



Falkirk Community Trust limited

report and
financial
statements

2017

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REFERENCE AND ADMINISTRATIVE INFORMATION**YEAR END 31 MARCH 2017**Falkirk Community Trust Limited

Directors	Ruth Morrison (Chair) Suzanne Arkinson Councillor William Buchanan Councillor Lorna Binnie Councillor Joan Coombes Derek Easton Colette Filippi Councillor Dennis Goldie Councillor Linda Gow Councillor Jim Flynn Alex McQuade Councillor Cecil Meiklejohn Steve Mackie Councillor Pat Reid Simon Rennie Ian Scott Councillor Robert Spears Robert Tait David White	(Appointed 1 st July 2017) (Appointed 7 th June 2017) (Appointed 28 th June 2017) (Appointed 1 st July 2017) (Appointed 1 st July 2017) (Term of Office ended 7 th June 2017) (Resigned 5 th May 2017) (Appointed 7 th June 2017) (Term of Office ended 30 th June 2017) (Appointed 7 th June 2017) (Term of Office ended 7 th June 2017) (Term of Office ended 30 th June 2017) (Term of Office ended 7 th June 2017) (Term of Office ended 30 th June 2017)
Senior Management Team	Maureen Campbell Neil Brown Jane Clark Paul Finnie Lesley O'Hare	Chief Executive General Manager Business Development Manager Sports & Recreation Manager Culture & Libraries Manager
Registered Office 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	

GROUP STRATEGIC REPORT

YEAR ENDED 31 MARCH 2017

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 area's 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 participation.

Going Concern

Funding for 2017-18 has been agreed for the period to 31st March 2018. The level of funding from Falkirk Council for 2018-19 is yet to be agreed. Funding reduction in 2017-18 was mitigated by a savings plan which utilised some reserves. The Board will respond to an anticipated further reduction in funding from the Council with a savings plan bolstered by a healthy balance of reserves which may be required to meet the cost of implementing savings. Directors have reviewed the business strategy and are satisfied that they are able to continue to prepare accounts on a going concern basis. A letter of comfort has been received from the Council confirming that the service in general will be funded in future years.

Business objectives

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

- Meeting customer needs
- Organisational development
- Financial sustainability

These objectives are being met through a range of activity within the Trust's Business Plan and during 2016-17 this included:

- Conducting a 2nd Customer Survey which shows that 86% of our customers are satisfied or highly satisfied and 99% would recommend us to others;
- Producing a comprehensive brief and documentation to enable tendering for the development of a new website;
- Increasing opportunities for volunteering within the Trust and introducing a volunteer of the month initiative in Active Schools;
- Developing dialogue with our customers online through social media where we increased engagement by around 43%;
- Encouraging people to be more active through accessible programmes such as walking groups which achieved a 19% increase in participation;

GROUP STRATEGIC REPORT

YEAR ENDED 31 MARCH 2017

- Visiting the Kelpies continues to be ranked as the top thing to do in Falkirk on Tripadvisor, and both the Helix and Callendar House continued to receive 5 star reviews;
- Winning the best visitor attraction in the Pride of Forth Valley Awards for the Helix;
- Being named as the most physically active area in Scotland in a national survey by the Scottish Government;
- Supporting staff to review service standards at the Helix Visitor Centre, Grangemouth Sports Complex, the Mariner Centre and Callendar House;
- Reducing our sickness absence levels which were down from 4.20% in 15/16 to 3.42% in 16/17;
- Continuing to progress systems development with database consolidation work across our till system;
- Continuing to maintain a corporate focus on Health & Safety and supporting partners in the Counter-Terrorism Strategy;
- Improving the swimming lesson programme performance secured a 17% increase in income;
- Increasing income in Health & Fitness by 24% following an expansion in the gym offer;
- Increasing uptake particularly in tennis and gymnastics programmes contributed to a 27% increase in income for the sports development programme;
- Securing a loan of £1m from the Council to enable the conversion of the Mariner Centre Sports Hall to a soft play venue;
- Securing income of £782,000 from competitive grant making bodies.

Risk Management

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

1. **Financial Risk:** National influences could lead to Council priorities for finance being focused away from the Trust leading to a reduction in funding for Culture and Sport. This could lead to the closure of facilities, reduction in service, loss of income and planned deterioration. Mitigation action is in place through: "*Inspiring Active Lives – A Strategy for Culture and Sport in the Falkirk area*" with a suite of delivery plans; delivering a new soft play centre business initiative; developing new opportunities for business growth; maintaining improvement in Trading Company performance; generating increased community involvement in service delivery; achieving Fundraising strategy targets.
2. **Information Risk:** Lack of investment by the Council and the Trust causes IT systems failure to meet both customer and business management needs and restricts customer transactions and customer data capture. Mitigation action in place through: Commissioning a new website; improving our digital capacity and online facilities; creating a brief and specification for an improved box office ticketing system; piloting mobile and flexible working.
3. **Assets & Property Risk:** Plant and machinery failure within ageing physical assets requiring redirection of capital and /or which could lead to facility closure with service reduction and loss of income. Mitigation action in place through; monitoring and reviewing performance of short and longer term Service Level Agreements; Asset Management Development Plan; implementing Council capital funded projects and forward planning investment proposals

Achievements and Performance

Good progress has been made towards delivery of the Business Strategy and positive results achieved against an ever challenging financial backdrop. Customer income increased and reliance on income from Council funding reduced from 66% last year to 61%, significantly down from 72% in the Trust's first year of operation. Trading performance continued to improve as well and an overall surplus was passed to the parent company as a charitable payment.

Given the economic climate and its significant impact on the Council, the Trust's main funder, Directors developed a Business Plan Approach as a 3 year strategy to review opportunities for income generation, community engagement and asset transfer, efficiency savings and service reductions. The approach proposes a high level transformational shift in the way that culture and sport is developed, managed and delivered in the Falkirk area. It will be a key driver for the development of future plans.

GROUP STRATEGIC REPORT

YEAR ENDED 31 MARCH 2017

During 2016-17 we continued to focus on managing our assets to best meet customer expectation. With Falkirk Council we opened a new library for Denny, providing a modern and very appealing venue in the heart of the town. The library has been very well received by the Denny community. Visits to libraries generally saw the first increase in numbers for several years, up by 6,647 on last year. Improvement can be attributed to the introduction of bus pass applications, as well as to the new library.

Utilising Trading Company funds and with external funding support we refurbished the tea room at Callendar House to both modernise and enhance its attractive historic setting. Now providing a much improved customer experience, there has been a noticeable increase in footfall within the House and uplift in tearoom income. With a small investment in decorations we introduced a new Christmas experience at Callendar House which encouraged visitors to explore the House and take part in traditional festive activities and we hope to build on this in future years.

Improving customer experience was the key driver for a number of initiatives in sports facilities. This included a new spinning studio converted from a former squash court, upgrade to the flumes and improved ladies dry-side changing rooms all at Grangemouth Sports Complex. Continued investment aimed at the family audience at the Mariner Centre included new creative play features in the pool. During the year the first phase of improvements at Grangemouth Stadium, in the reception and welcome area, were completed and work has commenced on the indoor track and athletes changing areas.

Participatory programmes performed well and the new swimming programme was a big factor in increased use of the Community High Schools. Upwards trends also continued in Helix events including the new festive Fire & Light event on New Year's Day, Step Forth and Active Forth programmes. A significant new initiative with funding from the Integrated Care Fund was the introduction of a mental health programme within Active Forth which we plan to continue. Upwards trends also continued in Active Schools performance, both for distinct participants engaged and for the number of sessions provided.

Financial Review

The Groups financial results for the year 1st April 2016 to 31st March 2017 are shown on pages 12 to 25. This shows a surplus on unrestricted funds of £817,000. The unrestricted fund has increased to £1,553,000 (£736,000 as at 31st March 2016).

Income totalled £19.5m (2015/16 - £19.3m) with an increase customer income of £0.970m offsetting a reduction in income received from Falkirk Council of £0.726m. Costs incurred of £18.9m are £0.2m less than the previous year (2015/16 - £19.2m).

The Trust's wholly owned subsidiary, Falkirk Community Trading Limited, achieved a breakeven position for the period to 31st March 2017 after accounting for a charitable payment of £269,000. The principal activity of the trading company is the provision of catering and retail services. Trading income and costs increased by £0.4m, largely as result of trading activities within the Helix Park.

The balance sheet shows a bank balance of £3.6m (£0.7m as at 31 March 2016) and net assets of £2.1m (£1.5m as at 31 March 2016). 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.

Plans for the Future

Recent investment in facilities has enabled us to improve services and offer better opportunities for people to achieve fulfilled and active lifestyles. However asset management and development continues to be a challenge. It is agreed that the area needs an Arts Centre and we will work with the Council and others to consider how best to deliver one to replace Falkirk Town Hall. Meantime a shift in focus to re-energise and re-invigorate the programme will become more evident at FTH and we plan to invest in front of house and on stage to improve the experience for audiences and performers and enable the venue to meet modern touring expectations. Future development opportunities in Grangemouth Sports Complex and Bo'ness Recreation Centre are also major strategic challenges

GROUP STRATEGIC REPORT

YEAR ENDED 31 MARCH 2017

Our Business Plan Approach is to drive forward a shift in how culture and sport is developed and delivered through focussing on facilities within three core groupings:

- Community engagement/ involvement: facilities that could be managed in partnership with community groups with a view to transferring them in part or whole over time.
- Community infrastructure/need: facilities that are a core part of the community infrastructure and don't yet have an identifiable community support mechanism but make significant contribution to meeting need.
- Income generation: facilities that have the potential to grow income to reduce subsidy while contributing to "Inspiring Active Lives" and the area's strategic objectives.

This approach requires full support and buy-in from stakeholders, supporters, groups and clubs. We acknowledge that implementation will take time and effort from all involved and we are pleased that the Council has endorsed our approach. Our focus in 2017-18 will be to develop a range of opportunities for consideration in our 2018-19 business planning process.

A business growth initiative that we identified in 2016-17 will be implemented at Mariner Centre with the opening of a new soft play development in the games hall, along with significant access improvements and new café space.

We will be operating with a significant reduction to our core budget in 17/18 and have identified £0.92m of savings with limited impact on services or facilities. However this utilises £100,000 from reserves and is short of the level requested of us by the Council, so a greater level of savings must be achieved in the next 2 years.



Ruth Morrison
Chair of the Board
Falkirk Community Trust Limited

Date: 31 August 2017

GROUP DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2017

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

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, which is currently vacant.

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. Two co-opted Directors are appointed to the Board. 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 accounting period can be found on Page 2. The term of office of a number of founding Directors came to an end and a recruitment process for three new independent Directors was completed. Following the local government elections in May 2017 the Council nominated four new Directors.

Responsibility for the day to day operations of the Trust has been delegated to Maureen Campbell, the Trust 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:

Suzanne Arkinson	(Appointed 27 th September 2016)
Maureen Campbell	
Ased Iqbal	(Appointed 26 th September 2016)
Steve Mackie	
Chris Morris	
Ian Scott	(Term of Office ended 30 th June 2017)

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.

GROUP DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2017

Reserves Policy

The Trust has the following three reserves:-

Unrestricted Income Fund

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 £238,000 and £396,000. The unrestricted reserve at 31 March 2017 was £1,553,000, with £270,000 earmarked for offsetting future severance costs. Although the reserve is well above the recommended limit, the Trust's reserve policy notes that maintaining the reserve at the threshold limits should not be taken as given and situations may arise where the Trust operates outwith the framework. The current level of reserves will help the Trust to manage in the current difficult financial climate, in particular providing an opportunity to deploy funds on activities aimed at generating additional income.

Restricted Funds – Grants and Other Funding

This fund represents grants received for specific purposes, with the balances held to be applied in accordance with the funders' requirements. The balances held are detailed at Note 17 and shows an overall balance of £220,547 as at 31 March 2017.

Restricted Funds – Helix

The Helix Fund represents funding given for the formation and setup of operations at the Helix site. The balance on the fund at 31 March 2017 was £367,360.

Financial Risk Management – Objectives and Policies

The Trust has a Risk Management Plan, supported by subsidiary risk management plans. In addition there are Business Continuity arrangements covering all operational activities and locations. These arrangements incorporate regular reporting to the Management Team and the Directors.

Robust financial management is critical to the Trust's success and integral to its forward planning, particularly given that Falkirk Council, the Trust's main funder, is under significant financial pressure due to the current economic climate. In 2016/17 the funding from Falkirk Council reduced by £726,000 with further reduction of £501,000 confirmed for 2017/18. Going forward it is anticipated that Falkirk Council will still need to make significant financial savings and the Trust's Business Plan for 2017-20 gives consideration to a potential reduction in the service payment by as much as 50% by 2020. The Plan acknowledges that this will require a significant transformational shift in the way culture and sport is developed, managed and delivered in the Falkirk area with a strong emphasis on community engagement and increased income generation.

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 persons with protected characteristics including disabled persons, bearing in mind their particular aptitudes and abilities.

Auditors

Drummond Laurie Limited were appointed for 3 years covering the financial statements up to the year ended 31 March 2017. Auditors for 2017/18 have still to be appointed, subject to tender.

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.



Ruth Morrison
Chair of the Board
Falkirk Community Trust Limited

Date: 31 August 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 31 MARCH 2017

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**

YEAR ENDED 31 MARCH 2017

We have audited the group and parent company financial statements of Falkirk Community Trust Limited for the year ended 31 March 2017 which comprises the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated 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 2017 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.

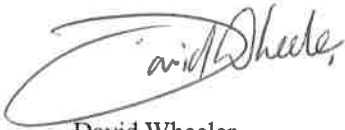
INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF FALKIRK
COMMUNITY TRUST LIMITED

YEAR ENDED 31 MARCH 2017

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: 22/9/17

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(INCORPORATING A GROUP INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	Unrestricted Fund £'000	Restricted Fund £'000	Total 2017 £'000	Total 2016 £'000
Income and Endowments from:					
Donations and Legacies	3	14	8	22	13
Charitable Activities					
-Provision of Leisure and Cultural Activities	4	4,441	1,353	5,794	5,224
-Contract with Falkirk Council		11,055	879	11,934	12,660
Other Trading Activities	5	1,771	-	1,771	1,364
Investments	6	6	-	6	24
Total Income		17,287	2,240	19,527	19,285
Expenditure on:					
Raising Funds		1,502	-	1,502	1,205
Charitable Activities	7	15,026	2,398	17,424	17,959
Total Expenditure		16,528	2,398	18,926	19,164
Net Income/(Expenditure)		759	(158)	601	121
Transfers between funds	17	58	(58)	-	-
Net Movement in Funds		817	(216)	601	121
Fund Balances brought forward at 1 April 2016		736	804	1,540	1,419
Fund Balances carried forward to 31 March 2017	15-18	1,553	588	2,141	1,540

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 COMPREHENSIVE INCOME
(INCORPORATING THE CHARITY INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	Unrestricted Fund £'000	Restricted Fund £'000	Total 2017 £'000	Total 2016 £'000
Income and Endowments from:					
Donations and Legacies	3	14	8	22	13
Charitable Activities					
- Provision of Leisure and Cultural Activities	4	4,441	1,353	5,794	5,224
- Contract with Falkirk Council		11,055	879	11,934	12,660
Investments		275	-	275	183
Total Income		15,785	2,240	18,025	18,080
Expenditure On:					
Charitable activities	7	15,026	2,398	17,424	17,959
Total Expenditure		15,026	2,398	17,424	17,959
Net Income/(Expenditure)		759	(158)	601	121
Transfers between Funds	17	58	(58)	-	-
Net Movement in Funds		817	(216)	601	121
Fund Balances brought forward at 1 April 2016		736	804	1,540	1,419
Fund Balances carried forward to 31 March 2017	15-18	1,553	588	2,141	1,540

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2017**

Company No.: SC400657

	Note	Group 2017 £'000	Charity 2017 £'000	Group 2016 £'000	Charity 2016 £'000
Fixed Assets					
Tangible assets	10-11	214	214	310	310
Current Assets					
Stocks	12	73	-	65	-
Debtors	13	298	281	2,067	2,064
Cash in Hand		3,598	3,586	674	650
		<u>3,969</u>	<u>3,867</u>	<u>2,806</u>	<u>2,714</u>
Current Liabilities					
Creditors : amounts falling due in one year	14	2,042	1,940	1,576	1,484
Net current assets		<u>1,927</u>	<u>1,927</u>	<u>1,230</u>	<u>1,230</u>
Net assets		<u>2,141</u>	<u>2,141</u>	<u>1,540</u>	<u>1,540</u>
Unrestricted Funds					
Unrestricted Income Funds		1,553	1,553	736	736
		<u>1,553</u>	<u>1,553</u>	<u>736</u>	<u>736</u>
Restricted Funds					
Grant and Other Funding	18	221	221	345	345
Helix Funding	17	367	367	459	459
		<u>588</u>	<u>588</u>	<u>804</u>	<u>804</u>
TOTAL FUNDS		<u>2,141</u>	<u>2,141</u>	<u>1,540</u>	<u>1,540</u>

The financial statements were approved and authorised for issue by the Board on 31 August 2017 and signed on its behalf by:



Ruth Morrison
Chair of the Board
Falkirk Community Trust

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	Total 2017 £'000	Total 2016 £'000
Operating Activities			
Net Income/(Expenditure)		601	121
Adjustments	19a	95	71
Working Capital Movements	19b	2,227	(2,771)
Cashflow from Operating Activities		2,923	(2,579)
Investing Activities			
Purchases of property, plant and equipment		(23)	(48)
Proceeds from sale of property, plant and equipment		18	-
Interest Received		6	24
Cashflow from Investing Activities		1	(24)
Net Change in Cash and Cash Equivalents		2,924	(2,603)
Cash and Cash Equivalents at 1 April	19c	674	3,277
Cash and Cash Equivalents at 31 March	19c	3,598	674

**NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2017**

1. Statutory Information

Falkirk Community Trust Limited is a charitable company limited by guarantee and incorporated in Scotland with registration number SC400657. The registered office is Suite 1A, The Falkirk Stadium, 4 Stadium Way, Falkirk, FK2 9EE.

2. 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 FRS 102, the Charities SORP (FRS 102) 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 2017.

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.

Creditors 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 are normally recognised at their settlement amount after allowing for any trade discounts.

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.

NOTES TO THE ACCOUNTS (contd.)
YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

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.

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.

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.

Provisions

Provisions are recognised when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are discounted where the time value of money is material. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Cash and Cash Equivalents

Cash and cash equivalents include cash at bank and in hand and highly liquid interest-bearing securities with maturities of three months or less. In the cash-flow statement, cash and cash equivalents are shown net of bank overdrafts, which are included as current borrowings in liabilities on the statement of financial position.

3. Donations and Legacies

	2017	2016
	£'000	£'000
Other Donations	22	13
	22	13

NOTES TO THE ACCOUNTS (contd.)
YEAR ENDED 31 MARCH 2017

4. Income from provision of Leisure and Cultural Activities

	Unrestricted Fund £'000	Restricted Fund £'000	Total 2017 £'000	Total 2016 £'000
Fees, Charges & Admissions	4,057	239	4,298	4,108
Sales	51	2	53	79
Grant Income	-	1,030	1,030	749
Rental Income	80	-	80	54
Miscellaneous Income	253	82	333	234
	4,441	1,353	5,794	5,224

5. Income from Other Trading Activities

The wholly owned trading subsidiary Falkirk Community Trading Limited, which is registered in Scotland – Company Number SC400658 - 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. The Registered Office is located at Suite 1A, The Falkirk Stadium, 4 Stadium Way, Falkirk, FK2 9EE. A summary of the trading results is shown below.

	Total 2017 £'000	Total 2016 £'000
Turnover	1,771	1,364
Cost of sales and administration costs	(1,771)	(1,364)
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	112	117
Current Liabilities	(112)	(117)
Net Current Assets	-	-
Net Assets	-	-

6. Investment Income

	2017 £'000	2016 £'000
Charitable Donation from Subsidiary	269	159
Bank and other interest	6	24
	275	183

7. Costs of providing Leisure and Cultural Activities

	Unrestricted Fund £'000	Restricted Fund £'000	Total 2017 £'000	Total 2016 £'000
Wages and salaries	7,416	917	8,333	8,614
Social security costs	562	66	628	486
Employer pension costs	1,377	140	1,517	1,681
Voluntary Severance	25	-	25	83
Other Staff costs	156	23	179	158
Property Expenses	1,904	73	1,977	2,216
Transport Expenses	160	15	175	185
Supplies and Services	3,426	1,164	4,590	4,536
	15,026	2,398	17,424	17,959

NOTES TO THE ACCOUNTS (contd.)
YEAR ENDED 31 MARCH 2017

8. Auditor Remuneration

	2017	2016
	£'000	£'000
Audit Fees - Charity	9	8
- Trading Company	2	2
	11	10

9. Staff numbers and costs

The remuneration and associated costs of the company were:-

	Group	Charity	Group	Charity
	2017	2017	2016	2016
	£'000	£'000	£'000	£'000
Wages and salaries	8,889	8,333	9,111	8,614
Social security costs	652	628	499	486
Pension costs	1,607	1,517	1,766	1,681
Severance Costs	25	25	83	83
Other Staff Costs	200	179	172	158
	11,373	10,682	11,631	11,022

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

	Group	Charity	Group	Charity
	2017	2017	2016	2016
	Number	Number	Number	Number
£60,000 - £70,000	-	-	-	-
£70,000 - £80,000	1	1	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 £34k (2016: £34k).

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

Management Team Remuneration

	Group	Charity	Group	Charity
	2017	2017	2016	2016
	Number	Number	Number	Number
£50,000 - £60,000	3	3	3	3
£60,000 - £70,000	-	-	-	-
£70,000 - £80,000	1	1	1	1
£80,000 - £90,000	-	-	-	-
£90,000- £100,000	1	1	1	1
	5	5	5	5

NOTES TO THE ACCOUNTS (contd.)
YEAR ENDED 31 MARCH 2017

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

	Group 2017 Number	Charity 2017 Number	Group 2016 Number	Charity 2016 Number
Business Development	19	19	21	21
Parks & Recreation	28	28	40	40
Libraries	52	52	62	62
Arts	28	28	25	25
Heritage	8	8	17	17
Sport & Fitness	151	151	138	138
Helix	20	20	20	20
Trading Subsidiary	25	-	21	-
	331	306	344	323

* The figures above do not include Casual Seasonal staff

		2017	2016
Average Employee Numbers	- Full Time	209	223
	- Part Time	271	271
	Total	<u>480</u>	<u>494</u>

10. Tangible fixed assets

	Vehicles, Plant & Equipment £'000
<i>Cost or Valuation</i>	
At 1 April 2016	649
Additions	23
Disposals	(126)
At end of year	<u>546</u>
<i>Depreciation</i>	
At 1 April 2016	339
Charge for the year	92
Disposals	(99)
At end of year	<u>332</u>
<i>Net Book Value</i>	
At 31 March 2017	<u>214</u>
At 31 March 2016	<u>310</u>

NOTES TO THE ACCOUNTS (contd.)
YEAR ENDED 31 MARCH 2017

11. Fixed asset investments

The company owns 100% of the ordinary share capital of Falkirk Community Trading Limited, a company registered in the United Kingdom. The value of the investment is £1 (2016 - £1).

12. Stock

	Group 2017 £'000	Charity 2017 £'000	Group 2016 £'000	Charity 2016 £'000
Stock	73	-	65	-

13. Debtors

	Group 2017 £'000	Charity 2017 £'000	Group 2016 £'000	Charity 2016 £'000
Trade debtors	166	149	190	162
Due from Subsidiary Undertaking	-	-	-	17
Amount due from related parties	-	-	1,873	1,881
VAT	90	90	-	-
Prepayments and accrued income	42	42	4	4
	298	281	2,067	2,064

14. Creditors : amounts falling due within one year

	Group 2017 £'000	Charity 2017 £'000	Group 2016 £'000	Charity 2016 £'000
Trade creditors	440	346	517	434
Amounts due to related parties	985	939	-	-
Social security costs and other taxes	151	142	428	421
Annual Leave accrual	184	184	164	164
Other creditors and accruals	282	279	467	465
	2,042	1,940	1,576	1,484

Included in other creditors and accruals is £73k (2016 - £201k) of deferred income. This relates to payments in advance for events occurring post year end.

NOTES TO THE ACCOUNTS (contd.)
YEAR ENDED 31 MARCH 2017

15. Reconciliation of Movements in Funds

	Group 2017 £'000	Charity 2017 £'000	Group 2016 £'000	Charity 2016 £'000
Surplus for the Period	601	601	121	121
Revaluation carried out in the period	-	-	-	-
Net addition to funds	601	601	121	121
Opening Funds	1,540	1,540	1,419	1,419
Closing Funds	2,141	2,141	1,540	1,540

16. Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted Funds £'000	Total £'000
Fund balances at 31 March 2017 are represented by:			
Tangible Fixed Assets	214	-	214
Current Assets	3,160	809	3,969
Current Liabilities	(1,821)	(221)	(2,042)
	1,553	588	2,141

17. 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	736	17,287	(16,528)	58	1,553
Restricted Funds	345	1,081	(1,205)	-	221
Helix Funds	459	1,159	(1,193)	(58)	367
	1,540	19,527	(18,926)	-	2,141

Unrestricted Funds

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

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 formation and setup of operations of the Helix site. Any money unspent is to be carried forward and ring-fenced as outlined by the funder. A transfer of the net book value of vehicles has been done to the unrestricted reserve to bring in line with the policy of the Group.

NOTES TO THE ACCOUNTS (contd.)
YEAR ENDED 31 MARCH 2017

18. Restricted Grant Funds

Analysis by fund of amounts received during the year and where the fund balance at 31 March 2017 is greater than £20,000.

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	15	60	(75)	-
Youth Music Initiative	90	143	(190)	43
Active Schools	39	267	(283)	23
Cashback for Communities	26		(26)	-
Fairer Scotland Fund	3		(1)	2
Muiravonside Nature Reserve	56		(56)	-
Swimming Programme	43		(8)	35
Acts of Discovery	13		(3)	10
Peoples Millions – Dance Project	2		(2)	-
Young Start – Arts Champions	3		(3)	-
Kinneil Bike Project		59	(54)	5
Dollar Park		237	(237)	-
Callendar Park Projects		48	(19)	29
Helix Events	-	73	(30)	43
Others	55	142	(166)	31
	345	1,029	(1,153)	221

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.

Swimming Programme

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

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.

Kinneil Bike Project

EB Scotland (£22k), Sport Scotland (£28k) & Groundwork UK (£9k) have all given funds to create a pump track & skills loop for mountain bike enthusiasts at Kinneil Estate.

NOTES TO THE ACCOUNTS (contd.)
YEAR ENDED 31 MARCH 2017

Callendar Park Projects

Robert Barr Charitable Trust (£30k), Tesco (£12k) and some smaller funding was given for a number of projects within Callendar park. They include installation of a new natural play trail, upgrade to the existing play area and path improvements. Funding was also given for the walled garden and community growing along with wild flower seeds, turf & bulbs.

Helix Event

Events Scotland/Visit Scotland provided £30k to host the Fire & Light Event on New Years Day at the Helix. They have given further grant of £43k to host an event in September – Horsepower.

19. Notes to the cashflow statement

	Total 2017 £'000	Total 2016 £'000
(a) Adjustments		
Depreciation	92	95
Loss of Disposal of Assets	9	-
Interest Received	(6)	(24)
	<u>95</u>	<u>71</u>

	Total 2017 £'000	Total 2016 £'000
(b) Working Capital Movements		
(Increase)/Decrease in Stocks	(8)	1
(Increase)/Decrease in Debtors	1,769	(1,797)
Increase/(Decrease) in Creditors	466	(975)
	<u>2,227</u>	<u>(2,771)</u>

	Total 2017 £'000	Total 2016 £'000
(c) Cash Balances		
Cash at bank and in hand	3,598	674
Bank Overdraft	-	-
Total Cash and Cash Equivalents	<u>3,598</u>	<u>674</u>

20. Pension Scheme

Employees of the company are members of Falkirk Council Pension Fund. Contributions in the period relating to those employees amounted to £1.607m and the amount of outstanding contributions at the 31 March 2017 amounted to £0.169m.

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 2017 the employer contribution rate was 21%.

21. 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 2017, Falkirk Council made a payment of £11m to the group and leased the facilities occupied by the company for a peppercorn rent.

At 31 March 2017, Falkirk Council owed the group £0.081m and the group owed Falkirk Council £1.066m (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 £0.985m. 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 £1.044m.

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 2017, Falkirk Community Trading was owed £0.010m (2016: £0.017m was due to) from Falkirk Community Trust Limited representing amounts due in respect of the trading activities of the subsidiary undertaking.

During the period the following five elected members from Falkirk Council served on the Board: Councillors Dennis Goldie, Linda Gow, Pat Reid, Robert Spears and William Buchanan. No Director received any remuneration in their roles as Directors.

22. 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.

23. 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.

NOTES TO THE ACCOUNTS (contd.)
YEAR ENDED 31 MARCH 2017

24. Comparatives for the Consolidated Statement of Comprehensive Income

	Unrestricted Fund £'000	Restricted Fund £'000	Total 2016 £'000
Income and Endowments from:			
Donations and Legacies	12	1	13
Charitable Activities			
-Provision of Leisure and Cultural Activities	4,110	1,114	5,224
-Contract with Falkirk Council	11,822	838	12,660
Other Trading Activities	1,364	-	1,364
Investments	24	-	24
Total Income	17,332	1,953	19,285
Expenditure on:			
Raising Funds	1,205		1,205
Charitable Activities	15,571	2,388	17,959
Total Expenditure	16,776	2,388	19,164
Net Income/(Expenditure)	556	(435)	121
Transfers between funds	(175)	175	-
Net Movement in Funds	381	(260)	121
Fund Balances brought forward at 1 April 2015	537	1,064	1,601
Prior Year Adjustment	(182)	-	(182)
Fund Balances brought forward at 1 April 2015 – Restated	355	1,064	1,419
Fund Balances carried forward to 31 March 2016	736	804	1,540

NOTES TO THE ACCOUNTS (contd.)
YEAR ENDED 31 MARCH 2017

25. Comparatives for the Charity Statement of Comprehensive Income

	Unrestricted Fund £'000	Restricted Fund £'000	Total 2016 £'000
Income and Endowments from:			
Donations and Legacies	12	1	13
Charitable Activities			
- Provision of Leisure and Cultural Activities	4,110	1,114	5,224
- Contract with Falkirk Council	11,822	838	12,660
Investments	183	-	183
Total Income	16,127	1,953	18,080
Expenditure On:			
Charitable activities	15,571	2,388	17,959
Total Expenditure	15,571	2,388	17,959
Net Income/(Expenditure)	556	(435)	121
Transfers between Funds	(175)	175	-
Net Movement in Funds	381	(260)	121
Fund Balances brought forward at 1 April 2015	537	1,064	1,601
Prior Year Adjustment	(182)	-	(182)
Fund Balances brought forward at 1 April 2015 – Restated	355	1,064	1,419
Fund Balances carried forward to 31 March 2016	736	804	1,540

