



Falkirk Community Trust Limited

report and financial statements

2021

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Reference and Administrative Information

Falkirk Community Trust Limited

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|-------------------------------|--|
| Directors | David White (Chair) Councillor Joan Coombes (Vice Chair) (Resigned 26 th August 2021) Councillor Lorna Binnie Derek Easton Councillor Jim Flynn Simon Rennie (Resigned 9 th March 2021) Andrew Roberts (Re-appointed 28 th August 2020) Alan Stewart Councillor Niall Coleman (Resigned 26 th August 2021) Councillor John McLuckie (Resigned 30 th Sept 2020) Councillor Robert Spears (Appointed 1 st October 2020) Councillor Jim Blackwood (Appointed 26 th August 2021) Councillor Gary Bouse (Appointed 26 th August 2021) |
| Senior Management Team | Maureen Campbell, OBE Neil Brown Paul Finnie Lesley O'Hare Susie Crawford Chief Executive General Manager Sports & Recreation Manager Culture & Libraries Manager Business Development Manager |
| Registered Office | Suite 1A The Falkirk Stadium 4 Stadium Way Falkirk FK2 9EE |
| Auditors | Wylie & Bisset (Audit) Ltd Chartered Accountants 168 Bath Street Glasgow G2 4TP |
| 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 2021

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 2021-22 has been agreed for the period to 31st March 2022. The funding agreement with the Council for the year comprises the annual service payment plus a commitment to meet any shortfall during the year as a consequence of the ongoing Covid-19 related restrictions. It is recognised that the impact of the Covid-19 restrictions will result in an extremely challenging financial climate for 2021-22 and beyond. The Board is satisfied that for 2021-22 a combination of funding from Falkirk Council and Government grant support can result in a position that does not risk the going concern of the Trust. Directors have reviewed the current business strategy and are satisfied that they are able to continue to prepare accounts on a going concern basis.

The Council has confirmed that from 1 April 2022 services currently managed by the Trust will be delivered in house and the Trust duly wound up.

Business Objectives

For the period 2020 – 2025 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

Group Strategic Report

- Venue and Programmes
- People and the Organisation
- Planning Together

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 a 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 risks are:

1. **Financial Risk:** The Covid-19 pandemic has closed most of our venues for much of this year and our ability to earn any income has been severely affected. The Council have continued to support the Trust by way of providing the agreed Grant to us on an unchanged basis and have agreed to meet the deficit for 20/21 and 21/22 as well as continue to fund the Trust for the financial year 21/22. We have also managed to furlough many of our staff on the Government Job Retention Scheme which has contributed to the costs associated with those staff. There remains the spectre of future funding reductions to Trust Services, although this remains uncertain due to the decision to take these services into the Council in April 2022.
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: work to transform our digital capacity and online facilities whilst continuing to grow our capacity to utilise data generated by new systems.
4. In addition, a new risk associated with the management consequences arising from the current COVID-19 Pandemic has been identified that has resulted in the complete loss of customer income for most of the year resulting in uncertainty over future viability of the business. A revised customer income plan has been developed for the forthcoming year to revive the business in line with Government guidelines.

Achievements and Performance

Covid-19 closures of Trust venues affected overall performance. This shutdown of Trust operations had a significant impact on usage across the Trust. Most Trust venues closed from 18th March 2020 as the Covid-19 pandemic affected the UK, with UK government stipulating the closure of many customer and public services. With almost all of the Trust's customer-facing and income-generating venues and services ceasing operation, the effect on usage and income for the 2020-21 year overall has been significant. Our Parks and Open Spaces have remained open to the public, however limited paid for or recorded activity has taken place during this time.

Group Strategic Report

Performance highlights in admissions, participants and usage over the 2020-21 year included:

- Visits to Muiravonside Country Park exceeded target by 53% with over 168,000 visits to the park, 48,000 more visits than the preceding year. Parks remained open throughout the pandemic and experienced a significant increase in visits due to travel restrictions and other venue closures.
- Helix Park remained open throughout the pandemic and has provided essential outdoor space for exercise and recreation for our communities. Issues with onsite counters across the park has led to under-counting of visitors during the first three quarters of 20-21. Reinstatement of people counters for the duration of Q4 (January-March) resulted in a 264% increase in Q4 visits compared to the same quarter last year.
- Hippodrome Silent Film Festival in March 2021 took place entirely online due to continued restrictions on distancing of indoor venues. Sales of festival passes totalled 630, with passholders able to access the whole programme across the five days of the festival. Although not in its traditional format, this online success was encouraging and reflected the popularity of HippFest.
- Uptake of digital issuing of library e-books and digital resources increased by 78% compared to last year, with an additional 35,315 issues of resources. With the Trust's library buildings being closed and physical browsing not being possible for most of 2020-21, the online catalogue provided an essential resource for customers looking to continue their use of the Trust's library services.
- Falkirk Town Hall was hired by NHS Forth Valley periodically throughout 2020-21 for use initially as a flu vaccination centre, and latterly for COVID-19 vaccinations. This has been facilitated by FTH venues staff onsite. The scale of the vaccinations programme has positively affected attendance data with Falkirk Town Hall playing a key role in supporting our communities and the NHS throughout this year.
- Usage of Health & Fitness products was significant throughout the year. Whilst Health & Fitness Clubs were closed for more than half the year with distancing requirements severely restricting capacity while clubs were open, new products were launched to support customers in continuing being physically active. The FCT Fitness App enabled live-streaming and an on-demand library of recorded fitness classes. Relocation of the gym at Grangemouth Complex into sports hall one enabled a 55-user capacity while maintaining social distancing.

Financial Review

The Group's financial results for the year 1 April 2020 to 31 March 2021 are shown on pages 15 to 34. This shows a surplus on unrestricted funds of £0.444m, after a net transfer of £0.074m from restricted funds. The unrestricted fund has increased to £2.228m (£1.784m as at 31 March 2020).

Income totalled £16.845m (2019/20 - £20.154m). The year on year decrease is mainly due to a significant drop in Customer Income received in 2020/21 resulting from the prolonged closures to all facilities caused by the Covid-19 pandemic. To partly offset the large drop in Customer Income, the Group was able to avail of the Government's Job Retention Scheme which funded up to 80% of staff costs during the period while staff were unable to work due to closures. Income of £3.683m was received from this scheme. Other Business Support Grants totalling £0.283m were also received during the year from Falkirk Council and Creative Scotland. The overall Service Payment funding received from Falkirk Council of £10.927m was slightly higher than 2019/20 (£0.03m).

Costs incurred of £16.214m have decreased from the previous year (2019/20 - £20.360m). This reduction is again primarily due to the prolonged closure of facilities during the 2020/21 period caused by the Covid-19 pandemic, resulting in savings within property costs and the cost of Supplies & Services usually incurred in the normal running of the Group's facilities to generate Income. There were limited savings in Employee Costs as staff were retained throughout the closures, while the Group benefited from the funding provided by the Government's Job Retention Scheme to offset some of these staff costs.

Group Strategic Report

The Trust's wholly owned subsidiary, Falkirk Community Trading Limited, made a small profit of £0.026m (2019/20 - £0.293m), before accounting for a distribution of £0.293m (2019/20 - £0.349m) to the Charity. The principal activity of the trading company is the provision of catering and retail services.

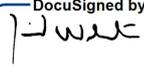
The Balance Sheet shows a bank balance of £1.108m (£1.254m as at 31 March 2020) and net assets of £2.574m (£1.943m as at 31 March 2020).

Plans for the Future

The accounts have been prepared in a time of unprecedented challenge. The impact of the COVID-19 pandemic has meant that we have had almost no customer income for the year. Most services reopened in line with government guidelines on 26 April 2021. However, limitations on capacity and physical distancing requirements mean that income is anticipated to be nominal. Our plans for the future are being reviewed and redrafted to take account of the "new" normal. We have a committed workforce eager to reconnect with our loyal customer base who have been supporting our online and digital presence while the buildings have been closed. Our approach to reopening takes account of the need to regain customer confidence in taking part in culture and sport activities in public buildings. It is expected that 2021-2022 will be a year of renewal and rebuilding to meet our strategic objectives while remaining true to our values most notably valuing the difference people make and placing customer needs at the heart of everything we do.

Our updated business planning notes that we can expect a significant shortfall in customer income compared to previous years. However, we are grateful for the support from Falkirk Council for their willingness to work closely with us to develop appropriate contingency plans. We are continuing to support the Council Strategic Property Review.

In January 2021, The Council decided to transfer the services delivered by the Trust to their direct management control from 1 April 2022. The coming year will be one of planning and preparing for the Transition. The Trust will be wound up thereafter.

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David White
Chair of the Board
Falkirk Community Trust Limited

Date: 26th August 2021

Group Directors' Report

Year ended 31 March 2021

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

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

Reserves Policy

The Trust has the following two 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 £0.218m and £0.433m. The unrestricted reserve at 31 March 2021 was £2.228m with £0.697m earmarked for offsetting future Depreciation costs, £0.169m earmarked to fund investment growth projects and £0.336m earmarked for Helix Asset Management Plan. This leaves £1.026m in the Unrestricted Fund. Note that £0.5m has been allocated from reserves to balance the 2021/22 budget position. 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 as recovery from the COVID-19 restrictions progresses.

Restricted Funds – Grants and Other Funding

This fund represents grants and other income received for specific purposes, with the balances held to be applied in accordance with the funders' requirements. The balances held are detailed at Note 22 and shows an overall balance of £0.346m as at 31 March 2021.

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 impact of the COVID-19 restrictions and the ongoing current economic climate. In 2020/21 through a combination of cost savings and additional funding support from the Government Job Retention Scheme and other available grants, the financial impact of the COVID-19 restrictions was managed by the Trust without the requirement for additional funding support from the Council.

Going forward Falkirk Council has committed to support the Trust financially and funding from the Council for 2021/22 has been increased significantly to balance the budget that has been set. As the country emerges from the lockdown there is a degree of optimism, although the position still remains fragile and the commitment from the Council, to support the Trust financially as we work towards the formal winding up at the end of 2021/22, provides reassurance of the 2021/22 position.

In addition, work will continue to carefully manage costs and utilise Government funding support where available in order to minimise the risk of additional Council funding support being required should the operating environment be more challenging than estimated in the budget. Corrective action will be taken where required based on the production of regular financial forecasts during the year which will help identify any potential areas where significant variance from the budget is emerging.

Group Directors' Report

Key Management Personnel

The Key Management Personnel are as follows:

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

Their remuneration is set by reference to the national local government pay and grading scheme.

Employees

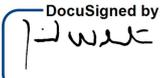
The group maintains a policy of regularly providing all employees and, where represented, Trade Unions with information on the group's performance. It is the group's policy to give full consideration to employment from persons with protected characteristics, bearing in mind their particular aptitudes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

Auditors

Wylie & Bisset (Audit) Limited were appointed as auditors for 2 years covering the financial statements up to the year ended 31 March 2021. Given that the Trust will cease to exist in 2022. Wylie & Bisset will be asked to continue as auditors until that work is completed

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.

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David White
Chair of the Board
Falkirk Community Trust Limited

Date: 26th August 2021

Statement of Trustees' Responsibilities

Year ended 31 March 2021

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 Trustees and Members of Falkirk Community Trust Limited

Year ended 31 March 2021

Opinion

We have audited the financial statements of Falkirk Community Trust Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the Group and Parent Charitable Company's Statement of Financial Activities, the Group and Parent Charitable Company's Statements of Financial Position, the Group and Parent Charitable Company's Cash Flow Statements and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2021, and of the group's and the parent charitable company's incoming resources and application of resources, including their income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

have been prepared in accordance with the requirements of the Companies Act 2006; 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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.

Emphasis of matter

We draw attention to note 2 of the financial statements, explaining that as of 1 April 2022, the operations of Falkirk Community Trust Limited will be transferred and undertaken by Falkirk Council. The directors have a reasonable expectation that the Council has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

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

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

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

Independent Auditors' Report

Other information

The other information comprises the information included in the trustees report and audited financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees report and the audited financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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 trustees' report, which includes the Strategic report and Directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report included within the trustees' report has 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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditors' Report

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Explanation as to what extent the audit was considered capable of detecting irregularities including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks or material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following;

- The nature of the group and parent charitable company, the environment in which they operate and the control procedures implemented by management and the trustees; and
- Our enquiries of management and trustees about their identification and assessment of the risks of irregularities.

Based on our understanding of the group and the sector we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to;

- Regulations and legislation pertinent to the charity's operations; and
- UK tax legislation.

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006. We evaluated management and trustees' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks of the group were related to;

- Posting inappropriate journal entries;
- Management bias in accounting estimates; and
- Non-compliance with Coronavirus Job Retention Scheme rules.

Audit response to the risks identified:

Our procedures to respond to the risks identified included the following;

- Gaining an understanding of the legal and regulatory framework applicable to the group and the charitable and the sector in which they operate;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management, the audit committee, the internal auditors and legal advisors concerning actual and potential litigation and claims;
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC;
- In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments; evaluating rationale of any significant transactions that are unusual or outside the normal course of business; and
- Substantive testing of CJRS claims to ensure compliance with the rules.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Independent Auditors' Report

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 auditor's report.

Use of our report

This report is made solely to the 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 trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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Jenny Simpson (Senior Statutory Auditor)
for and on behalf of Wylie & Bisset (Audit) Limited, Statutory Auditor

168 Bath Street
Glasgow
G2 4TP

DATE: 26th August 2021

Consolidated Statement of Financial Activities

(Incorporating a Group Income and Expenditure Account)

For year ended 31 March 2021

| | Notes | 2021 | | 2020 | | |
|--|-------|----------------------------|--------------------------|----------------------------|--------------------------|---------------------|
| | | Unrestricted Fund £'000 | Restricted Fund £'000 | Unrestricted Fund £'000 | Restricted Fund £'000 | Total 2020 £'000 |
| Income and Endowments from: | | | | | | |
| Donations and Legacies | 3 | 11 | 3 | 23 | 13 | 36 |
| Charitable Activities | | | | | | |
| -Provision of Leisure and Cultural Activities | 4 | 764 | 1,102 | 5,665 | 1,234 | 6,899 |
| -Contract with Falkirk Council | | 10,764 | 163 | 10,761 | 138 | 10,899 |
| Other Trading Activities | 5 | 216 | - | 2,135 | - | 2,135 |
| Investments | 6 | 2 | - | 27 | - | 27 |
| Other Income | 7 | 3,820 | - | 158 | - | 158 |
| Total Income | | 15,577 | 1,268 | 18,769 | 1,385 | 20,154 |
| Expenditure on: | | | | | | |
| Raising Funds | | 190 | - | 1,842 | - | 1,842 |
| Charitable Activities | 8 | 15,017 | 1,007 | 17,301 | 1,217 | 18,518 |
| Total Expenditure | | 15,207 | 1,007 | 19,143 | 1,217 | 20,360 |
| Net Income / (Expenditure) for the year | | 370 | 261 | (374) | 168 | (206) |
| Transfers between funds | | 74 | (74) | 251 | (251) | - |
| Net Movement in Funds | | 444 | 187 | (123) | (83) | (206) |
| Fund Balance brought forward at 1 April | 19 | 1,784 | 159 | 1,907 | 242 | 2,149 |
| Fund Balances carried forward at 31 March | 20-23 | 2,228 | 346 | 1,784 | 159 | 1,943 |

All of the above results are derived from continuing activities. All gains and losses recognised in the year ended 31 March 2021 are included above.

Charity Statement of Financial Activities

(Incorporating the Charity Income and Expenditure Account)

For the Year ended 31 March 2021

| | Notes | 2021 | | | 2020 | | |
|--|-------|-------------------------|-----------------------|------------------|-------------------------|-----------------------|------------------|
| | | Unrestricted Fund £'000 | Restricted Fund £'000 | Total 2021 £'000 | Unrestricted Fund £'000 | Restricted Fund £'000 | Total 2020 £'000 |
| Income and Endowments from: | | | | | | | |
| Donations and Legacies | 3 | 11 | 3 | 14 | 23 | 13 | 36 |
| Charitable Activities | | | | | | | |
| - Provision of Leisure and Cultural Activities | 4 | 764 | 1,102 | 1,866 | 5,665 | 1,234 | 6,899 |
| - Contract with Falkirk Council | | 10,764 | 163 | 10,927 | 10,761 | 138 | 10,899 |
| Investments | 6 | 295 | - | 295 | 376 | - | 376 |
| Other Income | 7 | 3,911 | - | 3,911 | 1,095 | - | 1,095 |
| Total Income | | 15,745 | 1,268 | 17,013 | 17,920 | 1,385 | 19,305 |
| Expenditure On: | | | | | | | |
| Charitable Activities | 8 | 15,017 | 1,007 | 16,024 | 17,301 | 1,217 | 18,518 |
| Other Expenditure | 9 | 91 | - | 91 | 937 | - | 937 |
| Total Expenditure | | 15,108 | 1,007 | 16,115 | 18,238 | 1,217 | 19,455 |
| Net Income / (Expenditure) for the year | | 637 | 261 | 898 | (318) | 168 | (150) |
| Transfers between Funds | | 74 | (74) | - | 251 | (251) | - |
| Net Movement in Funds | | 711 | 187 | 898 | (67) | (83) | (150) |
| Fund Balances brought forward at 1 April | | 1,491 | 159 | 1,650 | 1,558 | 242 | 1,650 |
| Fund Balances carried forward at 31 March | 19-23 | 2,202 | 346 | 2,548 | 1,491 | 159 | 1,650 |

All of the above results are derived from continuing activities. All gains and losses recognised in the year ended 31 March 2021 are included above.

Consolidated and Charity Statement of Financial Position

At 31 March 2021

| | Note | Group 2021 £'000 | Charity 2021 £'000 | Group 2020 £'000 | Charity 2020 £'000 |
|--|------|------------------------|--------------------------|------------------------|--------------------------|
| Fixed Assets | | | | | |
| Tangible assets | 13 | 1,087 | 1,087 | 1,074 | 1,074 |
| Current Assets | | | | | |
| Stocks | 15 | 106 | - | 121 | - |
| Debtors | 16 | 1,102 | 1,178 | 675 | 658 |
| Cash in Hand | | 1,108 | 1,102 | 1,254 | 1,248 |
| | | 2,316 | 2,280 | 2,050 | 1,906 |
| Current Liabilities | | | | | |
| Creditors: amounts falling due in one year | 17 | 829 | 819 | 1,181 | 1,330 |
| Net Current Assets | | 1,487 | 1,461 | 869 | 576 |
| NET ASSETS | | 2,574 | 2,548 | 1,943 | 1,650 |
| Unrestricted Funds | | | | | |
| Unrestricted Income Funds | 21 | 2,228 | 2,202 | 1,784 | 1,491 |
| | | 2,228 | 2,202 | 1,784 | 1,491 |
| Restricted Funds | | | | | |
| Grant and Other Funding | 22 | 346 | 346 | 159 | 159 |
| | | 346 | 346 | 159 | 159 |
| TOTAL FUNDS | | 2,574 | 2,548 | 1,943 | 1,650 |

The financial statements were approved and authorised for issue by the Board on 26th August 2021 and signed on its behalf by:

DocuSigned by:



368E008F2C1C4AA...

David White
Chair of the Board
Falkirk Community Trust

Cash Flow Statement

For the Year ended 31 March 2021

Consolidated Cash Flow Statement

| | Notes | Total 2021 £'000 | Total 2020 £'000 |
|---|-------|------------------------|------------------------|
| Operating Activities | | | |
| Net Income/(Expenditure) | | 631 | (206) |
| Adjustments | 24a | 201 | 160 |
| Working Capital Movements | 24b | (764) | (262) |
| Cashflow from Operating Activities | | 68 | (308) |
| Investing Activities | | | |
| Purchases of property, plant and equipment | | (241) | (657) |
| Proceeds from sale of property, plant and equipment | | 25 | 21 |
| Interest Received | | 2 | 27 |
| Cashflow from Investing Activities | | (214) | (609) |
| Net Change in Cash and Cash Equivalents | | (146) | (917) |
| Cash and Cash Equivalents at 1 April | 24c | 1,254 | 2,171 |
| Cash and Cash Equivalents at 31 March | 24c | 1,108 | 1,254 |

Charity Cash Flow Statement

| | Notes | Total 2021 £'000 | Total 2020 £'000 |
|---|-------|------------------------|------------------------|
| Operating Activities | | | |
| Net Income/(Expenditure) | | 898 | (150) |
| Adjustments | 24a | (92) | (189) |
| Working Capital Movements | 24b | (1,031) | (296) |
| Cashflow from Operating Activities | | (225) | (635) |
| Investing Activities | | | |
| Purchases of property, plant and equipment | | (241) | (657) |
| Proceeds from sale of property, plant and equipment | | 25 | 21 |
| Donation from Trading Company | | 293 | 349 |
| Interest Received | | 2 | 27 |
| Cashflow from Investing Activities | | 79 | (260) |
| Net Change in Cash and Cash Equivalents | | (146) | (895) |
| Cash and Cash Equivalents at 1 April | 24c | 1,248 | 2,143 |
| Cash and Cash Equivalents at 31 March | 24c | 1,102 | 1,248 |

Notes to the Accounts

For the Year ended 31 March 2021

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 preparing the financial statements

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

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

Going Concern

At the time of approving the financial statements the directors have a reasonable expectation that the company has adequate resources to continue in operational existence a period of twelve months. As of 1st April 2022, the operations of Falkirk Community Trust Ltd will be transferred and undertaken by Falkirk Council. The directors have a reasonable expectation that the Council has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors 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 2021.

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.

Notes to the Accounts

2. Accounting policies (continued)

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.

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 £10,000 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 4-15 years. The assets are reviewed annually for impairment.

Fixed Asset Investments

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

Taxation

The company is a charitable company within the meaning of Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

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.

Notes to the Accounts

2. Accounting policies (continued)

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 in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

Financial Instruments

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

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

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

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Notes to the Accounts

2. Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee, or to provide termination benefits.

3. Donations and Legacies (Group & Charity)

| | Unrestricted Fund £'000 | 2021 Restricted Fund £'000 | TOTAL £'000 |
|-----------------|----------------------------|----------------------------------|----------------|
| Other Donations | 11 | 3 | 14 |
| | 11 | 3 | 14 |

| | Unrestricted Fund £'000 | 2020 Restricted Fund £'000 | TOTAL £'000 |
|-----------------|----------------------------|----------------------------------|----------------|
| Other Donations | 23 | 13 | 36 |
| | 23 | 13 | 36 |

4. Income from provision of Leisure and Cultural Activities (Group & Charity)

| | Unrestricted Fund £'000 | 2021 Restricted Fund £'000 | TOTAL £'000 |
|----------------------------|----------------------------|----------------------------------|----------------|
| Fees, Charges & Admissions | 574 | 6 | 580 |
| Sales | 64 | - | 64 |
| Grant Income | - | 743 | 743 |
| Rental Income | - | - | - |
| Miscellaneous Income | 126 | 353 | 479 |
| | 764 | 1,102 | 1,866 |

| | Unrestricted Fund £'000 | 2020 Restricted Fund £'000 | TOTAL £'000 |
|----------------------------|----------------------------|----------------------------------|----------------|
| Fees, Charges & Admissions | 5,330 | 7 | 5,337 |
| Sales | 25 | 12 | 37 |
| Grant Income | - | 810 | 810 |
| Rental Income | 1 | - | 1 |
| Miscellaneous Income | 309 | 405 | 714 |
| | 5,665 | 1,234 | 6,899 |

Notes to the Accounts

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 2021 £'000 | Total 2020 £'000 |
|---|------------------------|------------------------|
| Turnover from Trading Activities | 216 | 2,135 |
| Cost of sales and administration costs | 190 | (1,842) |
| Net Profit/(Loss) on ordinary activities before taxation | 26 | 293 |
| Taxation on profit/(loss) on ordinary activities | - | - |
| Profit/(Loss) for the period | 26 | 293 |
| The assets and liabilities of the Trading Company are: | | |
| Current Assets | 130 | 363 |
| Current Liabilities | (104) | (70) |
| Net Current Assets | 26 | 293 |
| Net Assets | 26 | 293 |

6. Investment Income

| | 2021 | | 2020 | |
|-------------------------------------|----------------|------------------|----------------|------------------|
| | Group £'000 | Charity £'000 | Group £'000 | Charity £'000 |
| Charitable Donation from Subsidiary | - | 293 | - | 349 |
| Bank and Other Interest | 2 | 2 | 27 | 27 |
| | 2 | 295 | 27 | 376 |

7. Other Income

| | 2021 | | 2020 | |
|------------------------------------|----------------|------------------|----------------|------------------|
| | Group £'000 | Charity £'000 | Group £'000 | Charity £'000 |
| Job Retention Scheme Funding | 3,683 | 3,683 | 158 | 158 |
| Other Government Grants | 137 | 137 | - | - |
| Recharge of Trading Staffing Costs | - | 91 | - | 937 |
| | 3,820 | 3,911 | 158 | 1,095 |

Notes to the Accounts

8. Costs of providing Leisure and Cultural Activities (Group & Charity)

| | 2021 £'000 | 2020 £'000 |
|------------------------|---------------|---------------|
| Wages and salaries | 8,783 | 8,882 |
| Social security costs | 638 | 646 |
| Employer pension costs | 1,748 | 1,710 |
| Voluntary Severance | 2 | 24 |
| Apprenticeship Levy | 45 | 46 |
| Other Staff costs | 220 | 146 |
| Property expenses | 1,550 | 2,130 |
| Transport expenses | 143 | 180 |
| Supplies and Services | 2,895 | 4,754 |
| | 16,024 | 18,518 |

9. Other Expenditure – Charity

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Staff Costs for Trading Company - Recharged | 91 | 937 |

10. Governance Costs – Group

| | 2021 £'000 | 2020 £'000 |
|----------------------|---------------|---------------|
| Audit Fees - Charity | 8 | 9 |
| - Trading Company | 3 | 2 |
| | 11 | 11 |

Audit fees for the charity are included within Costs of providing Leisure & Cultural Activities. Audit fees for the subsidiary are included in Expenditure on Raising Funds.

11. Staff numbers and Costs

The remuneration and associated costs of the company were:

| | Group 2021 £'000 | Charity 2021 £'000 | Group 2020 £'000 | Charity 2020 £'000 |
|-----------------------|------------------------|--------------------------|------------------------|--------------------------|
| Wages and salaries | 8,853 | 8,853 | 9,641 | 9,641 |
| Social security costs | 644 | 644 | 679 | 679 |
| Pension costs | 1,763 | 1,763 | 1,825 | 1,825 |
| Severance costs | 2 | 2 | 24 | 24 |
| Apprenticeship Levy | 45 | 45 | 49 | 49 |
| Other Staff costs | 220 | 220 | 173 | 173 |
| | 11,527 | 11,527 | 12,391 | 12,391 |

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

| | Group 2021 No. | Charity 2021 No. | Group 2020 No. | Charity 2020 No. |
|--------------------|----------------------|------------------------|----------------------|------------------------|
| £70,000 - £79,999 | - | - | 1 | 1 |
| £80,000 - £89,999 | 1 | 1 | - | - |
| £90,000 - £100,000 | 1 | 1 | 1 | 1 |

Notes to the Accounts

11. Staff numbers and Costs (Continued)

Pension costs in relation to those employees earning over £60,000 totalled £40,119 (2020: £38,950).

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

| | 2021 £'000 | 2020 £'000 |
|---------------------------------------|---------------|---------------|
| Key Management Personnel Remuneration | 466 | 492 |

Redundancy Payments totalling £2,090 were made to 1 member of staff (2020 - £24,406 to 3 staff).

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

| | Group 2021 No. | Charity 2021 No. | Group 2020 No. | Charity 2020 No. |
|----------------------|----------------------|------------------------|----------------------|------------------------|
| Business Development | 24 | 24 | 23 | 23 |
| Parks & Recreation | 26 | 26 | 26 | 26 |
| Libraries | 49 | 49 | 52 | 52 |
| Arts | 23 | 23 | 29 | 29 |
| Heritage | 4 | 4 | 5 | 5 |
| Sport & Fitness | 138 | 138 | 143 | 143 |
| Helix | 19 | 19 | 21 | 21 |
| Trading Subsidiary | 26 | 26 | 26 | 26 |
| | 309 | 309 | 325 | 325 |

* The figures above do not include Casual Seasonal staff.

| | | 2021 £'000 | 2020 £'000 |
|--------------------------|--------------|---------------|---------------|
| Average Employee Numbers | - Full Time | 182 | 195 |
| | - Part Time | 290 | 320 |
| | Total | 472 | 515 |

12. Net Income/(Expenditure) for the year (Group)

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Net Income/(Expenditure) for the year is stated after charging/(crediting): | | |
| Depreciation | 228 | 202 |
| Auditor's Remuneration | 11 | 11 |
| Interest Received | (2) | (27) |
| (Gain)/Loss on Disposal of assets | (25) | (15) |

Notes to the Accounts

13. Tangible fixed assets (Group and Charity)

| | Vehicles, Plant & Equipment £'000 |
|--------------------------|---|
| <i>Cost or Valuation</i> | |
| At 1 April 2020 | 1,582 |
| Additions | 241 |
| Disposals | (91) |
| At end of year | <u>1,732</u> |
| <i>Depreciation</i> | |
| At 1 April 2020 | 508 |
| Charge for the year | 228 |
| Disposals | (91) |
| At end of year | <u>645</u> |
| <i>Net Book Value</i> | |
| At 31 March 2021 | <u>1,087</u> |
| At 31 March 2020 | <u>1,074</u> |

On transition to FRS102 Fixed Asset valuations were frozen and held to be at deemed cost. Tangible Fixed Assets would revert to Falkirk Council in the event that the Funding Agreement with the Council was terminated. See Note 27 for further details.

14. 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 historic cost of the investment is £1 (2020 - £1).

15. Stock

| | Group 2021 £'000 | Charity 2021 £'000 | Group 2020 £'000 | Charity 2020 £'000 |
|-------|------------------------|--------------------------|------------------------|--------------------------|
| Stock | 106 | - | 121 | - |

16. Debtors

| | Group 2021 £'000 | Charity 2021 £'000 | Group 2020 £'000 | Charity 2020 £'000 |
|----------------------------------|------------------------|--------------------------|------------------------|--------------------------|
| Trade debtors | 127 | 119 | 323 | 320 |
| Amounts due from related parties | 356 | 357 | - | - |
| Due from Subsidiary Undertaking | - | 93 | - | - |
| Corporation Tax | 3 | 3 | 3 | 3 |
| Prepayments and accrued income | 616 | 606 | 349 | 335 |
| | <u>1,102</u> | <u>1,178</u> | <u>675</u> | <u>658</u> |

Notes to the Accounts

17. Creditors: Amounts falling due within one year

| | Group 2021 £'000 | Charity 2021 £'000 | Group 2020 £'000 | Charity 2020 £'000 |
|---------------------------------------|------------------------|--------------------------|------------------------|--------------------------|
| Trade creditors | 84 | 78 | 224 | 195 |
| Amounts due to related parties | - | - | 123 | 112 |
| Due to Subsidiary Undertaking | - | - | - | 219 |
| Social security costs and other taxes | 225 | 224 | 272 | 248 |
| Annual Leave accrual | 346 | 346 | 201 | 201 |
| Deferred Income (Note 18) | 82 | 82 | 146 | 146 |
| Other creditors and accruals | 92 | 89 | 215 | 209 |
| | 829 | 819 | 1,181 | 1,330 |

18. Deferred Income (Group and Charity)

| | 2021 £'000 | 2020 £'000 |
|---------------------------------------|---------------|---------------|
| Balance at 1 April | 146 | 119 |
| Amount released to Income in the year | (146) | (119) |
| Amount deferred in the year | 82 | 146 |
| Balance at 31 March | 82 | 146 |

Deferred Income relates to payments in advance for events occurring post year end.

19. Analysis of Net Assets between Funds (Group)

| | Unrestricted Funds £'000 | 2021 Restricted Funds £'000 | Total £'000 |
|--------------|--------------------------------|--------------------------------------|----------------|
| Fixed Assets | 1,087 | - | 1,087 |
| Stocks | 106 | - | 106 |
| Debtors | 907 | 195 | 1,102 |
| Bank | 938 | 170 | 1,108 |
| Creditors | (810) | (19) | (829) |
| Total | 2,228 | 346 | 2,574 |

| | Unrestricted Funds £'000 | 2020 Restricted Funds £'000 | Total £'000 |
|--------------|--------------------------------|--------------------------------------|----------------|
| Fixed Assets | 1,074 | - | 1,074 |
| Stocks | 121 | - | 121 |
| Debtors | 460 | 215 | 675 |
| Bank | 1,249 | 5 | 1,254 |
| Creditors | (1,120) | (61) | (1,181) |
| Total | 1,784 | 159 | 1,943 |

Tangible Fixed Assets are accounted for as unrestricted assets, however they are subject to a restriction which crystallises on expiry or termination of the Funding Agreement.

Notes to the Accounts

20. Summary of Movement in Funds (Group)

| | Fund Balances @ 1 Apr 20 £'000 | Incoming Resources £'000 | Resources Expended £'000 | Surplus/ (Deficit) £'000 | Transfers In/(Out) £'000 | Fund Balances @ 31 Mar 21 £'000 |
|--------------------|--------------------------------------|-----------------------------|-----------------------------|--------------------------------|-----------------------------|---------------------------------------|
| Unrestricted Funds | 1,784 | 15,577 | (15,207) | 370 | 74 | 2,228 |
| Restricted Funds | 159 | 1,268 | (1,007) | 261 | (74) | 346 |
| | 1,943 | 16,845 | (16,214) | 631 | - | 2,574 |

| | Fund Balances @ 1 Apr 19 £'000 | Incoming Resources £'000 | Resources Expended £'000 | Surplus/ (Deficit) £'000 | Transfers In/(Out) £'000 | Fund Balances @ 31 Mar 20 £'000 |
|--------------------|--------------------------------------|-----------------------------|-----------------------------|--------------------------------|-----------------------------|---------------------------------------|
| Unrestricted Funds | 1,907 | 18,769 | (19,143) | (374) | 251 | 1,784 |
| Restricted Funds | 242 | 1,385 | (1,217) | 168 | (251) | 159 |
| | 2,149 | 20,154 | (20,360) | (206) | - | 1,943 |

Unrestricted Funds

Unrestricted Funds can be used at the discretion of the Board of Trustees in furtherance of the objects of the Trust. Further detail is given in Note 21.

Restricted Fund

The Restricted Fund represents funds received from external organisations for specific purposes. Further detail is given in Note 22.

21. Unrestricted Funds (Group)

Unrestricted Funds have been designated for the following use:

| | Fund Balances Brought Forward 1 Apr 2020 £'000 | Incoming Resources £'000 | Resources Expended £'000 | Reserve Transfer In / (Out) £'000 | Fund Balances Carried Forward 31 Mar 2021 £'000 |
|-------------------------------|--|-----------------------------|-----------------------------|---|---|
| Unrestricted Reserve | 590 | 15,577 | (15,207) | 66 | 1,026 |
| Helix – Asset Management Plan | 251 | - | - | 85 | 336 |
| Income Growth Projects | 153 | - | - | 16 | 169 |
| Asset Replacement Reserve | 790 | - | - | (93) | 697 |
| TOTAL | 1,784 | 15,577 | (15,207) | 74 | 2,228 |

Notes to the Accounts

21. Unrestricted Funds (Group) (Continued)

| | Fund Balances Brought Forward 1 Apr 2019 £'000 | Incoming Resources £'000 | Resources Expended £'000 | Reserve Transfer In / (Out) £'000 | Fund Balances Carried Forward 31 Mar 2020 £'000 |
|-------------------------------|--|-----------------------------|-----------------------------|--------------------------------------|---|
| Unrestricted Reserve | 776 | 18,769 | (19,143) | 188 | 590 |
| Helix – Asset Management Plan | 177 | - | - | 74 | 251 |
| Income Growth Projects | 386 | - | - | (233) | 153 |
| Asset Replacement Reserve | 362 | - | - | 428 | 790 |
| Voluntary Severance | 206 | - | - | (206) | - |
| TOTAL | 1,907 | 18,769 | (19,143) | 251 | 1,784 |

Unrestricted Reserve

Funds for the general running of the Charity.

Helix – Asset Management Plan

Funds earmarked to cover cyclical maintenance within Helix Park. This is a requirement of the 'Big Lottery' as the main funder of the project, to ensure that the park operates at the same level in 40 years' time (the length of the lease). A budgeted amount is added to the fund each year with the costs of any works deemed to fall within the Asset Management Plan being met from the fund each year.

Income Growth Projects

Funds agreed to be earmarked to develop Income Generating projects at various locations across the Trust. Funds are transferred to the Unrestricted reserve fund to cover any spend on such projects that has been incurred during the financial year.

Asset Replacement Reserve

Funds set aside from the capitalisation of previous revenue spend to be used to offset future depreciation charges for such assets. Funds are transferred from this fund to the unreserved fund at year end to cover the depreciation charges for these assets.

Notes to the Accounts

22. Restricted Funds (Group & Charity)

Analysis by fund of amounts received during the year and where the fund balance at 31 March 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 Balances Brought Forward 1 Apr 2020 | Incoming Resources | Resources Expended | Reserve Transfer (Out) / In | Fund Balances Carried Forward 31 Mar 2021 |
|--------------------------------|---|--------------------|--------------------|-----------------------------|--|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Hippodrome Festival | 31 | 84 | (64) | - | 51 |
| Hippodrome Support Grant | - | 71 | (31) | - | 40 |
| Hippodrome Equipment | - | 55 | - | (55) | - |
| Youth Music Initiative | - | 147 | (143) | - | 4 |
| FTH Support Grant | - | 73 | (56) | - | 17 |
| Youth Arts | - | 27 | - | - | 27 |
| Active Schools | 13 | 473 | (464) | - | 22 |
| Coaching Academy | - | 24 | - | - | 24 |
| Muiravonside Park | 5 | 3 | (6) | - | 2 |
| Callendar Park - Play Park | 11 | - | - | - | 11 |
| Callendar Park – WIATT Project | 22 | - | (4) | - | 18 |
| Callendar Park - Other | 1 | - | (1) | - | - |
| Helix Events | - | 40 | - | - | 40 |
| Libraries – Care Words Project | 41 | - | (23) | - | 18 |
| Libraries - Other | 4 | 1 | (3) | - | 2 |
| Great Place | - | 185 | (149) | 12 | 48 |
| Falkirk Council – ICT Funding | - | 31 | - | (31) | - |
| Others | 31 | 54 | (63) | - | 22 |
| TOTAL | 159 | 1,268 | (1,007) | (74) | 346 |

| | Fund Balances Brought Forward 1 Apr 2019 | Incoming Resources | Resources Expended | Reserve Transfer (Out) / In | Fund Balances Carried Forward 31 Mar 2020 |
|--------------------------------|---|--------------------|--------------------|-----------------------------|--|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Hippodrome Festival | 27 | 93 | (89) | - | 31 |
| Youth Music Initiative | 18 | 208 | (226) | - | - |
| Active Schools | 30 | 454 | (471) | - | 13 |
| Muiravonside Park | 5 | - | - | - | 5 |
| Callendar Park - Play Park | - | 274 | - | (263) | 11 |
| Callendar Park – WIATT Project | - | 91 | (69) | - | 22 |
| Callendar Park - Other | 5 | 7 | (11) | - | 1 |
| Helix Events | 5 | 33 | (38) | - | - |
| Libraries – Care Words Project | 39 | 31 | (29) | - | 41 |
| Libraries - Other | 39 | 1 | (36) | - | 4 |
| Great Places | 25 | 90 | (127) | 12 | - |
| Others | 49 | 103 | (121) | - | 31 |
| TOTAL | 242 | 1,385 | (1,217) | (251) | 159 |

Notes to the Accounts

Hippodrome Festival

Creative Scotland Grant given for the Silent Film Festival programme held at the Hippodrome Cinema. Other smaller grants are also given by other various organisations.

Hippodrome Business Support

Funds received from Creative Scotland Independent Cinema Resilience and Recovery Fund for Business Support in response to COVID-19 & closure of the cinema.

Hippodrome Equipment Fund

Grant received from Creative Scotland for the purchase of a new projector for the cinema.

Youth Music Initiative

Creative Scotland Grant for the development of music within schools.

FTH Business Support

Funds received from Creative Scotland from the Scottish Government's Performing Arts Venues Relief Fund in response to COVID-19 & closure of the theatre.

Youth Arts

Funds received from Creative Scotland to support youth arts and ensure creative opportunities for children and young people continue to be made by the Youth Arts programme

Active Schools

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

Coaching Academy

Funding from National Lottery to allow young people in the wider Falkirk area to gain qualifications and develop skills in sports coaching.

Muiravonside Park Projects

Funds for Reed Bed project, Wild about Wildlife project and funding from Forth Rivers Trust to improve pathways and install interpretative artwork along the river.

Callendar Park Projects

Funds relate to Forestry Grant Scheme – WIATT project to improve the park, the remainder of funds for the upgrade of the PlayPark have still to be spent and an award was made from the Give Back with Bell's scheme for George Forrest Arboretum project

Helix Events

EventScotland/VisitScotland provided £29,750 towards a Canal Festival and Scottish Government provided £10,000 towards a Science Festival. These grants have both been carried forward to 21/22 having been unable to take place during the year due to Covid restrictions.

Libraries – Care Words Project

Lottery Funding was received 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 will finish in June 2022.

Libraries – Projects

Funds for the Digital Storyteller project and Scottish Book Week

Notes to the Accounts

Great Places

Year 3 contributions from Falkirk Council, Scottish Canals and Heritage Lottery Fund for the Great Place project, "Falkirk: landscape, industry and work, linking heritage routes and industrial transformation". The transfer in for the year represents the agreed contribution from Falkirk Community Trust for the project. Additional funds were received from LEADER for Connected Dunmore project and Central Canals project.

Falkirk Council – ICT Funding

Funding from Falkirk Council specifically for spends on ICT Capital projects

Transfers

Funds were transferred from the Hippodrome Equipment fund to the Unrestricted Asset Replacement Reserve to cover future depreciation charges for the capitalised asset that the funds were used to purchase. The transfer into the Great Place Fund is the Group's agreed annual contribution to the Project. It is transferred from the Unrestricted Reserve. The funding received from Falkirk Council for ICT projects has been transferred to the Unrestricted Reserve to cover the deposit payment for a replacement EPOS system.

23. Government Grants

Income from Government Grants

| Funder | Project/Event | Amount Received 2020/21 | Amount Received 2019/20 |
|-----------------------|------------------------------|-------------------------|-------------------------|
| EventScotland | Fire & Light | - | £22,500 |
| | Canal Festival | £12,250 | £17,500 |
| | HippFest | £5,000 | - |
| Creative Scotland | YMI | £146,779 | £175,599 |
| | HippFest | £48,000 | £60,000 |
| | Hippodrome Projector | £54,479 | - |
| | Cinema Resilience & Recovery | £71,702 | - |
| | Performing Arts Venue Relief | £73,690 | - |
| | Youth Arts Access Fund | £27,000 | - |
| Scottish Government | Falkirk Science Festival | - | £10,000 |
| | Scotland Loves Local | £2,950 | - |
| Heritage Lottery Fund | Great Place Falkirk | £161,665 | £57,943 |
| HMRC | Job Retention Scheme | £3,682,705 | £158,460 |

Notes to the Accounts

24. Notes to the cashflow statement

| | Group | | Charity | |
|--|---------------|---------------|----------------|---------------|
| | 2021 Total | 2020 Total | 2021 Total | 2020 Total |
| | £'000 | £'000 | £'000 | £'000 |
| (a) Adjustments | | | | |
| Depreciation | 228 | 202 | 228 | 202 |
| (Gain)/Loss of Disposal of Assets | (25) | (15) | (25) | (15) |
| Donation from Trading Company | - | - | (293) | (349) |
| Interest Received | (2) | (27) | (2) | (27) |
| | 201 | 160 | (92) | (189) |
| (b) Working Capital Movements | | | | |
| (Increase)/Decrease in Stocks | 15 | (13) | - | - |
| (Increase)/Decrease in Debtors | (427) | 78 | (520) | 95 |
| Increase/(Decrease) in Creditors | (352) | (327) | (511) | (391) |
| | (764) | (262) | (1,031) | (296) |
| (c) Cash Balances | | | | |
| Cash at Bank and in hand | 1,108 | 1,254 | 1,102 | 1,248 |
| Bank Overdraft | - | - | - | - |
| Total Cash and Cash Equivalents | 1,108 | 1,254 | 1,102 | 1,248 |

25. Capital Commitments (Group & Charity)

Amounts contracted for but not provided in the financial statements:

| | 2021 £ | 2020 £ |
|--------------------------------------|-----------|-----------|
| Acquisition of tangible fixed assets | 25,621 | - |

26. Operating Lease Commitments (Group & Charity)

At the balance sheet date, the Trust had annual commitments under non-cancellable leases as set out below:

| Operating leases which expire: | 2021 £ | 2020 £ |
|--|---------------|---------------|
| Within one year | 38,833 | 42,163 |
| In the second to fifth years inclusive | - | 38,833 |
| Balance at 31 March | 38,833 | 80,996 |

27. Pension Scheme

Employees of the company are members of Falkirk Council Pension Fund. Contributions in the period relating to those employees amounted to £1.763m and the amount of outstanding contributions at 31 March 2021 amounted to £0.18m.

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 2021 the employer contribution rate was 22.5%.

Notes to the Accounts

28. 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 2021, Falkirk Council made a payment of £10.927m to the group and leased the facilities occupied by the company for a peppercorn rent.

At 31 March 2021, Falkirk Council owed the group £0.735m and the group owed Falkirk Council £0.379m (including amounts due to Falkirk Council Pension Fund) in relation to normal trading activities. This has been set-off and the net debtor in the accounts totals £0.356m. 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.

During the period the following five Elected Members from Falkirk Council served on the Board: Councillors Lorna Binnie, Joan Coombes, Jim Flynn, Niall Coleman and Robert Spears. No Director received any remuneration in their roles as Directors.

29. Contingent Liability

In consideration of Falkirk Council transferring consumable assets and equipment such as sports equipment and office furniture to Falkirk Community Trust, the Company agreed to assume a debt to the value of £5m indexed annually – present day value is £5.749m, after CPI being applied annually since 2012. 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.

30. 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.