the trading company is the provision of catering, retail services and venue hire.

Culture Perth and Kinross Trading Limited's operating loss for the year 1st April 2021 to 31st March 2022 was £10,124 and there will be no donation to the to the parent company.

Sources of finance

Core funding is provided through a service level agreement with Perth & Kinross Council. This provides 96.7% of operating Income for the Group with other funds coming from trading activity, ticket sale income and donations. Grant funding of £1.06 million was also received in the year but the majority of this is restricted. Detail of all Group donations (including grants and legacies) is provided on 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 £1.82M, of which £1.98M is held in cash at bank and in hand as at 31st March 2022. £1.89M of this is in a temporary deposit account in the name of Culture Perth and Kinross Limited and is administered by Perth & Kinross Council as part of banking and treasury services agreement. Recognition of the Group's share of the Tayside Pension Fund deficit has meant £1.8M recognised on the Balance Sheet, resulting in net assets of £88k.

Culture Perth and Kinross Limited commenced operations on 1st April 2016, assets and the temporary book collections were transferred to the Charity from Perth & Kinross Council. The internationally renowned Permanent Museum collection remains in the ownership of Perth & Kinross Council whilst Culture Perth and Kinross Limited provide the curation, visitor experience and care of the collections. Charitable activity can be seen on 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 2022/23 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 2022 are in deficit of £860k; however, this is after recognition of the company's share of the Tayside Pension Fund deficit of £1.5M. The Charity will endeavour to monitor its reserves over the next five years.

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

Trustees' Report

Going concern

Core funding from Perth & Kinross Council for 2022/23 has been agreed for the period to 31st March 2023. Anticipated funding reduction in 2021/22 was mitigated by service closures and use of the Government's Coronavirus Job Retention Scheme (Furlough) during the second period of full lockdown in Scotland. The Pension Liability is underwritten and guaranteed by Perth & 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 Group will respond to anticipated further reductions in core budgets with plans to expand trading opportunities and explore new avenues open to this Group such as increased donations and fundraising. Directors along with the chief executive review the business strategy and are satisfied that they can prepare accounts on a going concern basis. The service level agreement with Perth & Kinross Council has been agreed for 2022/23.

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 at 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 focussed 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 Limited is a sole member company with the sole member being Perth & 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 & 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.

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

Trustees' Report

The Council commissions Culture Perth and Kinross Limited 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 & 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 Limited 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.

Statement of Trustee Responsibilities

The Trustees, who are also the Directors of Culture Perth and Kinross Limited for the purposes 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 Group and of the incoming resources and application of resources, including the income and expenditure, of the Group 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 Group 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 Group 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 Group 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:

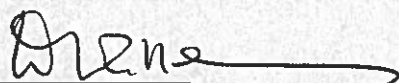
- so far as the Trustees are aware, there is no relevant information of which the Charity's auditor is unaware; and
- each trustee has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the Charity's auditor 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 ^{1st} July 2022 and signed on its behalf by:


W J H Elles (Vice-Chair)

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

Trustees' Report

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
J D C Findlay
C Kinnoull
Councillor C J Ahern
S Dawe
Councillor A Jarvis (resigned 25 May 2022)
A Khan
R King
K M Thomson
A Muirhead (appointed 28 January 2022)

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

Senior Officers

Helen Smout - Chief Executive Officer

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 'the parent charitable company') for the year ended 31 March 2022 which comprise the Group and Parent Statement of Financial Activities, the Group and Parent Statement of Financial Position, the Group and Parent 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, 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 Group's affairs as at 31 March 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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 Trustees' 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 Group'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 Trustees 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 Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

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

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the Directors of the Group for the purpose 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 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 to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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 entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;

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

- 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.

From the testing that we conducted as detailed above, we did not identify any irregularities.

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.



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: 1 July..... 2022

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 2022**

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income and endowments from:							
Donations and legacies	3	-	981,120	981,120	-	382,616	382,616
JRS grant income		-	81,162	81,162	-	174,330	174,330
Charitable activities	4	3,224,515	-	3,224,515	3,129,456	-	3,129,456
Other trading activities	5	72,684	-	72,684	7,421	-	7,421
Investments	6	4,842	-	4,842	4,353	-	4,353
Other income		14,355	-	14,355	31,997	-	31,997
Total income		3,316,396	1,062,282	4,378,678	3,173,227	556,946	3,730,173
Expenditure on:							
Raising funds	7	77,240	-	77,240	28,935	-	28,935
Charitable activities	8	3,160,295	590,981	3,751,276	2,833,240	450,562	3,283,802
Total		3,237,535	590,981	3,828,516	2,862,175	450,562	3,312,737
Net income		78,861	471,301	550,162	311,052	106,384	417,436
Other financial costs	10	48,000	-	48,000	44,000	-	44,000
Gain/(loss) on defined benefit pension scheme		772,000	-	772,000	(547,000)	-	(547,000)
Transfers between funds	12	-	-	-	-	-	-
Net movement in funds	13	898,861	471,301	1,370,162	(191,948)	106,384	(85,564)
Fund balances at 1 April 2021		(1,758,577)	476,151	(1,282,426)	(1,566,629)	369,767	(1,196,862)
Fund balances at 31 March 2022		(859,716)	947,452	87,736	(1,758,577)	476,151	(1,282,426)

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)

**Company Statement of Financial Activities (including income and expenditure account)
for the Year Ended 31 March 2022**

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income and endowments from:							
Donations and legacies	3	-	981,120	981,120	-	382,616	382,616
JRS grant income		-	81,162	81,162	-	174,330	174,330
Charitable activities	4	3,228,648	-	3,228,648	3,139,456	-	3,139,456
Investments	6	4,823	-	4,823	4,340	-	4,340
Other income		13,988	-	13,988	21,997	-	21,997
Total income		3,247,459	1,062,282	4,309,741	3,165,793	556,946	3,722,739
Expenditure on:							
Charitable activities	8	3,160,382	590,981	3,751,363	2,843,240	450,562	3,293,802
Total		3,160,382	590,981	3,751,363	2,843,240	450,562	3,293,802
Net income		87,077	471,301	558,378	322,553	106,384	428,937
Other financial costs	10	48,000	-	48,000	44,000	-	44,000
Gain/(loss) on defined benefit pension scheme		772,000	-	772,000	(547,000)	-	(547,000)
Transfers between funds	12	-	-	-	-	-	-
Net movement in funds	13	907,077	471,301	1,378,378	(180,447)	106,384	(74,063)
Fund balances at 1 April 2021		(1,768,886)	476,151	(1,292,735)	(1,588,439)	369,767	(1,218,672)
Fund balances at 31 March 2022		(861,809)	947,452	85,643	(1,768,886)	476,151	(1,292,735)

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 2022**

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	16	74,001	37,094
Current assets			
Stocks		17,027	13,733
Debtors and prepayments	18	701,225	159,853
Cash at bank and in hand	19	1,977,194	1,809,646
		<u>2,695,446</u>	<u>1,983,232</u>
Liabilities			
Creditors: amounts falling due within one year	20	<u>(871,711)</u>	<u>(720,752)</u>
Net current assets		1,823,735	1,262,480
Pension liability	21	(1,810,000)	(2,582,000)
Total net liabilities		<u>87,736</u>	<u>(1,282,426)</u>
The funds of the Charity			
Restricted funds	22	947,452	476,151
Unrestricted funds	22	452,532	323,578
Designated funds	22	232,752	282,845
Pension reserve	22	(1,545,000)	(2,365,000)
		<u>87,736</u>	<u>(1,282,426)</u>

The financial statements were approved by the Board of Trustees on ^{14th} July 2022 and were signed on its behalf by:


W J H Elles


The notes form part of these financial statements

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

**Company Statement of Financial Position
At 31 March 2022**

	Notes	2022 £	2021 £
Fixed assets			
Investments	17	1	1
Tangible assets	16	73,189	35,469
		<u>73,190</u>	<u>35,470</u>
Current assets			
Debtors and prepayments	18	737,480	170,199
Cash at bank and in hand	19	1,945,100	1,797,921
		<u>2,682,580</u>	<u>1,968,120</u>
Liabilities			
Creditors: amounts falling due within one year	20	<u>(860,127)</u>	<u>(714,325)</u>
Net current assets		1,822,453	1,253,795
Pension liability	21	(1,810,000)	(2,582,000)
Total net assets/(liabilities)		<u>85,643</u>	<u>(1,292,735)</u>
The funds of the Charity			
Restricted funds	22	947,452	476,151
Unrestricted funds	22	450,439	313,269
Designated funds	22	232,752	282,845
Pension reserve	22	(1,545,000)	(2,365,000)
		<u>85,643</u>	<u>(1,292,735)</u>

The financial statements were approved by the Board of Trustees on 15th July 2022 and were signed on its behalf by:


W J H Elles

The notes form part of these financial statements

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

**Consolidated Statement of Cash Flows
for the Year Ended 31 March 2022**

	Notes	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash flows from operating activities:					
Net cash provided by operating activities	26	234,913	394,790	214,563	418,325
Cash flows from investing activities:					
Purchase of tangible fixed assets		(72,207)	(18,334)	(72,207)	(18,334)
Interest received		4,842	4,353	4,823	4,340
Change in cash and cash equivalents in the reporting period		167,548	380,809	147,179	404,331
Cash and cash equivalents at the beginning of the reporting period		1,809,646	1,428,837	1,797,921	1,393,590
Cash and cash equivalents at the end of the reporting period		1,977,194	1,809,646	1,945,100	1,797,921

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 2022

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 Charity, 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 & Kinross Council. Accordingly, the financial statements of Perth & 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 & 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 2022/23 with Perth & 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.

1. ACCOUNTING POLICIES - continued

Recognition and allocation of income

Income is recognised when the Group 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 Group. Where there are terms placed on income that limit the Group'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 Group'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 Group 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 Group or have been met. Where legacies have been notified to the Group 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 & 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.

Recognition and allocation of expenditure

Expenditure is recognised when the Group has entered into a legal or constructive obligation and related where practicable to the operating activities of the Group. 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 an estimate of the cost of senior management time and other resources on long-term strategy and financial planning activities.

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

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

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.

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

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

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 Group 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 2022**

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	Total 2022 £	Unrestricted funds £	Restricted funds £	Total 2021 £
Group and company						
Cultural Redevelopment Project	-	180,759	180,759	-	143,429	143,429
Crockart Foundation	-	110,000	110,000	-	136,000	136,000
Heritage Culture Pathways	-	45,234	45,234	-	50,000	50,000
Digital Maker Spaces	-	17,055	17,055	-	16,538	16,538
Museums & Galleries Scotland - Perth City Hall	-	10,595	10,595	-	13,256	13,256
Museums & Galleries Scotland - MyMuseum	-	36,322	36,322	-	12,771	12,771
SLIC/PLIF Cultural & Heritage Connections	-	10,360	10,360	-	3,185	3,185
Perth & Kinross Remembers	-	-	-	-	3,000	3,000
Small Grants & Donations	-	-	-	-	1,971	1,971
MGS Alyth Museum	-	41,000	41,000	-	1,328	1,328
Soutar Festival and Competition	-	2,095	2,095	-	1,000	1,000
National Museum Scotland East of Asia Project	-	-	-	-	138	138
Living Communities Participation Fund	-	25,000	25,000	-	-	-
SLIC Public Library Covid Relief fund	-	36,639	36,639	-	-	-
Archives Appeal	-	118	118	-	-	-
Archives Revealed	-	21,948	21,948	-	-	-
Forthergill Trust	-	1,578	1,578	-	-	-
General Restricted Funds - Museums and Galleries	-	2,030	2,030	-	-	-
GRF – Libraries and Information Services	-	351,875	351,875	-	-	-
CPK Acquisitions	-	9,218	9,218	-	-	-
City Hall Fundraising Conservation	-	17,000	17,000	-	-	-
Bookmark Donation	-	250	250	-	-	-
Book Week Scotland	-	750	750	-	-	-
NGS Engagement Activities	-	1,360	1,360	-	-	-
Seed Library	-	3,195	3,195	-	-	-
Museums & Galleries Scotland - Organisational development	-	27,096	27,096	-	-	-
Creative Scotland Funding	-	22,500	22,500	-	-	-
Pop Out Perth	-	7,143	7,143	-	-	-
	-	981,120	981,120	-	382,616	382,616

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

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2022 £	Unrestricted funds £	Restricted funds £	Total 2021 £
Group						
Perth & Kinross Council service fees	3,178,116	-	3,178,116	3,079,116	-	3,079,116
Business support grant	-	-	-	15,000	-	15,000
Resilience grant	-	-	-	17,000	-	17,000
Donations and gifts	14,065	-	14,065	7,757	-	7,757
Museums and galleries	7,483	-	7,483	1,375	-	1,375
Libraries and information	24,851	-	24,851	9,208	-	9,208
	<u>3,224,515</u>	<u>-</u>	<u>3,224,515</u>	<u>3,129,456</u>	<u>-</u>	<u>3,129,456</u>
	Unrestricted funds £	Restricted funds £	Total 2022 £	Unrestricted funds £	Restricted funds £	Total 2021 £
Company						
Perth & Kinross Council service fees	3,178,116	-	3,178,116	3,079,116	-	3,079,116
Business support grant	-	-	-	15,000	-	15,000
Resilience grant	-	-	-	17,000	-	17,000
Donations and gifts	15,782	-	15,782	17,757	-	17,757
Museums and galleries	7,483	-	7,483	1,375	-	1,375
Libraries and information	27,267	-	27,267	9,208	-	9,208
	<u>3,228,648</u>	<u>-</u>	<u>3,228,648</u>	<u>3,139,456</u>	<u>-</u>	<u>3,139,456</u>

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2022 £	Unrestricted funds £	Restricted funds £	Total 2021 £
Group						
Cafeteria and trading activities	72,684	-	72,684	7,421	-	7,421
	<u>72,684</u>	<u>-</u>	<u>72,684</u>	<u>7,421</u>	<u>-</u>	<u>7,421</u>

6. INCOME FROM INVESTMENT

	Unrestricted funds £	Restricted funds £	Total 2022 £	Unrestricted funds £	Restricted funds £	Total 2021 £
Group						
Bank interest	4,842	-	4,842	4,353	-	4,353
	<u>4,842</u>	<u>-</u>	<u>4,842</u>	<u>4,353</u>	<u>-</u>	<u>4,353</u>
Company						
Bank interest	4,823	-	4,823	4,340	-	4,340
	<u>4,823</u>	<u>-</u>	<u>4,823</u>	<u>4,340</u>	<u>-</u>	<u>4,340</u>

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

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

7. EXPENDITURE ON FUND RAISING ACTIVITIES

	Direct costs	Support costs	Governance costs	Total 2022	Direct costs	Support costs	Governance costs	Total 2021
	£	£	£	£	£	£	£	£
Group								
Cafeteria and trading activities	77,240	-	-	77,240	28,935	-	-	28,935
	<u>77,240</u>	<u>-</u>	<u>-</u>	<u>77,240</u>	<u>28,935</u>	<u>-</u>	<u>-</u>	<u>28,935</u>

8. EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct costs	Support costs	Governance costs	Total 2022	Direct costs	Support costs	Governance costs	Total 2021
	£	£	£	£	£	£	£	£
Group								
Museums and Galleries (including Arts development)	996,717	546,076	10,383	1,553,176	689,902	528,273	8,681	1,226,856
Libraries and information	1,687,495	500,312	10,293	2,198,100	1,538,418	509,847	8,681	2,056,946
	<u>2,684,212</u>	<u>1,046,388</u>	<u>20,676</u>	<u>3,751,276</u>	<u>2,228,320</u>	<u>1,038,120</u>	<u>17,362</u>	<u>3,283,802</u>
Company								
Museums and Galleries (including Arts development)	996,717	546,076	10,427	1,553,220	699,902	528,273	8,681	1,236,856
Libraries and information	1,687,495	500,312	10,336	2,198,143	1,538,418	509,847	8,681	2,056,946
	<u>2,684,212</u>	<u>1,046,388</u>	<u>20,763</u>	<u>3,751,363</u>	<u>2,238,320</u>	<u>1,038,120</u>	<u>17,362</u>	<u>3,293,802</u>

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

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

9. SUPPORT COSTS ALLOCATED TO ACTIVITIES

	Museums and Galleries (including Arts development)	Libraries and information	Total 2022	Museums and Galleries (including Arts development)	Libraries and information	Total 2021
	£	£	£	£	£	£
Group and company						
Promotion, publicity and sales	57,411	11,647	69,058	29,100	10,689	39,789
Supplies and services	110,656	110,656	221,312	121,350	121,350	242,700
Support services	378,009	378,009	756,018	377,823	377,808	755,631
	<u>546,076</u>	<u>500,312</u>	<u>1,046,388</u>	<u>528,273</u>	<u>509,847</u>	<u>1,038,120</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

	2022	2021
	£	£
Interest on pension scheme liabilities	(288,000)	(212,000)
Return on pension scheme assets	336,000	256,000
	<u>48,000</u>	<u>44,000</u>

11. GOVERNANCE COSTS ALLOCATED TO ACTIVITIES

	Museums and Galleries (including Arts development)	Libraries and information	Total 2022	Museums and Galleries (including Arts development)	Libraries and information	Total 2021
	£	£	£	£	£	£
Group and company						
Accountancy and audit fees	9,591	9,501	19,092	8,616	8,616	17,232
Wages and salaries	-	-	-	-	-	-
Other	792	792	1,584	65	65	130
Irrecoverable VAT	-	-	-	-	-	-
	<u>10,383</u>	<u>10,293</u>	<u>20,676</u>	<u>8,681</u>	<u>8,681</u>	<u>17,362</u>

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

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

12. TRANSFER BETWEEN FUNDS

There were no transfers between funds in the year to 31 March 2022.

13. NET MOVEMENT OF FUNDS

	Group 2022	Group 2021	Company 2022	Company 2021
This is stated after charging:				
Auditor's remuneration	12,000	13,000	8,000	8,300
	<u>12,000</u>	<u>13,000</u>	<u>8,000</u>	<u>8,300</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 2022**

15. EMPLOYEES

Number of employees

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

	Group 2022 number	Group 2021 number	Company 2022 number	Company 2021 number
Museums and Galleries (including Arts development)	15	15	15	15
Libraries and Information	98	100	98	100
Catering and Trading activities	-	-	-	-
	113	115	113	115

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

Museums and Galleries (including Arts development)	12	24	12	24
Libraries and Information	31	56	31	56
Catering and Trading activities	-	-	-	-
	43	80	43	80

Employment costs

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	2,273,539	2,039,850	2,273,539	2,039,850
Social security costs	176,673	287,488	176,673	287,488
Pension costs	360,049	355,009	360,049	355,009
	2,810,261	2,682,347	2,810,261	2,682,347

The key management personnel of the Group comprise the Chief Executive and the senior management team detailed on page 19. The employee benefits for key management, included within employment costs above, totalled £83,090 (2021 - £106,765).

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

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

16. TANGIBLE FIXED ASSETS

	Plant and machinery £	Total £
Group		
Cost		
At 1 April 2021	71,592	71,592
Additions	72,207	72,207
At 31 March 2022	143,799	143,799
Depreciation		
At 1 April 2021	34,498	34,498
Charge for year	35,300	35,300
At 31 March 2022	69,798	69,798
Net book value		
At 31 March 2022	74,001	74,001
At 31 March 2021	37,094	37,094
	Plant and machinery £	Total £
Company		
Cost		
At 1 April 2021	65,743	65,743
Additions	72,207	72,207
At 31 March 2022	137,950	137,950
Depreciation		
At 1 April 2021	30,274	30,274
Charge for year	34,487	34,487
At 31 March 2022	64,761	64,761
Net book value		
At 31 March 2022	73,189	73,189
At 31 March 2021	35,469	35,469

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

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

17. FIXED ASSET INVESTMENTS

Company	Unlisted investments £
At 31 March 2021 and 31 March 2022	<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 2022 totalled £2,093 which comprised fixed assets of £812, current assets of £55,462, and liabilities of £54,181. Relevant financial information regarding Culture Perth and Kinross Trading Limited for the year ended 31 March 2022 is as follows:

	2022 £	2021 £
Turnover	72,771	7,421
Cost of sales	(31,392)	(4,312)
Gross profit	<u>41,379</u>	<u>3,109</u>
Administrative expenses	(51,955)	(12,717)
Other operating income	434	10,000
Interest receivable and similar income	18	13
(Loss)/profit on ordinary activities before taxation	<u>(10,124)</u>	<u>405</u>
Tax on profit on ordinary activities	1,906	(1,906)
(Loss)/profit for the financial period	<u>(8,218)</u>	<u>(1,501)</u>

18. DEBTORS

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	13,134	2,395	10,012	2,540
Sundry debtors	688,091	157,458	684,871	156,975
Due by Group company	-	-	42,597	10,684
	<u>701,225</u>	<u>159,853</u>	<u>737,480</u>	<u>170,199</u>

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

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

19. CASH AND CASH EQUIVALENTS

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	1,977,194	1,809,646	1,945,100	1,797,921
	<u>1,977,194</u>	<u>1,809,646</u>	<u>1,945,100</u>	<u>1,797,921</u>

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	723,835	591,377	718,945	589,977
Taxes and social security costs	108,772	93,897	107,691	93,897
Other creditors	39,104	35,478	33,491	30,451
	<u>871,711</u>	<u>720,752</u>	<u>860,127</u>	<u>714,325</u>

21. 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 2023 and will set contributions for the period from 1 April 2024 to 31 March 2027. 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 & 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 2022

The estimated asset allocation for Culture Perth and Kinross Limited as at 31 March 2022 is as follows:

Asset breakdown	31 Mar 2022		31 Mar 2021	
	£000s	%	£000s	%
Equities	10,853	71%	10,184	72%
Gilts	722	5%	562	4%
Other bonds	1,830	12%	1,856	13%
Property	1,671	11%	1,300	9%
Cash	235	2%	300	2%
Alternatives	15	0%	20	0%
Total	15,326	100%	14,222	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 2022 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:

Financial assumptions	31 Mar 2022	31 Mar 2021	31 Mar 2020
	p.a.	p.a.	p.a.
Discount rate	2.60%	2.00%	2.35%
Pension increases (CPI)	3.20%	2.85%	1.85%
Salary increases	4.20%	3.85%	2.85%

These assumptions are set with reference to market conditions as at 31 March 2022.

Our estimate of the Employer's past service liability duration is 22 years. This has been calculated based on the membership data provided for the most recent full valuation of Employer's liabilities at 31 March 2022. This may differ from the estimated duration at the previous accounting date.

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

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

Net pension asset in the statement of financial position as at	31 Mar 2022	31 Mar 2021	31 Mar 2020
	£000s	£000s	£000s
Present value of the defined benefit obligation	17,136	16,804	10,842
Fair value of Fund assets (bid value)	15,326	14,222	8,807
Deficit / (Surplus)	1,810	2,582	2,035
Present value of unfunded obligation	-	-	-
Unrecognised past service cost	-	-	-
Impact of asset ceiling	-	-	-
Net defined benefit liability / (asset)	1,810	2,582	2,035

The amounts recognised in the profit and loss statement	Year to 31 Mar 2022	Year to 31 Mar 2021
	£000s	£000s
Service cost	1,032	694
Net interest on the defined liability / (asset)	48	44
Administration expenses	6	3
Total loss / (profit)	1,086	741

Reconciliation of opening & closing balances of the present value of the defined benefit obligation	Year to 31 Mar 2022	Year to 31 Mar 2021
	£000s	£000s
Opening defined benefit obligation	16,804	10,842
Current service cost	1,032	694
Interest cost	336	256
Change in financial assumptions	(1,020)	4,273
Change in demographic assumptions	-	(267)
Experience loss/(gain) on defined benefit obligation	23	934
Liabilities assumed / (extinguished) on settlements	-	-
Estimated benefits paid net of transfers in	(167)	(57)
Past service costs, including curtailments	-	-
Contributions by Scheme participants and other employers	128	129
Unfunded pension payments	-	-
Closing defined benefit obligation	17,136	16,804

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

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

Reconciliation of opening & closing balances of the fair value of Fund assets	Year to 31 Mar 2022	Year to 31 Mar 2021
	£000s	£000s
Opening fair value of Fund assets	14,222	8,807
Interest on assets	288	212
Return on assets less interest	504	2,729
Other actuarial gains/(losses)	-	2,045
Administration expenses	(6)	(3)
Contributions by employer including unfunded	357	360
Contributions by Scheme participants and other employers	128	129
Estimated benefits paid plus unfunded net of transfers in	(167)	(57)
Settlement prices received / (paid)	-	-
Closing Fair value of Fund assets	15,326	14,222

Remeasurement of the net assets / (defined liability) in other comprehensive Income	Year to 31 Mar 2022	Year to 31 Mar 2021
	£000s	£000s
Return on Fund assets in excess of interest	504	2,729
Other actuarial gains / (losses) on assets	-	2,045
Change in financial assumptions	1,020	(4,273)
Change in demographic assumptions	-	267
Experience gain / (loss) on defined benefit obligation	(23)	(934)
Changes in effect of asset ceiling	-	-
Remeasurement of the net assets / (defined liability)	1,501	(166)

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

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

22. MOVEMENT IN FUNDS (GROUP AND COMPANY)

	Balance at 31 March 2020 £	Net movement in funds £	Transfers between funds £	Balance at 31 March 2021 £	Net movement in funds £	Transfers between funds £	Balance at 31 March 2022
Unrestricted funds							
General funds	129,561	393,708	(210,000)	313,269	137,170	-	450,439
Pension reserve	(1,818,000)	(547,000)	-	(2,365,000)	820,000	-	(1,545,000)
	(1,688,439)	(153,292)	(210,000)	(2,051,731)	957,170	-	(1,094,561)
Designated funds							
IT Fund	50,000	-	(50,000)	-	-	-	-
COVID-19 Fund	50,000	(27,155)	-	22,845	(2,532)	-	20,313
Library Review	-	-	100,000	100,000	-	-	100,000
Organisational Redevelopment	-	-	100,000	100,000	-	-	100,000
Carry Forward Costs	-	-	60,000	60,000	(47,561)	-	12,439
	100,000	(27,155)	210,000	282,845	(50,093)	-	232,752
Restricted funds							
Crockart Foundation	70,712	101,459	-	172,171	50,352	-	222,523
City Hall Fundraising Conservation	-	-	-	-	17,000	-	17,000
Book Week Scotland	-	-	-	-	750	-	750
Seed Library	-	-	-	-	2,752	-	2,752
Creative Scotland Funding	-	-	-	-	2,891	-	2,891
Pop Out Perth	-	-	-	-	3	-	3
Archives Revealed	-	-	-	-	17,252	-	17,252
SLIC/PLIF Cultural & Heritage Connections	-	-	-	-	10,360	-	10,360
National Museum Scotland Acquisition Grants	405	-	-	405	-	-	405
Small Grants - Library	768	-	-	768	-	-	768
Living Communities Participation Fund	30,974	21,562	-	52,536	7,212	-	59,748
Cultural Redevelopment Project	9,838	(4,981)	-	4,857	22,321	-	27,178
General Restricted Funds - Museums and Galleries	114,677	621	-	115,298	(4,037)	-	111,261
General Restricted Funds - Library Information Services	39,468	-	-	39,468	349,908	-	389,376
Archives Appeal	5,436	(1,046)	-	4,390	(1,812)	-	2,578
Mummy Grant	120	-	-	120	-	-	120
Soutar Festival and Competition	-	1,000	-	1,000	(981)	-	19
Legacy - Mrs A Robertson	600	-	-	600	-	-	600
Bookmark Donation	500	-	-	500	250	-	750
Scotland - MyMuseum	11,898	(11,898)	-	-	-	-	-
Enchanted Forest	784	-	-	784	-	-	784
Digital Maker_Spaces	23,439	(23,439)	-	-	8,347	-	8,347
Perth & Kinross Remembers	10,916	(10,916)	-	-	-	-	-
The Ferryman Project	1,001	(1,001)	-	-	-	-	-
Forteviot Grant	5,576	(1,003)	-	4,573	(634)	-	3,939
Heritage & Culture Pathways Programme	19,514	24,500	-	44,014	(19,227)	-	24,787
Scottish Forestry	1,940	-	-	1,940	-	-	1,940
SLIC Film Club	3,259	(762)	-	2,497	(762)	-	1,735

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

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

22. MOVEMENT IN FUNDS (GROUP AND COMPANY) cont

Total from overleaf	351,825	94,096	-	445,921	461,945	-	907,866
Idlewild Trust	3,000	-	-	3,000	(1,395)	-	1,605
Museums & Galleries Scotland - Perth City Hall	14,942	-	-	14,942	(14,942)	-	-
Museums & Galleries Scotland - COVID-19 grant	-	2,509	-	2,509	(1,290)	-	1,219
Museums & Galleries Scotland - Organisational development	-	9,656	-	9,656	(9,656)	-	-
SLIC Public Library Covid Relief fund	-	-	-	-	36,639	-	36,639
Carnegie Kindness Project	-	123	-	123	-	-	123
	<u>369,767</u>	<u>106,384</u>	<u>-</u>	<u>476,151</u>	<u>471,301</u>	<u>-</u>	<u>947,452</u>
TOTAL FUNDS (Company)	(1,218,672)	(74,063)	-	(1,292,735)	1,378,378	-	85,643
Unrestricted funds - subsidiary	21,810	(11,501)	-	10,309	(8,216)	-	2,093
TOTAL FUNDS (Group)	(1,196,862)	(85,564)	-	(1,282,426)	1,370,162	-	87,736

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

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

22. 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	3,316,396	(3,237,535)	820,000	898,861
Restricted funds				
Crockart Foundation	110,000	(59,648)	-	50,352
National Museum Scotland Acquisition Grants	9,218	(9,218)	-	-
General Restricted Funds - Museums and Galleries	2,031	(6,068)	-	(4,037)
Book Week Scotland	750	-	-	750
Living Communities Participation Fund	25,000	(17,788)	-	7,212
Museums & Galleries Scotland - MyMuseum	36,322	(36,322)	-	-
Digital Maker_Spaces	17,056	(8,709)	-	8,347
Heritage & Culture Pathways Programme	45,234	(64,461)	-	(19,227)
Cultural Redevelopment Project	180,759	(158,438)	-	22,321
SLIC Film Club	-	(762)	-	(762)
Archives Appeal	118	(1,930)	-	(1,812)
Soutar Festival and Competition	2,095	(3,076)	-	(981)
Forteviot Grant	-	(634)	-	(634)
HMRC Coronavirus Job Retention Scheme	81,162	(81,162)	-	-
Museums & Galleries Scotland – COVID-19 grant	-	(1,290)	-	(1,290)
Museums & Galleries Scotland – Organisational development	27,096	(36,752)	-	(9,656)
General Restricted Funds – Library Information Services	351,875	(1,967)	-	349,908
City Hall Fundraising Conservation	17,000	-	-	17,000
Bookmark Donation	250	-	-	250
NGS Engagement Activities	1,360	(1,360)	-	-
Seed Library	3,193	(441)	-	2,752
Idlewild Trust	-	(1,395)	-	(1,395)
Museums & galleries Scotland - Perth City Hall	10,595	(25,537)	-	(14,942)
Creative Scotland Funding	22,500	(19,609)	-	2,891
Pop Out Perth	7,143	(7,140)	-	3
Archives Revealed	21,948	(4,696)	-	17,252
Forthergill Trust	1,578	(1,578)	-	-
SLIC/PLIF Cultural & Heritage Connections	10,360	-	-	10,360
MGS Alyth Museum	41,000	(41,000)	-	-
SLIC Public Library Covid Relief fund	36,639	-	-	36,639
	1,062,282	(590,981)	-	471,301
TOTAL FUNDS	4,378,678	(3,828,516)	820,000	1,370,162

23. 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. In 2020/21 it was decided to release this designated funding back into the unrestricted funds.

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.

Library Review

This fund was set up to meet the costs associated with a review of libraries to address changing patterns of use, impacts of the pandemic, changing community needs, and the need to find a more sustainable model of service provision.

Organisational Redevelopment

This fund was set up to meet the costs associated with business change, new ways of working, and organisational development.

Carry Forward costs

This fund was set up to meet the costs of exhibitions, marketing, book purchases, property costs etc planning for 2020/21, but delayed due to the COVID-19 pandemic.

24. 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 Limited 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 & Kinross Council Museum and Gallery collections. Culture Perth and Kinross Limited pays small grants to the schools based on the fund criteria.

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 & 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 & 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.

Mummy Grant

This was a £1,300 grant from National Museums Scotland to deliver activities linked to the "Conservation in Action: Saving the Perth Mummy" exhibition.

Soutar Festival and Competition

Grant funding was received to deliver the Soutar Festival of Words 2021. This literary festival included over 20 events, performances and readings celebrating the diversity of Scots language, literature and culture inspired by Perth Poet and Writer, William Soutar.

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 Limited administers. The expenditure to date has been on the conservation of the piece.

Bookmark Donation

Donation from Bookmark Festival to support Blairgowrie Library.

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.

Enchanted Forest

An award of £1,378 was received from the Enchanted Forest Community Trust, to enable Culture Perth and Kinross Limited to run monthly reminiscence sessions at Pitlochry Library.

Digital Maker_Spaces

Funding received from Perth & Kinross Rural LEADER Programme, the Public Library Improvement Fund, and Perth & 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.

Forteviot Grant

A grant of £13,887 to allow Culture Perth and Kinross Limited 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 & 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.

City Hall Fundraising Conservation

Donations received to support conservation of collections for City Hall display. £15,000 was received from Whisky Auctioneer Limited and £2,000 from the Gordon Fraser Charitable Trust.

24. PURPOSES OF RESTRICTED FUNDS - continued

Book Week Scotland

Donation from Scottish Book Trust to support Book Week Scotland.

Seed Library

Funding for seed library initiative. This new initiative, supported by 8 volunteers, aims to promote the development of a biodiverse and ecologically sustainable seed system in Perthshire and to encourage growing and gardening for health and wellbeing.

Creative Scotland Funding

Funds were awarded by Creative Scotland through Lottery Funding from the Open Fund: Sustaining Creative Development Programme. This money was used to create new work for two galleries at Perth Museum and Art Gallery.

Pop Out Perth

Funds awarded from Perth & Kinross Council to support the Pop Out Perth Festival 2021. Pop Out Perth delivered 20 events utilising spaces within the local public realm aimed at encouraging audiences to re-engage after the lockdowns of the pandemic.

Archives Revealed

Grant funding received from the National Archives and others for "In Our Own Words", a project to catalogue the sound collection held in Perth and Kinross Archives to improve public access to this resource.

SLIC/PLIF Cultural & Heritage Connections

Grant Funding was awarded from the Scottish Library and Information Council (SLIC) through the public library improvement fund for the Cultural Heritage Connections programme. The Cultural Connections programme is delivering creative workshops linked to Museum Collections in Library settings to build cross services audiences.

SLIC Public Library Covid Relief fund

Grant Funding was awarded from the Scottish Library and Information Council (SLIC) through the public library Covid relief fund for the "Outreach in Our Communities" project. The project will fund an Outreach Officer to work with socially disadvantaged communities in the immediate catchment of the Library to increase engagement and use of library resources.

MGS Alyth Museum

Funding from Museums and Galleries Scotland to create an orientation base for the Ceteran Ecomuseum in Alyth Museum providing locals and visitors to the area with interactive and engaging information on how to explore the region, its archaeology and biodiversity.

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.

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.

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

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

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.

Museums & Galleries Scotland – COVID-19 grant

An award from the Museums Galleries Scotland COVID-19 adaptation fund, to support the costs of making adaptations to allow museums to reopen safely and sustainably, and in accordance with COVID-19 restrictions.

Museums & Galleries Scotland – Organisational development

An award from Museums Galleries Scotland, Museum Development fund, this will support transformation of our digital services. Focussing on embedding sustainable digital programming and engagement practices across Museum and Galleries services, the transformation process will address our profound digital capacity shortfall which has been acutely in evidence during the pandemic and has impacted their ability to adapt and respond to our changed circumstances and evolving needs of our audiences.

Carnegie Kindness Project

Funding received as part of the Carnegie Trust UK Kindness in Libraries Initiative, this project paired our most vulnerable Books on Wheels customers with staff volunteers in a pen pal letter writing relationship.

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	1,370,162	(85,564)	1,378,378	(74,063)
Adjustments for:				
Movement in defined pension benefit liability	(772,000)	503,000	(772,000)	503,000
Interest received	(4,842)	(4,353)	(4,823)	(4,340)
Depreciation	35,300	17,898	34,487	16,436
(Increase)/Decrease in stocks	(3,294)	(147)	-	-
Decrease/(Increase) in debtors	(537,033)	9,981	(567,282)	(4,615)
Increase/(Decrease) in creditors	146,620	(46,025)	145,803	(18,093)
Net cash provided by operating activities	234,913	394,790	214,563	418,325

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

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

27. 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.

28. 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.