



Falkirk Community Trust Limited

report and financial statements

2019

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REFERENCE AND ADMINISTRATIVE INFORMATION

YEAR END 31 MARCH 2019

Falkirk Community Trust Limited

Directors

David White (Chair)	
Ruth Morrison (Chair)	(Resigned 31 st August 2018)
Councillor William Buchanan	(Resigned 22 nd March 2019)
Councillor Lorna Binnie	
Councillor Joan Coombes	
Derek Easton	
Colette Filippi	(Resigned 15 th March 2019)
Councillor Jim Flynn	
Councillor Cecil Meiklejohn	(Resigned 1 st June 2019)
Simon Rennie	
Andrew Roberts	(Appointed 1 st June 2018)
Suzanne Arkinson	
Alan Stewart	(Appointed 1 st March 2019)
Councillor Niall Coleman	(Appointed 10 th July 2019)
Councillor John McLuckie	(Appointed 10 th July 2019)

Senior Management Team

Maureen Campbell, OBE	Chief Executive
Neil Brown	General Manager
Jane Clark	Policy Development Manager
Paul Finnie	Sports & Recreation Manager
Lesley O'Hare	Culture & Libraries Manager
Susie Crawford	Business Development Manager

**Registered Office
Auditors**

Drummond Laurie CA
Unit 5
Gateway Business Park
Beancross Road
Grangemouth
FK3 8WX

Solicitors

Shepherd & Wedderburn
191 West George Street
Glasgow
G2 2LB

Bankers

Royal Bank of Scotland
2 Newmarket Centre
Falkirk
FK1 1JX

Charity number

SC042403

Company number

SC400657

GROUP STRATEGIC REPORT

YEAR ENDED 31 MARCH 2019

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 2019-20 has been agreed for the period to 31st March 2020. The level of funding from Falkirk Council for 2020-21 is yet to be agreed. 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 2019 – 2024 the objectives of the group are:

- Meeting customer needs
- Ensuring our financial sustainability
- Growing our leadership and community development capacity

These objectives are being met through a range of activity within the Trust's Business Plan and delivered through annual action plans which focus on 5 strategic priorities:

- Marketing
- Information & Communications Technology
- Venue and Programmes
- People and the Organisation
- Planning together

GROUP STRATEGIC REPORT

YEAR ENDED 31 MARCH 2019

Risk Management

The major strategic, business and operational risks associated with the company 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. Regular risk update reports were provided for the Board. The top 3 risks are:

1. **Financial Risk:** National influences lead to Council priorities for finance being focused away from the Trust leading to a reduction in funding for Culture and Sport which could lead to closure of facilities, reduction in service, loss of income and planned deterioration. Mitigation action in place through: A new 5 year Business Strategy; a range of business growth initiatives in development; a new soft play business initiative implemented; maintaining improvement in Trading Company performance; generating increased community involvement in service delivery and joint work with the Council to develop savings options.
2. **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; Trust participation in Strategic Property review and locality planning.
3. **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 new websites across the business; improving our digital capacity and online facilities; introducing an improved box office ticketing system; mobile and flexible working.

Achievements and Performance

Positive results were achieved against an ever challenging financial backdrop and customer income increased by 2% on the previous year. Trading performance continued to improve, up by 14%, and continues to provide a good level of income to the charity. Income of £917,000 was secured from grants and fundraising.

A main focus for the Trust Board in 2018 was the development of a new five year Business Strategy 2019-2024 to set a strategic direction for forward business planning which was approved in November 2018. The Strategy accepts that we are transitioning towards playing a more facilitating role in the community, expecting that we will soon be operating with much less funding and from fewer venues.

As outlined in our earlier Business Approach the Strategy seeks investment in core facilities set alongside new ways of service delivery in communities. Business growth to generate new income streams is fundamental to the approach and we began this through the opening in September 2018 of a new soft play facility at the Mariner Centre. A new way of service delivery in communities was created with a number of local clubs to transform a local sports venue into a vibrant specialist facility for gymnastics catering for all levels of ability.

Performance highlights in admissions, participants and usage over the year included:

- A mid-year opening of the Great Mariner Reef soft play generated an increase of 22,114 admissions to the Centre, focused efforts on marketing and trading improvements will support a projected further uplift in 2019/20;
- An increase of 17,264 admissions across the gyms that included over 20% uplift at both Bo'ness and Stenhousemuir, a dip in performance at the Mariner Centre Gym is being addressed through a new business growth initiative;
- Reflecting our increasing focus on health & wellbeing, participation in Health & Fitness programmes increased by 10%;

GROUP STRATEGIC REPORT

YEAR ENDED 31 MARCH 2019

- Efforts to bring the Golf Course onto a more sustainable model, potentially for the community to run, generated nearly 15 % more rounds played and a focus on reducing costs and increasing usage will continue to March 2020;
- The number of Active Schools participant sessions we provided increased by 34,695 and benefited from volunteer development as well as more focussed targeting of disengaged and non-participants;
- New programming at FTH including the introduction of professional pantomime generated over 8% more admissions, learning from this first new venture is being applied to marketing and trading plans for pantomime in 2019/20;
- The introduction of an additional two screenings per week at the Hippodrome provided more opportunities to visit and along with some major releases in the final quarter led to 9% increase in admissions, a new dedicated website and online booking is expected to generate increased sales in 19/20;
- Visits to Callendar House increased significantly, up by 20%, largely attributable to increased usage of the tea room, the introduction of a new afternoon tea offer in the refurbished drawing room in late 2018 is intended to continue growth ;
- The number of Kelpie Tour tickets increased in part due to offering free admissions in January to drive positive trade through the Visitor Centre at an otherwise quiet time of year and trading income was positive over the year; disappointingly overall visitor number to the Helix were down although this may have been affected by ongoing issues with footfall counters.

Our customer satisfaction levels continued to be high as demonstrated through Tripadvisor certificates of excellence as well as securing VisitScotland 5 star rating at Callendar House and maintaining 5 stars at the Helix.

Events in parks, libraries, sports centres continue to be the Trust's lifeblood for engaging people with the services we offer. Just some examples were; a live music event in a library; expansion of the STEM event at the Helix; and delivery of more coaching and development days at Grangemouth Stadium.

Financial Review

The Groups financial results for the year 1st April 2018 to 31st March 2019 are shown on pages 13 to 26. This shows a loss on unrestricted funds of £0.471m. The unrestricted fund has decreased to £1.544m (£2.015m as at 31st March 2018). £0.443m was used to fund project spend, fireworks and voluntary severance.

Income totalled £19.440m (2017/18 - £19.011m). The year on year increase is mainly due to the increase in income from customers. Costs incurred of £19.830m have increased from the previous year (2017/18 - £18.926m). This is partly due to investment spend of £0.394m.

The Trust's wholly owned subsidiary, Falkirk Community Trading Limited, achieved a breakeven position for the period to 31st March 2019 after accounting for a charitable payment of £0.349m. The principal activity of the trading company is the provision of catering and retail services.

The balance sheet shows a bank balance of £2.171m (£3.664m as at 31 March 2018) and net assets of £1.786m (£2.176m as at 31 March 2018).

Plans for the Future

We very much welcome the commitment from the Council to support the planned next phase of business growth at the Mariner Centre and at Stenhousemuir Gym. We are also developing plans for new growth at Grangemouth Sports Centre. Collaboration to plan for a new Arts Centre will be a significant area of work in order to retain and strengthen the area's cultural offer.

The Business Strategy has been influenced by the Council's Medium Term Financial Plan which requires us to plan for a reduction of £5.5m over 5 years. This is a considerable challenge needing effective collaboration and work with the Council during 2018 on a shared vision and principles for working will underpin joint identification of savings over the course of 19/20.

GROUP STRATEGIC REPORT

YEAR ENDED 31 MARCH 2019

The Trust welcomes the Council's 5 Year Business Plan, which recognises the dual role that culture and sport play in improving health and wellbeing and in raising the image and profile of the area. This along with our Business Strategy will inform a Trust Business Plan and 5 Year Asset Plan which we will include in our funding submission to the Council in November 2019. Crucially these documents will include making the case for investing in core assets and take account of the desire from the Council's strategic property review to reduce the number of venues within its portfolio. To balance this we welcome that the Council is committed to improving the condition, quality and suitability of the venues it retains.

Our focus will be on growth and securing investment coupled with community engagement and capacity building to encourage and enable groups to do more for themselves. This is a big commitment for any volunteer and building capacity and confidence can take considerable time to secure results.

As a local charity we are committed to delivering high quality services to local communities and every pound spent in Trust venues is reinvested for the benefit of healthy and active communities in the Falkirk area – a message that we will reinforce in our communications.



David White
Chair of the Board
Falkirk Community Trust Limited
Date: 29 August 2019

GROUP DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2019

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 SC042403. 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.

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 6 directors drawn from the Trust's board and executive management and independent experts.

The Director details are as follows:

Suzanne Arkinson (Chair)
Maureen Campbell
Shona Dunsmore
Ased Iqbal
Chris Morris
Andrew Roberts (Appointed 13th November 2018)

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 2019

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 £221,730 and £420,300. The unrestricted reserve at 31 March 2019 was £1.544m with £0.206m earmarked for offsetting future severance costs, £0.386m earmarked to fund investment growth projects and £0.177m earmarked for Helix Asset Management Plan. 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 18 and shows an overall balance of £0.242m as at 31 March 2019.

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 2018/19 the funding from Falkirk Council reduced by £0.346m. Going forward it is anticipated that Falkirk Council will still need to make significant financial savings and the Trust's Business Strategy for 2019-24 gives consideration to a potential reduction in the service payment by as much as 50% by 2024. The Plan acknowledges that this will require a significant review 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 CA were appointed as auditors for 2 years covering the financial statements up to the year ended 31 March 2019. Auditors for ensuing years will be appointed subject to a tender process.

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.



David White
Chair of the Board
Falkirk Community Trust Limited

Date: 29th August 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 31 MARCH 2019

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 2019

Opinion

We have audited the group and parent company financial statements of Falkirk Community Trust Limited (the 'charitable company') for the year ended 31 March 2019 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its result, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

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

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

YEAR ENDED 31 MARCH 2019

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and Group Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and Group Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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 group and parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors (who are also the trustees of the charitable company for the purposes of charity regulations) are responsible for the preparation of the group and parent charitable company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the group and parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's 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 charitable company's members and directors those

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

YEAR ENDED 31 MARCH 2019

matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and parent charitable company and the charitable company's members and directors as a body, for our audit work, for this report, or for the opinions we have formed.



David Wheeler (Senior Statutory Auditor)
for and on behalf of Drummond Laurie CA
Statutory Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Unit 5 Gateway Business Park
Beancross Road
Grangemouth
FK3 8WX

Date: 29/8/19

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(INCORPORATING A GROUP INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	Unrestricted Fund £'000	Restricted Fund £'000	Total 2019 £'000	Total 2018 £'000
Income and Endowments from:					
Donations and Legacies	3	24	4	28	23
Charitable Activities					
-Provision of Leisure and Cultural Activities	4	5,277	969	6,246	5,739
-Contract with Falkirk Council		10,945	141	11,086	11,433
Other Trading Activities	5	2,054	-	2,054	1,803
Investments	6	26	-	26	13
Total Income		18,326	1,114	19,440	19,011
Expenditure on:					
Raising Funds		1,705	-	1,705	1,442
Charitable Activities	7	17,092	1,033	18,125	17,534
Total Expenditure		18,797	1,033	19,830	18,926
Net Income/(Expenditure)		(471)	81	(390)	35
Transfers between funds	17	-	-	-	-
Net Movement in Funds		(471)	81	(390)	35
Fund Balances brought forward at 1 April 2018		2,015	161	2,176	2,141
Fund Balances carried forward to 31 March 2019	15-18	1,544	242	1,786	2,176

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 2019**

	Notes	Unrestricted Fund £'000	Restricted Fund £'000	Total 2019 £'000	Total 2018 £'000
Income and Endowments from:					
Donations and Legacies	3	24	4	28	23
Charitable Activities					
- Provision of Leisure and Cultural Activities	4	5,277	969	6,246	5,739
- Contract with Falkirk Council		10,945	141	11,086	11,433
Investments	6	375	-	375	374
Total Income		16,621	1,114	17,735	17,569
Expenditure On:					
Charitable activities	7	17,092	1,033	18,125	17,534
Total Expenditure		17,092	1,033	18,125	17,534
Net Income/(Expenditure)		(471)	81	(390)	35
Transfers between Funds	17	-	-	-	-
Net Movement in Funds		(471)	81	(390)	35
Fund Balances brought forward at 1 April 2018		2,015	161	2,176	2,141
Fund Balances carried forward to 31 March 2019	15-18	1,544	242	1,786	2,176

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 2019**

Company No.: SC400657

	Note	Group 2019 £'000	Charity 2019 £'000	Group 2018 £'000	Charity 2018 £'000
Fixed Assets					
Tangible assets	10-11	262	262	216	216
Current Assets					
Stocks	12	108	-	90	-
Debtors	13	732	817	345	369
Cash in Hand		2,171	2,143	3,664	3,649
		<u>3,011</u>	<u>2,960</u>	<u>4,099</u>	<u>4,018</u>
Current Liabilities					
Creditors : amounts falling due in one year	14	1,487	1,436	2,139	2,058
Net current Assets		<u>1,524</u>	<u>1,524</u>	<u>1,960</u>	<u>1,960</u>
Net Assets		<u>1,786</u>	<u>1,786</u>	<u>2,176</u>	<u>2,176</u>
Unrestricted Funds					
Unrestricted Income Funds		1,544	1,544	2,015	2,015
				<u>2,015</u>	<u>2,015</u>
Restricted Funds					
Grant and Other Funding	18	242	242	161	161
		<u>242</u>	<u>242</u>	<u>161</u>	<u>161</u>
TOTAL FUNDS		<u>1,786</u>	<u>1,786</u>	<u>2,176</u>	<u>2,176</u>

The financial statements were approved and authorised for issue by the Board on 29th August 2019 and signed on its behalf by:

David White
Chair of the Board
Falkirk Community Trust

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	Total 2019 £'000	Total 2018 £'000
Operating Activities			
Net Income/(Expenditure)		(390)	35
Adjustments	19a	10	38
Working Capital Movements	19b	(1,057)	33
Cashflow from Operating Activities		(1,437)	106
Investing Activities			
Purchases of property, plant and equipment		(100)	(61)
Proceeds from sale of property, plant and equipment		18	8
Interest Received		26	13
Cashflow from Investing Activities		(56)	(40)
Net Change in Cash and Cash Equivalents		(1,493)	66
Cash and Cash Equivalents at 1 April	19c	3,664	3,598
Cash and Cash Equivalents at 31 March	19c	2,171	3,664

NOTES TO THE ACCOUNTS YEAR ENDED 31 MARCH 2019

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, 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 2019.

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 2019**

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

	Unrestricted Fund £'000	Restricted Fund £'000	2019 £'000	2018 £'000
Other Donations	24	4	28	23
	24	4	28	23

NOTES TO THE ACCOUNTS (contd.)
YEAR ENDED 31 MARCH 2019

4. Income from provision of Leisure and Cultural Activities

	Unrestricted Fund £'000	Restricted Fund £'000	Total 2019 £'000	Total 2018 £'000
Fees, Charges & Admissions	4,880	24	4,904	4,479
Sales	46	12	58	55
Grant Income	-	917	917	843
Rental Income	87	-	87	73
Miscellaneous Income	264	16	280	289
	5,277	969	6,246	5,739

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. 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 2019 £'000	Total 2018 £'000
Turnover	2,054	1,803
Cost of sales and administration costs	(2,054)	(1,803)
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	151	114
Current Liabilities	(151)	(114)
Net Current Assets	-	-
Net Assets	-	-

6. Investment Income

	2019 £'000	2018 £'000
Charitable Donation from Subsidiary	349	361
Bank and other interest	26	13
	375	374

7. Costs of providing Leisure and Cultural Activities

	Unrestricted Fund £'000	Restricted Fund £'000	Total 2019 £'000	Total 2018 £'000
Wages and salaries	8,154	411	8,565	8,302
Social security costs	583	36	619	611
Employer pension costs	1,538	61	1,599	1,525
Voluntary Severance	22	-	22	43
Apprenticeship Levy	42	2	44	42
Other Staff costs	158	10	168	195
Property Expenses	1,938	-	1,938	2,105
Transport Expenses	177	-	177	190
Supplies and Services	4,480	513	4,993	4,521
	17,092	1,033	18,125	17,534

NOTES TO THE ACCOUNTS (contd.)
YEAR ENDED 31 MARCH 2019

8. Auditor Remuneration

	2019	2018
	£'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
	2019	2019	2018	2018
	£'000	£'000	£'000	£'000
Wages and salaries	9,246	8,565	8,899	8,302
Social security costs	647	619	637	611
Pension costs	1,708	1,599	1,621	1,525
Severance Costs	22	22	43	43
Apprenticeship Levy	47	44	45	42
Other Staff Costs	172	168	197	195
	11,842	11,017	11,442	10,718

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

	Group	Charity	Group	Charity
	2019	2019	2018	2018
	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 £37,000 (2018: £35,000).

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

Management Team Remuneration

	Group	Charity	Group	Charity
	2019	2019	2018	2018
	Number	Number	Number	Number
£0 - £10,000	1	1	-	-
£40,000 - £50,000	1	1	-	-
£50,000 - £60,000	2	2	3	3
£70,000 - £80,000	1	1	1	1
£90,000- £100,000	1	1	1	1
	6	6	5	5

NOTES TO THE ACCOUNTS (contd.)
YEAR ENDED 31 MARCH 2019

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

	Group 2019 Number	Charity 2019 Number	Group 2018 Number	Charity 2018 Number
Business Development	19	19	18	18
Parks & Recreation	29	29	28	28
Libraries	52	52	54	54
Arts	31	31	30	30
Heritage	6	6	6	6
Sport & Fitness	148	148	149	149
Helix	21	21	19	19
Trading Subsidiary	26	-	26	0
	332	306	330	304

* The figures above do not include Casual Seasonal staff

		2019	2018
Average Employee Numbers	- Full Time	188	188
	- Part Time	313	305
	Total	501	493

10. Tangible fixed assets

	Vehicles, Plant & Equipment £'000
<i>Cost or Valuation</i>	
At 1 April 2018	583
Additions	100
Disposals	(71)
At end of year	612
<i>Depreciation</i>	
At 1 April 2018	367
Charge for the year	54
Disposals	(71)
At end of year	350
<i>Net Book Value</i>	
At 31 March 2019	262
At 31 March 2018	216

NOTES TO THE ACCOUNTS (contd.)
YEAR ENDED 31 MARCH 2019

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 (2018 - £1).

12. Stock

	Group 2019 £'000	Charity 2019 £'000	Group 2018 £'000	Charity 2018 £'000
Stock	108	-	90	-

13. Debtors

	Group 2019 £'000	Charity 2019 £'000	Group 2018 £'000	Charity 2018 £'000
Trade debtors	176	164	147	139
Amounts due from related parties	298	314	-	-
Due from Subsidiary Undertaking	-	85	-	32
VAT	154	154	107	107
Corporation Tax	10	10	-	-
Prepayments and accrued income	94	90	91	91
	732	817	345	369

14. Creditors: amounts falling due within one year

	Group 2019 £'000	Charity 2019 £'000	Group 2018 £'000	Charity 2018 £'000
Trade creditors	693	662	411	351
Amounts due to related parties	-	-	1,010	1,001
Social security costs and other taxes	247	229	142	132
Annual Leave accrual	204	204	222	222
Other creditors and accruals	343	341	354	352
	1,487	1,436	2,139	2,058

Included in other creditors and accruals is £119,308 (2018 - £112,000) of deferred income. This relates to payments in advance for events occurring post year end.

NOTES TO THE ACCOUNTS (contd.)
YEAR ENDED 31 MARCH 2019

15. Reconciliation of Movements in Funds

	Group 2019 £'000	Charity 2019 £'000	Group 2018 £'000	Charity 2018 £'000
Surplus for the Period	(390)	(390)	35	35
Revaluation carried out in the period	-	-	-	-
Net (subtraction from)/addition to funds	(390)	(390)	35	35
Opening Funds	2,176	2,176	2,141	2,141
Closing Funds	1,786	1,786	2,176	2,176

16. Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted Funds £'000	Total £'000
Fund balances at 31 March 2019 are represented by:			
Tangible Fixed Assets	262	-	262
Current Assets	2,528	484	3,012
Current Liabilities	(1,246)	(242)	(1,488)
	1,544	242	1,786

17. Summary of Movement in Funds

	Fund Balances Brought Forward £'000	Incoming Resources £'000	Resources Expended £'000	Surplus/ (Deficit) £'000	Transfers In £'000	Transfers Out £'000	Fund Balances Carried Forward £'000
Unrestricted Funds	2,015	18,326	(18,797)	(471)	-	-	1,544
Restricted Funds	161	1,114	(1,033)	81	-	-	242
	2,176	19,440	(19,830)	(390)	-	-	1,786

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 18.

NOTES TO THE ACCOUNTS (contd.)
YEAR ENDED 31 MARCH 2019

18. Restricted Grant Funds

Analysis by fund of amounts received during the year and where the fund balance at 31 March 2019 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	12	70	(55)	27
Youth Music Initiative	18	178	(178)	18
Active Schools	24	350	(344)	30
Muiravonside Park Projects	11	50	(56)	5
Callendar Park Projects	20	35	(50)	5
Helix Events	8	31	(34)	5
Libraries – Carewords Project	31	29	(21)	39
Libraries Projects	7	44	(12)	39
Greater Places	-	33	(8)	25
Others	30	97	(78)	49
	161	917	(836)	242

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.

Muiravonside Park Projects

Final tranche of the Heritage Lottery Funded grant for developing Muiravonside Country Park was received during the year, along with EB Scotland (£38,000) for Reed Beds project and grants from Groundworks for the Wild about Wildlife project.

Callendar Park Projects

Leader (£19,000) 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.

Helix Events

Events Scotland/Visit Scotland provided £25,000 to host the Fire & Light Event on New Years Day at the Helix. They have given further grant of £5,000 to host a STEM event in May.

Libraries – Carewords Project

Lottery Funding of £91,500 (the second tranche of which was received in March 2019) was secured for the Care Words project which will, through a volunteer led support model, help reduce the isolation and loneliness experiences by older people in day and residential care settings. The project covers a three-year period and commenced in April 2018.

Libraries – Projects

£36,000 given for Library Live Phase 2 project and £8,000 given from Scottish Book Trust for Scottish Book Week and Digital Storytellers in Residence.

NOTES TO THE ACCOUNTS (contd.)
YEAR ENDED 31 MARCH 2019

Greater Places

Year 1 contribution from both Falkirk Council and Scottish Canals towards Falkirk – landscape, industry and work, linking heritage routes and industrial transformation. There was also the first drawdown of funds from HLF.

19. Notes to the cashflow statement

	Total 2019 £'000	Total 2018 £'000
(a) Adjustments		
Depreciation	54	56
(Gain)/Loss on Disposal of Assets	(18)	(5)
Interest Received	(26)	(13)
	<u>10</u>	<u>38</u>
	Total 2019 £'000	Total 2018 £'000
(b) Working Capital Movements		
(Increase)/Decrease in Stocks	(18)	(17)
(Increase)/Decrease in Debtors	(387)	(47)
Increase/(Decrease) in Creditors	(652)	97
	<u>(1,057)</u>	<u>33</u>
	Total 2019 £'000	Total 2018 £'000
(c) Cash Balances		
Cash at bank and in hand	2,171	3,664
Bank Overdraft	-	-
Total Cash and Cash Equivalents	<u>2,171</u>	<u>3,664</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 £1.708m and the amount of outstanding contributions at the 31 March 2019 amounted to £0.235m.

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 2019 the employer contribution rate was 22.0%.

NOTES TO THE ACCOUNTS (contd.)
YEAR ENDED 31 MARCH 2019

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 culture and sport services by Falkirk Council. In the year to 31 March 2019, Falkirk Council made a payment of £11.086m to the group and leased the facilities occupied by the company for a peppercorn rent.

At 31 March 2019, Falkirk Council owed the group £0.768m and the group owed Falkirk Council £0.469m (including amounts due to Falkirk Council Pension Fund) in relation to normal trading activities. This has been set-off and the debtor in the accounts totals £0.299m. 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 £1.054m.

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 2019, Falkirk Community Trading owed £85,404 (2018 - £31,716) to 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 William Buchanan, Lorna Binnie, Joan Coombes, Jim Flynn and Cecil Meiklejohn. 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.