



Falkirk Community Trust Limited

report and financial statements

2015

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REFERENCE AND ADMINISTRATIVE INFORMATION

Falkirk Community Trust Limited

Directors	<p>Ian Scott (Chair) (Re-appointed 30th May 2013) Ann Cowen (Re-appointed 30th May 2013) Councillor Dennis Goldie (Vice Chair) (Re-appointed 1st July 2014) Councillor Linda Gow (Re-appointed 28th October 2013) Alex McQuade (Re-appointed 30th May 2013) Ruth Morrison (Re-appointed 21st August 2014) Richard Murphy (Resigned 1st May 2015) Councillor Malcolm Nicol (Resigned 16th February 2015) Councillor Joan Paterson (Resigned 8th July 2014) Councillor Adrian Mahoney (Resigned 19th February 2015) Councillor Pat Reid (Re-appointed 28th June 2013) Simon Rennie (Re-appointed 7th November 2014) Robert Tait (Re-appointed 30th May 2013) Ballie William Buchanan (Appointed 27th May 2015) Councillor Robert Spears (Appointed 27th May 2015)</p>
Chief Executive	Maureen Campbell
Company Secretary	Jane Clark
Registered Office	Suite 1A The Falkirk Stadium 4 Stadium Way Falkirk FK2 9EE
Auditors	Drummond Laurie Limited Unit 5 Gateway Business Park Beancross Road Grangemouth FK3 8WX
Solicitors	Shepherd & Wedderburn 191 West George Street Glasgow G2 2LB
Bankers	Clydesdale Bank 1 Bank Street Falkirk FK1 1NB
Charity number	SC042403
Company number	SC400657

Main activity

The purpose of the group is to deliver, on behalf of Falkirk Council, inspiring culture and recreation services and experiences that support the Falkirk area's communities' aspirations and meet visitor expectations by:

- Encouraging the population of the Falkirk area to be more active and promoting health and fitness opportunities that are accessible to everyone;
- Supporting people to be more creative and nurturing potential for personal success and wellbeing through provision of cultural and sporting facilities and resources;
- Helping individuals and community groups to benefit from lifelong learning opportunities and make a social and economic contribution; and
- Involving local people in caring for the areas' environment and heritage and encouraging others to visit the area.

Public Benefit

The directors have referred to OSCR's general guidance on public benefit when reviewing the aims and objectives of the charity and in planning its future activities. The charity's activities and objectives are entirely for the benefit of the public of the Falkirk area and any visitors to the area, with the benefit being access to culture and recreation services. Monitoring the success of this provision is carried out by the directors by regularly analysing KPIs for each culture and recreation site managed by the charity, particularly in relation to attendance figures and how the charity can increase attendance.

Business objectives

For the period 2014 – 2019 the objectives of the group are:

Meeting customer needs

- Improving our customer knowledge
- Motivating and communicating
- Social responsibility
- Growing customer loyalty
- Affordability and value for money

Organisational development

- Sound governance
- Organisational culture development
- Employee empowerment
- Policy development

Financial sustainability

- Income generation
- Income used to invest across the organisation
- Strategic use of reserves
- Partnership
- Value for money

Risk Management

The major strategic, business and operational risks associated with the group are identified. The risk register was presented to the Board for scrutiny during the year to ensure that risk is drawn to the attention of Directors. A Strategic Risk Management Policy is in place along with risk register, review and mitigation systems which are reviewed regularly by the management team.

Achievements and Performance

Following a very strong first 3 years of growth the strategy of growing income continued as the primary mechanism for offsetting a decline in the Trust's core funding. Positive performance continued in some areas but performance in several functions plateaued. It was a challenging year for many of our indoor services and particularly our main sports centres, the Mariner Centre and Grangemouth Sports Complex, underperformed in the face of a very hot summer, the opening of the new Helix Park and closures for essential repairs.

Our primary purpose, engaging people in culture and sport for all the positive benefits that can accrue from this, requires us to have a strong offering in attractive venues. We continued to work at both of these. In an effort to make swimming more fun we chose to invest capital funding from Falkirk Council in improving the wave machine at the Mariner Centre and the flumes at Grangemouth Sports Complex. There has already been a positive financial impact experienced at the Mariner Centre with a 32% measureable upturn in customer income in the first 2 months of operating the new wave machine. Upgraded flumes are due to open later in 2015.

Fun was also the theme when we opened the refurbished tennis courts at Zetland Park for which we had secured significant external funding from a range of funders. 700 local school children broke the Guinness Book World Record for the largest group of people playing tennis "keepy uppy". Our initial free winter membership attracted 300 people and paid memberships are performing well.

Developing the new gym at Stenhousemuir has been a main focus for Health & Fitness staff this year and it is set to open in summer 2015 with some exciting new state of the art equipment. Making our services more customer friendly continued with the rolling out of a new Library Management System which introduced significant improvements to the online catalogue.

Kinneil Museum was closed for 2 months whilst undergoing refurbishment and a brand new ground floor exhibition with Heritage Lottery funding support was opened in March 2015. Despite the closure, museum visits over the year were significantly increased.

A key funding success towards the end of 13/14 secured a Creative Place award from Creative Scotland and we worked with communities and local arts groups over the course of the year towards showcasing a number of artistic events in 2015. This year we attracted over £500,000 of competitive grant awards and sponsorship across the Trust.

The first full season of operations at Helix Park and the Kelpie tours exceeded expectations. Undoubtedly benefiting from the excellent summer weather, at 952,506, visitor numbers were double the expected. Tours performed strongly and continued over the winter months. Positive trading activity at the Helix took the Trading Company into a surplus position.

Financial Review

The Group's financial results for the year 1st April 2014 to 31st March 2015 are shown on page 11. This shows a surplus on unrestricted funds of £12,000. After applying £66,000 from the revaluation reserve, and transferring £123,000 to Helix, the unrestricted fund has increased to £374,000 (£296,000 as at 31st March 2013).

Income totalled £19.5m (2013/14 - £18.2m) with the increase primarily due to income received from Falkirk Council for operating the Helix and additional grant income. Costs incurred of £18.9m are £0.9m greater than the previous year (2013/14 - £18m) as a result of increased expenditure for Helix and additional pension costs arising from the effects of pension auto enrolment, a legal requirement which requires the Trust to enrol all employees into a workplace pension scheme, and increased employer's contributions.

The Trust's wholly owned subsidiary, Falkirk Community Trading Limited, achieved a breakeven position for the period to 31st March 2015 after accounting for a charitable payment of £40,000. The principal activity of the trading company is the provision of catering and retail services. Trading income and costs increased by £0.143m, largely as a result of trading activities within the Helix Park.

GROUP STRATEGIC REPORT

The balance sheet shows a bank balance of £3.3m (£2m as at 31 March 2014) and net assets of £1.6m (£1m as at 31 March 2014). The movement in cash reflects timing differences between payments made by Falkirk Council on behalf of the Trust and subsequent reimbursement back to Falkirk Council. Resources carried forward for grants and the Helix (notes 16/17) accounts for the overall increase in net assets. The grant income will be spent in the following financial year in accordance with the relevant conditions, with the Helix funding largely earmarked for the Visitor Centre due to open later in the year.

Plans for the Future

Continuing to deliver our core services, whilst at the same time growing our capacity to adapt to change, is a key issue for the coming year. We know that we need to up our pace of change to find ways to mitigate against further reductions in our funding and it is vital to our sustainability that we invest time to prepare.

Our Business Plan for 15/16 will see an increase in our borrowing limit from £200,000 to £1m. We propose to develop business cases for projects that would better meet customer expectations and reduce the potential for significant facility closure. Core to the proposition will be generating ideas that will make a facility break even and ideally generate a 'return on investment'.

Plans for the redevelopment of the Councils Municipal Buildings complex will move on apace and an early resolution to the future of Falkirk Town Hall would therefore be welcomed.

Marketing and pre-sales will be a key driver for our expanded Health & Fitness offer at Stenhousemuir. Another new venue will be the Visitor Centre at the Helix and Kelpies due to open in autumn 2015. Here the focus will be on retail and catering and it will provide an opportunity to refresh the Kelpie tour offer.

Building on the Commonwealth Legacy Sports programmes and the investment in the track, we will continue to progress a further phase of refurbishment work at Grangemouth Stadium and will take forward a second stage bid to **sportscotland's** facilities fund. We will continue our revitalisation of Muiravonside Country Park and will seek to progress external funding bids in support of the Kinneil Estate Masterplan and a Management Plan for Callendar Park.

We will be consulting on a Library Development Plan to look at how the library service might change over the next five years not only to address declining use and technological change, but most importantly to ensure that services remain relevant and valued by the local community.

Our 5 year Business Strategy highlights investment in IT as one of the priorities for business improvement, particularly to support more effective marketing and customer knowledge as well as provide a much improved customer experience. With capital funding from the Council we will prioritise effort to develop systems that retain customers, attract new customers and generate income.

Following positive dialogue with Sportscotland we will lead a project to refurbish Grangemouth Stadium and track with their funding support and legacy investment from the Commonwealth Games. This will add significantly to Falkirk Council's capital investment of £500,000.

The Trust looks forward to a busy year ahead. As well as the initiatives highlighted above, we will be building on the success of Creative Place, the Festival of Silent Cinema, the WWI commemorative programme and growing commonwealth legacy sports programmes.



Ian Scott
Chair of the Board
Falkirk Community Trust Limited

Date: 27th August 2015

GROUP DIRECTORS' REPORT

Structure, Governance and Management

Charitable status

Falkirk Community Trust is a company limited by guarantee, governed by its memorandum and articles of association dated 31st May 2011. The company has charitable status and the Scottish Charity Number is SC 042403. The charitable company was incorporated on 31st May 2011 and began to trade on 1st July 2011 to take responsibility for the management and operation of a range of community facing sport, recreation, arts, heritage and library services provided by Falkirk Council.

Board of Directors

Falkirk Community Trust's board consists of eleven directors. Five independent directors are drawn from local business, sport, culture, environmental and learning sectors. Five directors are nominated elected members of Falkirk Council. There is also one Employee Director nominated by Trust staff.

The Board has the ability to appoint two additional co-opted Directors to allow the Trust to benefit from relevant skill sets and expertise as required. One co-opted Director was appointed to the Board in November 2012. The Chair of the Board is elected from the Independent Directors. The Directors are trustees for the purposes of charity law. A list of the current Directors including those who served during the period can be found on page 2.

Responsibility for the day to day operations of the Trust has been delegated to Maureen Campbell, the Chief Executive.

Trading Subsidiary

A wholly owned trading subsidiary, Falkirk Community Trading Limited, was established to govern those activities which are not recognised as charitable. It has a board of 5 directors drawn from the Trust's board and executive management and independent experts.

The Director details are as follows:

Ann Cowen (Chair)	(Appointed 23 rd June 2011)
Maureen Campbell	(Appointed 23 rd June 2011)
Ian Scott	(Appointed 23 rd June 2011)
Chris Morris	(Appointed 17 th July 2014)
Clive Ramsay	(Appointed 17 th July 2014)

Induction and training of directors

An induction process is in place for new directors. This covers strategic and operational issues affecting the group. The ongoing training and development needs of directors are considered regularly by the board.

Governance structure

The Board of Directors meets quarterly with executive officers and senior managers present. Decisions are taken to set the overall strategy for the business as well as to monitor its activities. The executive and senior managers are charged with the task of implementing these decisions. Agendas and minutes of Falkirk Community Trust board meetings are published on the Trust's website (www.falkirkcommunitytrust.org).

Two sub groups are established each comprising five directors drawn from the Trust's board. The Audit and Performance sub group focuses on company performance specifically in relation to the business plan and audit arrangements. The People sub group is charged with recruitment of all senior managers and strategic liaison with trade union representatives.

Reserves Policy

Maintaining a level of reserves helps to meet unexpected events. The Board agreed that it would maintain an unrestricted reserve of 2% calculated on the basis of the Service Payment received from Falkirk Council and the total budgeted expenditure. This gives a range of between £260,000 and £390,000. The unrestricted reserve at 31 March 2015 was £374,000.

Employees

The group maintains a policy of regularly providing all employees and, where represented, trade unions with information on the group's performance. It is the group's policy to give full consideration to employment from disabled persons, bearing in mind their particular aptitudes and abilities.

GROUP DIRECTORS' REPORT

Auditors

Drummond Laurie Limited has been appointed for 3 years covering the financial statements up to the year ended 31 March 2017.

Information for Auditors

In so far as the directors are aware there is no relevant audit information of which the charitable group's auditor is unaware and the directors have taken all steps to make themselves aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.



Ian Scott
Chair of the Board
Falkirk Community Trust Limited

Date: 27th August 2015

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Falkirk Community Trust Limited for the purposes of company law) are responsible for preparing the Group Strategic Report and the Group Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF FALKIRK COMMUNITY TRUST LIMITED

We have audited the group and parent company financial statements of Falkirk Community Trust Limited for the year ended 31 March 2015 which comprises the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes.

This report is made solely to the company's members, as a body, in accordance with chapter 3 of section 16 of the Companies Act 2006, and to the charity's directors, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The responsibilities of the directors (who are also trustees of the charitable company for the purposes of company law) for preparing the Directors Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Directors Responsibilities on page 7.

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

Opinion

In our opinion:

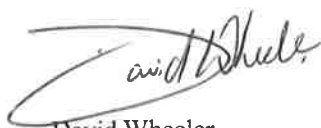
- the financial statements give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended); and
- the information given in the Group Strategic Report and the Group Directors Report is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF
FALKIRK COMMUNITY TRUST LIMITED**

Matters on which we are required to report by exception

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

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



David Wheeler
Senior Statutory Auditor

For and on behalf of

Drummond Laurie Limited
Statutory Auditor
Unit 5
Gateway Business Park
Beancross Road
Grangemouth
FK3 8WX

Date: 1st October 2015

**GROUP STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING A GROUP INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	Unrestricted Fund £'000	Restricted Fund £'000	Total 2015 £'000	Total 2014 £'000
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary Income	2	7	-	7	-
Investment Income	3	16	-	16	16
<i>Activities for generating funds</i>					
Commercial Trading Activities	4	1,089	-	1,089	870
<i>Incoming resources from charitable activities</i>					
Provision of Leisure and cultural facilities	5	3,865	1,458	5,323	5,193
Contract with Falkirk Council		11,975	1,110	13,085	12,139
Total incoming resources		16,952	2,568	19,520	18,218
Resources Expended					
<i>Cost of Generating Funds</i>					
Commercial Trading Activities	4	1,049	-	1,049	946
<i>Charitable activities</i>					
Provision of Leisure and cultural facilities	6	15,758	2,054	17,812	17,048
<i>Governance</i>	7	10	-	10	14
Total resources expended		16,817	2,054	18,871	18,008
Net incoming resources before Funding Transfers					
		135	514	649	210
Transfer between funds	16	(123)	123	-	-
Net Movement in Funds		12	637	649	210
Fund Balances brought forward at 1 April 2014	14-16	525	427	952	742
Fund Balances carried forward to 31 March 2015	14-16	537	1,064	1,601	952

All of the above results are derived from continuing activities. All gains and losses recognised in the year ended are included above.

**CHARITY STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING THE CHARITY INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	Unrestricted Fund £'000	Restricted Fund £'000	Total 2015 £'000	Total 2014 £'000
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary Income	2	7	-	7	-
Investment Income	3	56	-	56	16
<i>Incoming resources from charitable activities</i>					
Provision of Leisure and cultural facilities	5	3,865	1,458	5,323	5,193
Contract with Falkirk Council		11,975	1,110	13,085	12,063
Total incoming resources		15,903	2,568	18,471	17,272
Resources Expended					
<i>Charitable activities</i>					
Provision of Leisure and cultural facilities	6	15,758	2,054	17,812	17,048
<i>Governance</i>	7	10	-	10	14
Total resources expended		15,768	2,054	17,822	17,062
Net incoming resources before Funding Transfers					
		135	514	649	210
Transfer between Funds	16	(123)	123	-	-
Net Movement in Funds		12	637	649	210
Fund Balances brought forward at 1 April 2014	14-16	525	427	952	742
Fund Balances carried forward to 31 March 2015	14-16	537	1,064	1,601	952

All of the above results are derived from continuing activities. All gains and losses recognised in the year ended are included above.

**GROUP BALANCE SHEET
AT 31 MARCH 2015**

Company No.: SC400657

	Note	Group 2015 £'000	Charity 2015 £'000	Group 2014 £'000	Charity 2014 £'000
Fixed Assets					
Tangible assets	9/10	357	357	394	394
Current Assets					
Stocks	11	66	13	47	12
Debtors	12	270	314	161	173
Cash in Hand		3,277	3,266	1,957	1,947
		<u>3,613</u>	<u>3,593</u>	<u>2,165</u>	<u>2,132</u>
Current Liabilities					
Creditors : amounts falling due in one year	13	<u>2,369</u>	<u>2,349</u>	<u>1,607</u>	<u>1,574</u>
Net current assets		<u>1,244</u>	<u>1,244</u>	<u>558</u>	<u>558</u>
Net assets		<u>1,601</u>	<u>1,601</u>	<u>952</u>	<u>952</u>
Unrestricted Funds					
Unrestricted Income Funds		374	374	296	296
Revaluation Reserve		163	163	229	229
		<u>537</u>	<u>537</u>	<u>525</u>	<u>525</u>
Restricted Funds					
Grant and Other Funding	17	506	506	326	326
Helix Funding		558	558	101	101
		<u>1,064</u>	<u>1,064</u>	<u>427</u>	<u>427</u>
TOTAL FUNDS	14-17	<u>1,601</u>	<u>1,601</u>	<u>952</u>	<u>952</u>

The financial statements were approved and authorised for issue by the Board on 27th August 2015 and signed on its behalf by:



Ian Scott
Chair of the Board
Falkirk Community Trust

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 £'000	2014 £'000
Net cash inflow from operating activities	18a	1,362	643
Returns on investments and servicing of finance			
Interest received		16	16
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(58)	(102)
Increase in cash in the year	18b	1,320	557

NOTES

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost basis of accounting, modified for revaluation of fixed assets, and in accordance with applicable accounting standards. The financial statements are set out so as to comply with the Statement of Recommended Practice: Accounting and Reporting by Charities approved by the Accounting Standards Board in April 2005, the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

Basis of Preparation – Going Concern

The trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertaking Falkirk Community Trading Limited made up to 31 March 2015.

Funds

Funds are classified as either restricted funds or unrestricted funds, defined as follows:

Restricted funds are funds subject to specific trusts, which may be declared by the donor or with their authority. Some are restricted income funds expendable at the discretion of the Board in furtherance of a particular activity, such as government grants for a specific centre, and funds raised for particular client groups or activities. Others are capital funds where the assets are required to be invested for long term use.

Unrestricted funds are expendable at the discretion of the Board in furtherance of the objectives of Falkirk Community Trust. If part of the unrestricted funds is earmarked at the discretion of the Board for a particular project, it is designated as a separate fund. This designation has an administrative purpose only, and does not legally restrict the Board's discretion to apply the fund.

Incoming resources

Activities for generating income are accounted for when there is entitlement to the income, it is virtually certain that the income will be received and the income can be reliably measured.

Income from Falkirk Council is accounted for on an accruals basis and is agreed in advance based on the level of service provided.

Investment Income is accounted for on an accruals basis.

Capital Grants received are accounted for on an accruals basis.

Resources Expended

All expenditure is accounted for on an accruals basis. Where costs cannot be directly attributed to a cost heading, they have been allocated on a basis consistent with use of the resources.

Charitable expenditure comprises those costs incurred by the group in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. These costs are allocated based on an estimate of the proportion of time that personnel spend on charitable activities.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the group and include the audit fees.

Costs of generating funds represents the costs which are associated with generating incoming resources from all sources other than from undertaking charitable activities. The main components of costs within this category are costs of fundraising trading, including cost of goods sold and other associated costs.

NOTES (contd.)

1. Accounting policies (continued)

Stocks

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

Fixed Assets

Assets are capitalised only if they have an individual value of £1,000 or above. Assets are initially capitalised at purchase price plus any costs to bring to its current state.

Depreciation is provided on vehicles, plant and equipment at rates calculated to write off the cost less estimated residual value of each asset evenly over their expected life of between 5-8 years. The assets are reviewed annually for impairment.

On incorporation, vehicles, plant and equipment were transferred from the Council at the cost of £1. These assets were revalued to their fair value after transfer. This asset class is revalued every five years with an interim review carried out in the third year.

The Revaluation Reserve is reduced annually in line with the depreciation of the revalued assets by way of a transfer to unrestricted income funds.

Fixed Asset Investments

Investments are recognised at cost less any deemed impairment of value.

Taxation

The Charity is exempt from income tax by virtue of Section 505(1) Income and Corporation Taxes Act 1988 and from capital gains tax by virtue of Section 145 Capital Gains Tax Act 1979.

Pensions

Falkirk Community Trust is a member of the Falkirk Pension Fund, a Local Government Pension Scheme, which is a defined benefit scheme and provides benefits based on final pensionable pay. As part of the Admission Agreement to the Scheme both Falkirk Community Trust and Falkirk Council agreed that assets of the Pension Fund in respect of Trust employees and former employees shall, at all times, be notionally allocated to Falkirk Council and the liabilities of the Pension Fund shall, at all times, be the responsibility of Falkirk Council and not Falkirk Community Trust. As a consequence of this agreement there is no requirement to disclose pension assets and liabilities in the accounts of Falkirk Community Trust.

2. Voluntary Income

	2015	2014
	£'000	£'000
Other Donations	7	-
	7	-

3. Investment Income

	2015	2014
	£'000	£'000
Charitable Donation from Subsidiary	40	-
Bank and other interest	16	16
	56	16

NOTES (contd.)

4. Incoming Resources from Activities Generating Funds

The wholly owned trading subsidiary Falkirk Community Trading limited, which is registered in Scotland, pays any profits to the charity by gift aid. The Trading Company operates all the catering and retail operations carried out at the premises managed by the Charity. A summary of the trading results is shown below.

	Total 2015 £'000	Total 2014 £'000
Turnover	1,089	870
Contract with Falkirk Council	-	76
Cost of sales and administration costs	(1,089)	(946)
Net profit/(loss) on ordinary activities before taxation	-	-
Taxation on profit/(loss) on ordinary activities	-	-
Profit/(loss) for the period	-	-

The assets and liabilities of the Trading Company are:

Current Assets	81	50
Current Liabilities	(81)	(50)
Net Current Assets	-	-
Net Assets	-	-

5. Income from provision of Leisure and Cultural Activities

	Unrestricted Fund £'000	Restricted Fund £'000	Total 2015 £'000	Total 2014 £'000
Fees, Charges & Admissions	3,417	189	3,606	3,824
Sales	261	16	277	502
Grant Income	-	1,183	1,183	703
Rental Income	27	-	27	26
Miscellaneous Income	160	70	230	138
	3,865	1,458	5,323	5,193

6. Costs of providing Leisure and Cultural Activities

	Unrestricted Fund £'000	Restricted Fund £'000	Total 2015 £'000	Total 2014 £'000
Wages and salaries	7,959	686	8,645	8,619
Social security costs	456	40	496	499
Employer pension costs	1,408	118	1,526	1,388
Other Staff costs	140	18	158	150
Property Expenses	2,078	100	2,178	2,119
Transport Expenses	150	14	164	174
Supplies and Services	3,567	1,078	4,645	4,099
	15,758	2,054	17,812	17,048

NOTES (contd.)

7. Governance

	2015 £'000	2014 £'000
Audit Fees	10	14

8. Staff numbers and costs

The remuneration and associated costs of the company were:-

	Group 2015 £'000	Charity 2015 £'000	Group 2014 £'000	Charity 2014 £'000
Wages and salaries	9,123	8,645	9,091	8,619
Social security costs	511	496	515	499
Pension costs	1,600	1,526	1,448	1,388
Other Staff Costs	160	158	152	150
	11,394	10,825	11,206	10,656

Employees receiving salaries, plus benefits in kind, of more than £60,000 were in the following bands:-

	Group 2015 Number	Charity 2015 Number	Group 2014 Number	Charity 2014 Number
£60,000 - £70,000	-	-	1	1
£70,000 - £80,000	1	1	-	-
£80,000 - £90,000	-	-	-	-
£90,000 - £100,000	1	1	1	1

Pension costs in relation to those employees earning over £60,000 totalled £33k (2014: £18k).

No member of the Board received remuneration from Falkirk Community Trust, Directors indemnity insurance or travel expenses.

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

	Group 2015 Number	Charity 2015 Number	Group 2014 Number	Charity 2014 Number
Business Development	24	24	22	22
Parks & Recreation	47	47	50	50
Libraries	64	64	64	64
Arts	23	23	23	23
Heritage	23	23	23	23
Sport & Fitness	133	133	135	135
Helix	12	12	5	5
Trading Subsidiary	21	-	22	-
	347	326	344	322

* The figures above do not include Casual Seasonal staff

NOTES (contd.)

9. Tangible fixed assets

	Vehicles, Plant & Equipment £'000
<i>Cost or Valuation</i>	
At 1 April 2014	543
Additions	58
Disposals	-
At end of year	601
 <i>Depreciation</i>	
At 1 April 2014	149
Charge for the year	95
At end of year	244
 <i>Net Book Value</i>	
At 31 March 2015	357
At 31 March 2014	394

Vehicles, plant and equipment held at £369k net book value were revalued in the year ending 31 March 2012 to £163k. These assets were transferred at £1 from Falkirk Council. The carrying value has been reviewed in the year ending 31 March 2015 by Falkirk Council's Fleet Department and no material differences in value have been identified.

10. Fixed asset investments

The company owns 100% of the ordinary share capital of Falkirk Community Trading Limited, a company registered in United Kingdom. The value of the investment is £1 (2014 - £1).

11. Stock

	Group 2015 £'000	Charity 2015 £'000	Group 2014 £'000	Charity 2014 £'000
Stock	66	13	47	12

12. Debtors

	Group 2015 £'000	Charity 2015 £'000	Group 2014 £'000	Charity 2014 £'000
Trade debtors	95	79	99	94
Due from Subsidiary Undertaking	-	61	-	17
VAT	24	24	7	7
Prepayments and accrued income	151	150	55	55
	270	314	161	173

13. Creditors : amounts falling due within one year

	Group 2015 £'000	Charity 2015 £'000	Group 2014 £'000	Charity 2014 £'000
Trade creditors	358	355	337	318
Amounts due to related parties	1,458	1,449	913	906
Social security costs and other taxes	141	134	144	137
Other creditors and accruals	412	411	213	213
	2,369	2,349	1,607	1,574

NOTES (contd.)

Included in other creditors and accruals is £62k (2014 - £67k) of deferred income. This relates to payments in advance for events occurring post year end.

14. Reconciliation of Movements in Funds

	Group 2015 £'000	Charity 2015 £'000	Group 2014 £'000	Charity 2014 £'000
Surplus for the Period	649	649	210	210
Revaluation carried out in the period	-	-	-	-
Net addition to funds	649	649	210	210
Opening Funds	952	952	742	742
Closing Funds	1,601	1,601	952	952

15. Analysis of net assets between funds

	Unrestricted Funds £'000	Revaluation Reserve £'000	Restricted Funds £'000	Total £'000
Fund balances at 31 March 2015 are represented by:				
Tangible Fixed Assets	136	163	58	357
Current Assets	2,607	-	1,006	3,613
Current Liabilities	(2,369)	-	-	(2,369)
	374	163	1,064	1,601

16. Summary of Movement in Funds

	Fund Balance Brought Forward £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	Fund Balances Carried Forward £'000
Unrestricted Funds	296	16,952	(16,817)	(57)	374
Revaluation Reserve	229	-	-	(66)	163
Restricted Funds (Note 17)	326	1,187	(1,007)	-	506
Helix Funds	101	1,381	(1,047)	123	558
	952	19,520	(18,871)	-	1,601

Unrestricted Funds

Unrestricted Funds can be used at the discretion of the Board of Trustees in furtherance of the objects of the Trust.

Revaluation Reserve

The Revaluation Reserve represents the fair value of assets transferred from Falkirk Council included in the Balance Sheet. Transfers from this Reserve represent the annual depreciation charge of those assets to reflect the current value.

Restricted Fund

The Restricted Fund represents funds received from external organisations for specific purposes. Further detail is given in Note 17.

Helix Fund

The Helix Fund represents funding given for the operations of the Helix site. Any money unspent is to be carried forward and ring-fenced as outlined by the funder. Surplus from Helix Trading has been transferred to the Helix Fund.

NOTES (contd.)

17. Restricted Funds

Sufficient resources are held to enable each fund to be applied in accordance with any restrictions. Transfers between funds are not performed.

	Fund Balance Brought Forward £'000	Incoming Resources £'000	Resources Expended £'000	Fund Balances Carried Forward £'000
Hippodrome Festival	-	57	(39)	18
Youth Music Initiative	140	196	(167)	169
Active Schools	37	284	(291)	30
Cashback for Communities	26	-	-	26
Fairer Scotland Fund	-	39	(27)	12
Kinneil Museum Refurbishment	17	22	(39)	-
Swimming Programme	36	7	-	43
Scottish Football Association	11	19	(22)	8
Acts of Discovery	-	150	(49)	101
Helix Adventure Zone	-	140	(140)	-
Peoples Millions – Dance Project	-	43	(4)	39
Zetland Park Tennis Courts	-	108	(108)	-
Young Start – Arts Champions	-	24	(5)	19
Others	59	98	(116)	41
	326	1,187	(1,007)	506

Hippodrome Festival

Creative Scotland Grant given for the Silent Film Festival programme held at the Hippodrome Cinema.

Youth Music Initiative

Creative Scotland Grant for the development of music within schools.

Active Schools

Falkirk Council funding to provide the delivery of the Active Schools Programme.

Cashback for Communities

Funding provided to enable repairs and improvements to Sports Pavilions working alongside people from the Criminal Justice system.

Fairer Scotland Fund

Falkirk Council funding for Sport for Youth. This is used to engage young people to become more active in physical activities and diverting them from unsocial behaviour.

Kinneil Museum Refurbishment

Heritage Lottery funding given for the refurbishment of Kinneil Museum.

Swimming Programme

Scottish Swimming funding to enable children to obtain the lifeskill of being able to swim.

Scottish Football Association

SFA funding to provide support for football development within the Falkirk area.

NOTES (contd.)

Acts of Discovery

Creative Scotland Grant given to fund three new commissions and projects based on the concept of people, routes and pathways, which will celebrate Falkirk's cultural renaissance over the past 10 years, aimed at engaging a wide range of audiences.

Helix Adventure Zone

Sport Scotland (£100k) and Falkirk Environment Trust (£40k) grants received for the building of the Helix Adventure Park.

People's Million – Dance Project

Big Lottery funding via the People's Millions towards providing a programme of creative dance workshops for children with Additional Support Needs across 10 schools in the Falkirk Council area.

Zetland Park Tennis Courts

Sport Scotland (£60.5k), Falkirk Environment Trust (£27.5k) and Lawn Tennis Association (£20k) grants received for the upgrade of the tennis courts at Zetland Park.

Young Start – Arts Champions

Big Lottery Grant given to deliver a programme of arts activities for local young people.

18. Notes to the Cash Flow Statement

- (a) Reconciliation of net income for the year to net cash inflow from operating activities

	2015 £'000	2014 £'000
Net Incoming Resources for the year	649	210
Interest Received	(16)	(16)
Depreciation Charge for the year	95	80
Loss on Disposal	-	5
(Increase) in Stocks	(19)	4
Decrease/(Increase) in Debtors	(109)	20
(Decrease)/Increase in Creditors	762	340
Net cash inflow from operating activities	1,362	643

- (b) Analysis of net debt

	At beginning of period £'000	Cashflows £'000	Other non- cash changes £'000	At end of period £'000
Cash at bank and in hand	1,957	1,320	-	3,277
Bank Overdrafts	-	-	-	-
	1,957	1,320	-	3,277

19. Pension Scheme

Employees of the company are members of Falkirk Council Pension Fund. Contributions in the period relating to those employees amounted to £1.557m and the amount of outstanding contributions at the 31 March 2015 amounted to £0.163m.

The fund is valued every three years by a professionally qualified independent actuary using the projected unit method to determine the rates of contribution payable. Unless the actuary directs otherwise, the contribution rate set for Falkirk Community Trust will be the same rate as payable by Falkirk Council. In the period to 31 March 2015 the employer contribution rate was 20.5%.

NOTES (contd.)

20. Related Party Transactions

The group is related to Falkirk Council by virtue of Falkirk Councillors being Directors of the company. The group is contracted to provide recreation and leisure services by Falkirk Council. In the year to 31 March 2015, Falkirk Council made a payment of £13.085m to the group and leased the facilities occupied by the company for a peppercorn rent.

At 31 March 2015, Falkirk Council owed the group £0.176m and the group owed Falkirk Council £1.634m (including amounts due to Falkirk Council Pension Fund) in relation to normal trading activities. This has been set-off and the creditor in the accounts totals £1.458m. As part of the Funding Agreement with Falkirk Council, the Trust agreed to enter into service level agreements for a period of three years for services provided by the Council to the Trust. The cost of these services, such as finance services, human resources, and facilities management was £1.167m.

The Trust is related to Falkirk Community Trading Limited by virtue of the Trust being the parent company. The Trust has taken advantage of the exemption under Financial Reporting Standard No 8 "Related Party Transactions" from disclosing transactions with Falkirk Community Trading Limited on the grounds that it is a wholly owned subsidiary consolidated within the Trust's group accounts. At 31 March 2015, Falkirk Community Trading owed £0.061m (2014: £0.017m) to Falkirk Community Trust Limited representing amounts due in respect of the trading activities of the subsidiary undertaking.

During the period the following six elected members from Falkirk Council served on the Board: Councillors Dennis Goldie, Linda Gow, Malcolm Nicol, Joan Paterson, Adrian Mahoney and Pat Reid. The nominated employee on the Board is Richard Murphy.

No Director received any remuneration in their roles as Directors.

21. Contingent Liability

In consideration of Falkirk Council transferring consumable assets and equipment such as library books, sports equipment and office furniture to Falkirk Community Trust, the Company agreed to assume a debt to the value of £5m indexed annually. This debt would only be payable on the expiry or termination of the Funding Agreement with Falkirk Council and would be adjusted by any consumable assets and equipment transferring back to Falkirk Council.

22. Ultimate Controlling Party

Falkirk Community Trust Limited and its trading subsidiary, Falkirk Community Trading Limited are controlled by the Board of Directors of Falkirk Community Trust Limited.

