



Falkirk Community Trust Limited

report and financial statements

2020

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Reference and Administrative Information

Falkirk Community Trust Limited

Financial Indicator	Commentary	2019-20
Directors	David White (Chair) Councillor Joan Coombes (Vice Chair) Councillor Lorna Binnie Derek Easton Councillor Jim Flynn Councillor Cecil Meiklejohn Simon Rennie Andrew Roberts Suzanne Arkinson Alan Stewart Councillor Niall Coleman Councillor John McLuckie	(Resigned 1 st June 2019) (Resigned 28 th November 2019) (Appointed 10 th July 2019) (Appointed 10 th July 2019) (Resigned 30 th September 2020)
Senior Management Team	Maureen Campbell, OBE Neil Brown Jane Clark Paul Finnie Lesley O'Hare Susie Crawford	Chief Executive General Manager Policy Development Manager (Resigned 6 th March 2020) 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 2020

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 2020-21 has been agreed for the period to 31st March 2021. The level of funding from Falkirk Council for 2021-22 is yet to be agreed. It is recognised that the impact of the Covid-19 restrictions will result in an extremely challenging financial climate for 2020-21 and beyond. The Board is satisfied that for 2020-21 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. It is recognised that there is a risk that the financial position beyond this may result in further reductions in funding from the Council. If this is the case, then the current Business Strategy will be reviewed in conjunction with the Council to develop a revised financial plan. Directors have reviewed the current 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 it intends to fund the service in general in future years.

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
- 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 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 Health and Fitness 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.
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 Q1 of 2020-21, resulting in uncertainty over future viability of the business. In mitigation an application has been submitted to the Government Coronavirus Job Retention Fund Scheme after around 90% of permanent staff were furloughed. A revised customer income plan is being developed for the remainder of the year to revive the business in line with Government guidelines. The Council has also agreed to review its support for the Trust to help mitigate the loss of customer income.

Achievements and Performance

Positive results were achieved against an ever challenging financial backdrop and customer income increased by over 5% on the previous year. Income of £810,000 was secured from grants and fundraising.

2019 was the first year of the Trust's new five-year Business Strategy 2019-2024, 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.

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 continued this throughout 2019-20 with the opening in early 2019 of Carron Gymnastics Centre, a flagship sport training facility in Falkirk catering for all levels of ability. The second stage of the Mariner Centre redevelopment was completed with the new and improved Health & Fitness area opening on 31st January. This £1.2m refurbishment of the gym and fitness facilities includes some innovative and exciting new amenities including a fully immersive Les Mills TRIP Studio – a first for Scotland. This follows on from the 2018 works which saw the relocation of the café, a new entrance/reception area, Great Mariner Reef soft play and changing facilities.

Group Strategic Report

Covid-19 closures of Trust venues affected overall 2019-20 year-end performance. This shutdown of Trust operations had a significant impact on usage across the Trust. Most Trust venues closed from 18th March 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 2019-20 year overall has been significant. Our Parks and Open Spaces have remained open to the public, however no paid for or recorded activity has taken place during this time.

Performance highlights in admissions, participants and usage over the 2019-20 year included:

- An increase of 5,767 admissions across the Trust's Health & Fitness centres that included a 13% increase at the Mariner Centre Health & Fitness Centre, despite a significant closure for redevelopment. A further 8% increase at Stenhousemuir Gym resulted in admissions exceeding target by 9% for the year. Dips in performance at Bo'ness and Grangemouth will be addressed.
- The Trust's focus on health & wellbeing through participation in Health & Fitness Step Forth Walking programme dipped due to the cancellation of walks throughout March due to Covid-19, with participation much lower than normal.
- Efforts to bring Grangemouth Golf Course onto a more sustainable model, potentially for the community to run, were affected by Covid-19; performance was tracking 4% higher than last year prior to Covid-19 closure in March 2020. A focus on reducing costs and increasing usage will continue to March 2021.
- The number of Active Schools participant sessions we provided had increased by 7,605 before the Covid-19 cancellation of sessions reversed this into a 30,156 reduction compared to last year. Performance benefited from volunteer development as well as more focussed targeting of disengaged and non-participants.
- Participants in Programmed Activity at the Helix exceeded target by over 10%, with over 38,000 participants; this success is despite bad weather postponing several Christmas events which resulted in missing financial targets for these events.
- Visits to Muiravonside Country Park exceeded the target for visits by 9% but was significantly lower than last year with 34,435 fewer visits; a dramatic drop in visitor numbers was observed in the second half of March due to the Covid-19 pandemic.
- After last year's introduction of a professional pantomime at FTH, the second professional pantomime 'Aladdin' was universally well received and achieved 94% uptake against target with 10,957 attendances. Wider FTH attendance achieved close to target for the year despite the cancellation of all performances from mid-March onwards and the closure of the venue.
- Visits to Callendar House exceeded target throughout the year, only falling 3.5% short of the visits target at the end of the year. Despite the Covid-19 closure, visits were near-identical to last year which is largely attributable to increased usage of the tea room, and the introduction of a new afternoon tea offer in the refurbished drawing room.
- Participation in Sports Development coaching programmes increased by over 6% with 128,127 sessions and exceeded their target for the 2019-20 year; successes include the popularity of gymnastics classes at the new Carron Gymnastics Centre and continued growth in other sports.

Our customer satisfaction levels continued to be high as demonstrated through Tripadvisor certificates of excellence as well as maintaining 5 stars at the Helix and securing VisitScotland 4 star rating at Callendar House.

Financial Review

The Group's financial results for the year 1st April 2019 to 31st March 2020 are shown on pages 14 to 32. This shows a loss on unrestricted funds of £0.123m, after a transfer of £0.251m from restricted funds. The unrestricted fund has decreased to £1.784m (£1.907m as at 31st March 2019). Note that prior year adjustments were made and £0.363m was reinstated to reserves following a review of the capitalisation of Assets which had previously been treated as revenue expenditure, and to correct the treatment of the donation of Trading Company surplus to the Charity accounts which should have been made in the year after the surplus was made, rather than in the same year.

Income totalled £20.154m (2018/19 - £19.440m). The year on year increase is mainly due to increased income achieved, primarily within Sports and Fitness (£0.437m), Parks and Recreation (£0.058m), and in the Trading Company (£0.095). In addition to this, there was increased income relating to activities funded by grants (£0.243m) in comparison to 2018/19. This increase in income is despite the impact of the Covid-19 restrictions which ultimately resulted in the closure of all facilities during March 2020. The impact of the closures was partly offset by Government Job Retention Scheme funding of £0.158m that was received. The overall funding received from Falkirk Council of £10.9m was lower than 2018/19 (£0.187m). Costs incurred of £20.360m have increased from the previous year (2018/19 - £19.467m). A large proportion of this is related to increased employee costs (£0.548m) which will be driven by the pay award agreed for 2019/20. Property costs have increased (£0.213m) with energy costs being a primary factor. Supplies and services increased (£0.02m), largely relating to costs tied to increased income. Finally, increased depreciation charges were recognised (£0.149m) relating to investment in fixed assets.

The Trust's wholly owned subsidiary, Falkirk Community Trading Limited, made a profit of £0.293m (2018/19: 0.349m), before accounting for a distribution of £0.349m (2018/19: £0.361m) 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 £1.254m (£2.171m as at 31 March 2019) and net assets of £1.943m (£2.149m as at 31 March 2019).

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 first three months of the 2020/21 financial year. Our plans for the future are being reviewed and redrafted to take account of the "new" normal. Our approach to reopening takes account of the need to rebuild customer confidence in taking part in culture and sport activities in public buildings.

We have a committed workforce eager to return to work to reconnect with our loyal customer base who have been supporting our online and digital presence while the buildings have been closed. Our updated business planning notes that we can expect a significant shortfall in customer income compared to budget for 2020/21. 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. It is hoped that the review will secure agreement for an investment programme for facilities that are to be retained. The recently renewed and refurbished health and fitness facility at the Mariner will offer existing and new customers a much improved experience including one of the first immersive cycling studios in Scotland. A replacement for FTH is still core to the Council regeneration plans for Falkirk Town Centre.

It is expected that 2021 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.

David White
Chair of the Board
Falkirk Community Trust Limited

Date: 5th November 2020

Group Directors' Report

Year ended 31 March 2020

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 £0.358m. The unrestricted reserve at 31 March 2020 was £1.784m with £0.790m earmarked for offsetting future Depreciation costs, £0.153m earmarked to fund investment growth projects and £0.251m earmarked for Helix Asset Management Plan. This leaves £0.590m in the Unrestricted Fund. Note that £0.100m has been allocated from reserves to balance the 2020/21 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 23 and shows an overall balance of £0.159m as at 31 March 2020.

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 2019/20 the overall funding from Falkirk Council reduced by £0.187m. Going forward it is anticipated that Falkirk Council will likely need to make significant financial savings. While the full impact of the Covid-19 emergency on the operation of the Trust remains unclear at this stage, the Trust's current Business Strategy for 2019-24 already gives consideration to a potential reduction in the service payment by as much as 50% by 2024 as a result of the underlying economic climate prior to the Covid-19 emergency. 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.

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.

Group Directors' Report

Auditors

Wylie & Bisset (Audit) Limited were appointed as auditors for 2 years covering the financial statements up to the year ended 31 March 2021. 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: 5th November 2020

Statement of Trustees' Responsibilities

Year ended 31 March 2020

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 2020

Opinion

We have audited the financial statements of Falkirk Community Trust Limited (the 'parent charitable company') for the year ended 31 March 2020 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 2020, 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.

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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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 other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

Independent Auditors' Report

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 and Directors' reports 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 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 directors' report included within the trustees' 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.

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.

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.

Independent Auditors' 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.

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

168 Bath Street
Glasgow
G2 4TP

Date: 5th November 2020

Consolidated Statement of Financial Activities

(Incorporating a Group Income and Expenditure Account)

For year ended 31 March 2020

	Notes	2020			2019 - RESTATED		
		Unrestricted Fund £'000	Restricted Fund £'000	Total 2020 £'000	Unrestricted Fund £'000	Restricted Fund £'000	Total 2019 £'000
Income and Endowments from:							
Donations and Legacies	3	23	13	36	24	4	28
Charitable Activities							
-Provision of Leisure and Cultural Activities	4	5,665	1,234	6,899	5,277	969	6,246
-Contract with Falkirk Council		10,761	138	10,899	10,957	129	11,086
Other Trading Activities	5	2,135	-	2,135	2,054	-	2,054
Investments	6	27	-	27	26	-	26
Other Income	7	158	-	158	-	-	-
Total Income		18,769	1,385	20,154	18,338	1,102	19,440
Expenditure on:							
Raising Funds		1,842	-	1,842	1,705	-	1,705
Charitable Activities	8	17,301	1,217	18,518	16,729	1,033	17,762
Total Expenditure		19,143	1,217	20,360	18,434	1,033	19,467
Net (Expenditure) / Income for the year		(374)	168	(206)	(96)	69	(27)
Transfers between funds		251	(251)	-	(12)	12	-
Net Movement in Funds		(123)	(83)	(206)	(108)	81	(27)
Fund Balance b/f at 1 April – as previously reported		1,544	242	1,786	2,015	161	2,176
Prior Year Adjustments		363	-	363	-	-	-
Fund Balances b/f at 1 April - Restated	19	1,907	242	2,149	2,015	161	2,176
Fund Balances carried forward at 31 March	20-25	1,784	159	1,943	1,907	242	2,149

All of the above results are derived from continuing activities. All gains and losses recognised in the year ended 31 March 2020 are included above.

Charity Statement of Financial Activities

(Incorporating the Charity Income and Expenditure Account)

For the Year ended 31 March 2020

	Notes	2020			2019 - RESTATED		
		Unrestricted Fund £'000	Restricted Fund £'000	Total 2020 £'000	Unrestricted Fund £'000	Restricted Fund £'000	Total 2019 £'000
Income and Endowments from:							
Donations and Legacies	3	23	13	36	24	4	28
Charitable Activities							
- Provision of Leisure and Cultural Activities	4	5,665	1,234	6,899	5,277	969	6,246
- Contract with Falkirk Council		10,761	138	10,899	10,957	129	11,086
Investments	6	376	-	376	387	-	387
Other Income	7	1,095	-	1,095	825	-	825
Total Income		17,920	1,385	19,305	17,470	1,102	18,572
Expenditure On:							
Charitable Activities	8	17,301	1,217	18,518	16,729	1,033	17,762
Other Expenditure	9	937	-	937	825	-	825
Total Expenditure		18,238	1,217	19,455	17,554	1,033	18,587
Net (Expenditure) / Income for the year		(318)	168	(150)	(84)	69	(15)
Transfers between Funds		251	(251)	-	(12)	12	-
Net Movement in Funds		(67)	(83)	(150)	(96)	81	(15)
Fund Balances b/f at 1 April – as previously reported		1,544	242	1,786	2,015	161	2,176
Prior Year adjustments		14	-	14	(361)	-	(361)
Fund Balances b/f at 1 April - Restated	19	1,558	242	1,800	1,654	161	1,815
Fund Balances carried forward at 31 March	20-24	1,491	159	1,650	1,558	242	1,800

All of the above results are derived from continuing activities. All gains and losses recognised in the year ended 31 March 2020 are included above.

Consolidated and Charity Statement of Financial Position

At 31 March 2020

		Group 2020 £'000	Charity 2020 £'000	Restated Group 2019 £'000	Charity 2019 £'000
	Note				
Fixed Assets					
Tangible assets	13	1,074	1,074	625	625
Current Assets					
Stocks	15	121	-	108	-
Debtors	16	675	658	753	753
Cash in Hand		1,254	1,248	2,171	2,143
		2,050	1,906	3,032	2,896
Current Liabilities					
Creditors : amounts falling due in one year	17	1,181	1,330	1,508	1,721
Net Current Assets		869	576	1,524	1,175
NET ASSETS		1,943	1,650	2,149	1,800
Unrestricted Funds					
Unrestricted Income Funds	22	1,784	1,491	1,907	1,558
		1,784	1,491	1,907	1,557
Restricted Funds					
Grant and Other Funding	23	159	159	242	242
		159	159	242	242
TOTAL FUNDS		1,943	1,650	2,149	1,800

The financial statements were approved and authorised for issue by the Board on 5th November 2020 and signed on its behalf by:

David White
Chair of the Board
Falkirk Community Trust

Cash Flow Statement

For the Year ended 31 March 2020

Consolidated Cash Flow Statement

	Notes	Total 2020 £'000	Restated Total 2019 £'000
Operating Activities			
Net Income/(Expenditure)		(206)	(27)
Adjustments	25a	160	10
Working Capital Movements	25b	(262)	(1,057)
Cashflow from Operating Activities		(308)	(1,074)
Investing Activities			
Purchases of property, plant and equipment		(657)	(463)
Proceeds from sale of property, plant and equipment		21	18
Interest Received		27	26
Cashflow from Investing Activities		(609)	(419)
Net Change in Cash and Cash Equivalents		(917)	(1,493)
Cash and Cash Equivalents at 1 April	25c	2,171	3,664
Cash and Cash Equivalents at 31 March	25c	1,254	2,171

Charity Cash Flow Statement

	Notes	Total 2020 £'000	Restated Total 2019 £'000
Operating Activities			
Net Income/(Expenditure)		(150)	(15)
Adjustments	25a	(189)	(351)
Working Capital Movements	25b	(296)	(1,081)
Cashflow from Operating Activities		(635)	(1,447)
Investing Activities			
Purchases of property, plant and equipment		(657)	(463)
Proceeds from sale of property, plant and equipment		21	18
Donation from Trading Company		349	361
Interest Received		27	26
Cashflow from Investing Activities		(260)	(58)
Net Change in Cash and Cash Equivalents		(895)	(1,505)
Cash and Cash Equivalents at 1 April	25c	2,143	3,648
Cash and Cash Equivalents at 31 March	25c	1,248	2,143

For the Year ended 31 March 2020

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 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 2020.

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.

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. In 2019/20 there was a change to the estimation technique for depreciation, changing to applying a depreciation charge in the year of acquisition and none in the year of disposal. Previously there was no charge in year of acquisition and a charge (where still applicable) in the year of disposal. The impact of this change in 2019/20 accounts is that the depreciation charge is £108,515 higher than it would have been under the old technique.

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.

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.

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.

Notes to the Accounts

2. Accounting policies (continued)

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

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

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

	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	665
	5,665	1,234	6,899

	Unrestricted Fund £'000	2019 Restricted Fund £'000	TOTAL £'000
Fees, Charges & Admissions	4,880	24	4,904
Sales	46	12	58
Grant Income	-	917	917
Rental Income	87	-	87
Miscellaneous Income	264	16	280
	5,277	969	6,246

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 2020 £'000	Restated Total 2019 £'000
Turnover from Trading Activities	2,135	2,054
Cost of sales and administration costs	(1,842)	(1,705)
Net Profit/(Loss) on ordinary activities before taxation	293	349
Taxation on profit/(loss) on ordinary activities	-	-
Profit/(Loss) for the period	293	349
The assets and liabilities of the Trading Company are:		
Current Assets	363	430
Current Liabilities	(70)	(81)
Net Current Assets	293	349
Net Assets	293	349

6. Investment Income

	2020		Restated 2019	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Charitable Donation from Subsidiary	-	349	-	361
Bank and Other Interest	27	27	26	26
	27	376	26	387

7. Other Income

	2020		Restated 2019	
	Group £'000	Charity £'000	Group £'000	Charity £'000
Job Retention Scheme Funding	158	158	-	-
Recharge of Trading Staffing Costs	-	937	-	825
	158	1,095	-	825

Notes to the Accounts

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

	2020 £'000	Restated 2019 £'000
Wages and salaries	8,882	8,565
Social security costs	646	619
Employer pension costs	1,710	1,599
Voluntary Severance	24	22
Apprenticeship Levy	46	44
Other Staff costs	146	168
Property Expenses	2,130	1,938
Transport Expenses	180	177
Supplies and Services	4,754	4,630
	18,518	17,762

9. Other Expenditure - Charity

	2020 £'000	Restated 2019 £'000
Staff Costs for Trading Company - Recharged	937	825

10. Governance Costs - Group

	2020 £'000	2019 £'000
Audit Fees - Charity	9	9
- Trading Company	2	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 2020 £'000	Charity 2020 £'000	Group 2019 £'000	Charity 2019 £'000
Wages and salaries	9,641	9,641	9,246	9,246
Social security costs	679	679	647	647
Pension costs	1,825	1,825	1,708	1,708
Severance Costs	24	24	22	22
Apprenticeship Levy	49	49	47	47
Other Staff Costs	173	173	172	172
	12,391	12,391	11,842	11,842

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

	Group 2020 Number	Charity 2020 Number	Group 2019 Number	Charity 2019 Number
£70,000 - £79,999	1	1	1	1
£90,000 - £100,000	1	1	1	1

Notes to the Accounts

11. Staff numbers and Costs (Contd)

Pension costs in relation to those employees earning over £60,000 totalled £38,950 (2019: £37,000).

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

	2020 £'000	2019 £'000
Key Management Personnel Remuneration	492	439

Redundancy Payments totalling £24,406 were made to 3 members of staff (2019: £21,600 2 staff)

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

	Group 2020 No.	Charity 2020 No.	Group 2019 No.	Charity 2019 No.
Business Development	23	23	19	19
Parks & Recreation	26	26	29	29
Libraries	52	52	52	52
Arts	29	29	31	31
Heritage	5	5	6	6
Sport & Fitness	143	143	148	148
Helix	21	21	21	21
Trading Subsidiary	26	26	26	26
	325	325	332	332

* The figures above do not include Casual Seasonal staff

		2020	2019
Average Employee Numbers	- Full Time	195	188
	- Part Time	320	313
	Total	515	501

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

	2020 £'000	2019 £'000
Net Income / (Expenditure) for the year is stated after charging/(crediting):		
Depreciation	202	54
Auditor's Remuneration	11	11
Interest Received	(27)	(26)
(Gain)/Loss on Disposal of assets	(15)	(18)

Notes to the Accounts

13. Tangible fixed assets (Group and Charity)

	Vehicles, Plant & Equipment £'000
<i>Cost or Valuation</i>	
At 1 April 2019 - Restated	975
Additions	657
Disposals	(50)
At end of year	1,582
<i>Depreciation</i>	
At 1 April 2019	350
Charge for the year	202
Disposals	(44)
At end of year	508
<i>Net Book Value</i>	
At 31 March 2020	1,074
At 31 March 2019 - Restated	625

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 28 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 (2019 - £1).

15. Stock

	Group 2020 £'000	Charity 2020 £'000	Group 2019 £'000	Charity 2019 £'000
Stock	121	-	108	-

16. Debtors

	Group 2020 £'000	Charity 2020 £'000	Restated Group 2019 £'000	Restated Charity 2019 £'000
Trade debtors	323	320	176	164
Amounts due from related parties	-	-	473	489
Corporation Tax	3	3	10	10
Prepayments and accrued income	349	335	94	90
	675	658	753	753

Notes to the Accounts

17. Creditors: Amounts falling due within one year

	Group 2020 £'000	Charity 2020 £'000	Restated Group 2019 £'000	Charity 2019 £'000
Trade creditors	224	195	693	662
Amounts due to related parties	123	112	-	-
Due to Subsidiary Undertaking	-	219	-	279
Social security costs and other taxes	272	248	268	235
Annual Leave accrual	201	201	204	204
Deferred Income (Note 18)	146	146	119	119
Other creditors and accruals	215	209	224	222
	1,181	1,330	1,508	1,721

18. Deferred Income (Group and Charity)

	2020 £'000	2019 £'000
Balance at 1 April	119	112
Amount released to Income in the year	(119)	(112)
Amount deferred in the year	146	119
Balance at 31 March	146	119

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

19. Prior Year Adjustments

a. Asset Capitalisation

Following a review of items which had been purchased in 2018/19 as part of Income Growth initiatives, it was deemed that some of these items were in fact capital in nature and should be treated as such in the accounts. These items included the Soft Play Frame in the Mariner Centre, Gymnastics Equipment for the Carron Gymnastics Centre and Audio-Visual Equipment for Falkirk Town Hall. The impact of this was to reinstate the expenditure to the Revenue Account and to take the expenditure to the Balance Sheet where it will be written off over the useful life of the assets. The cost of these assets was £363k. These funds were placed in a separate Asset Replacement Reserve with the intention of using the funds to offset the additional depreciation in the years to come.

b. Trading Company Donation to the Charity

An error in the previous treatment of the Trading Company's donation of its annual surplus back to the Charity was identified which highlighted that, as a Deed of Covenant was not in place between the Charity and the Trading Company, any Surplus from the Trading Company should be accounted for in the year after the surplus was made. The 2018/19 donation of £349k was removed and the 2017/18 donation of £361k was added to correct the error made in the 2018/19 accounts.

c. VAT adjustments

Due to a correction in the treatment of VAT on some income streams a voluntary disclosure was made to HMRC for underpayment of VAT which covered previous year's accounts. The prior year adjustment resulted in a VAT creditor being created which was offset by a corresponding related party debtor. In addition, an apportionment of the year end VAT creditor was reassigned to the Trading Company to correctly reflect the source of the VAT liability.

Notes to the Accounts

d. Trading Company staffing recharges

As the staff who work in Trading Company sites are not employed by the Trading Company but remain employees of the Parent Charity, their costs should have been treated as an additional cost in the Charity accounts and subsequently recharged to the Trading Company.

	Group 31 March 2019 £'000	Charity 31 March 2019 £'000
Reconciliation of Equity		
Fund Balances as previously stated at 31 March 2019	1,786	1,786
Creation of Asset Replacement Reserve	363	363
Correction to treatment of Trading Donation	-	(349)
Removal of HMRC VAT Debtor	(154)	
Addition of HMRC VAT Creditor	(21)	
Addition of Related Party Debtor for VAT Income	175	
Allocation of VAT Creditor to Trading Company		15
Correction to Intercompany Creditor balance		(15)
Fund Balances as restated at 31 March 2019	2,149	1,800

	Group 31 March 2019 £'000	Charity 31 March 2019 £'000
Reconciliation of net movement in funds		
Net Income/(Expenditure) 2018/19	(390)	(390)
Capitalisation of Equipment	363	363
Correction to treatment of Trading Donation		
- Remove 2018/19 Trading Surplus	-	(349)
- Add 2017/18 Trading Surplus – Distributed under Gift Aid	-	361
Correction for Trading Account Staff Costs		
- Add Trading Staff Cost	-	825
- Add Recharge Income	-	(825)
Net Income / (Expenditure) 2018/19 – Restated	(27)	(15)

Notes to the Accounts

20. Analysis of Net Assets between Funds (Group)

	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	(1,121)	(61)	(1,181)
Total	1,784	159	1,943

	Unrestricted Funds £'000	2019 (Restated) Restricted Funds £'000	Total £'000
Fixed Assets	625	-	625
Stocks	108	-	108
Debtors	572	181	753
Bank	2,053	118	2,171
Creditors	(1,451)	(57)	(1,508)
Total	1,907	242	2,149

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.

21. Summary of Movement in Funds (Group)

	Restated 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

	Restated Fund Balances @ 1 Apr 18 £'000	Restated Incoming Resources £'000	Restated Resources Expended £'000	Restated Surplus/(Deficit) £'000	Restated Transfers In/(Out) £'000	Restated Fund Balances @ 31 Mar 19 £'000
Unrestricted Funds	2,015	18,338	(18,434)	(96)	(12)	1,907
Restricted Funds	161	1,102	(1,033)	69	12	242
	2,176	19,440	(19,467)	(27)	-	2,149

21. Summary of Movement in Funds (Group) (Contd)

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 22.

Restricted Fund

The Restricted Fund represents funds received from external organisations for specific purposes. Further detail is given in Note 23.

22. Unrestricted Funds (Group)

Unrestricted Funds have been designated for the following use:

	Fund Balances Brought Forward 1 Apr 2019	Incoming Resources	Resources Expended	Reserve Transfer In / (Out)	Fund Balances Carried Forward 31 Mar 2020
	£'000	£'000	£'000	£'000	£'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

	Fund Balances Brought Forward 1 Apr 2018	Restated Incoming Resources	Restated Resources Expended	Reserve Transfer (Out) / In	Restated Fund Balances Carried Forward 31 Mar 2019
	£'000	£'000	£'000	£'000	£'000
Unrestricted Reserve	916	18,338	(18,434)	(44)	776
Helix – Asset Management Plan	92			85	177
Income Growth Projects	780			(394)	386
Asset Replacement Reserve	-			362	362
Voluntary Severance	227			(21)	206
TOTAL	2,015	18,338	(18,434)	(12)	1,907

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.

22. Unrestricted Funds (Group) (Contd)

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.

Voluntary Severance Fund

Funds which had been originally earmarked to cover potential one off costs for Voluntary Severance which did not materialise in 2019/20. The Trust continued to follow the Council's wishes in adhering to their policy by not enacting compulsory redundancies in 2019/20.

23. 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 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

	Fund Balances Brought Forward 1 Apr 2018	Incoming Resources	Resources Expended	Reserve Transfer (Out) / In	Fund Balances Carried Forward 31 Mar 2019
	£'000	£'000	£'000	£'000	£'000
Hippodrome Festival	12	114	(99)		27
Youth Music Initiative	18	178	(178)		18
Active Schools	24	469	(463)		30
Muiravonside Park Projects	11	50	(56)		5
Callendar Park Projects	20	35	(50)		5
Helix Events	8	31	(34)		5
Libraries – Care Words Project	31	29	(21)		39
Libraries Projects	7	44	(12)		39
Great Places	-	33	(20)	12	25
Others	30	119	(100)		49
TOTAL Restricted Funds	161	1,102	(1,033)	12	242

23. Restricted Funds (Group & Charity) (Contd)

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.

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

Funds for Reed Bed project and Wild about Wildlife project

Callendar Park Projects

Funding of £273,982 from variety of sources was given to replace the Play Park within Callendar Park. In addition, Forestry Commission Funding to the value of £91,340 was received under the Forestry Grant Scheme for improvements to the Park. A further £5,500 was received to install solar lights to the paths network in the Park

Helix Events

EventScotland/VisitScotland provided £22,500 to host the Fire & Light Event on New Year's Day at the Helix. £4,925 was received from the MacRobert Trust and Falkirk Council contributed £6,000 from the Regional Improvement Collaborative for the STEM event in May.

Libraries – Care Words Project

The final tranche of Lottery Funding of £31,005 (Total award was £91,530) 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 commenced in April 2018.

Libraries – Projects

In 2018/19, £36,000 was given for Library Live Phase 2 project and £8,000 given from Scottish Book Trust for Scottish Book Week and Digital Storytellers in Residence. £750 was received in 2019/20 for Scottish Book Week events.

Great Places

Year 2 contribution from both Falkirk Council and Scottish Canals towards Falkirk – landscape, industry and work, linking heritage routes and industrial transformation. The second drawdown of funds from Heritage Lottery Fund was also included in 2019/20. The transfer in for the year represents the agreed contribution from Falkirk Community Trust for the project

Transfers

Funds were transferred from the Callendar Park – Play Park 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 Places Fund is the Group's agreed annual contribution to the Project. It is transferred from the Unrestricted Reserve.

Notes to the Accounts

24. Government Grants

Income from Government Grants

Funder	Project/Event	Amount Received 2019/20	Amount Received 2018/19
EventScotland	Fire & Light	£22,500	£25,000
Creative Scotland	YMI	£175,599	£175,599
	HippFest	£60,000	£46,000
Scottish Government	Falkirk Science Festival	£10,000	£5,000
Heritage Lottery Fund	Great Place Falkirk	£57,943	£11,423
	Year of Young People Projects	-	£14,100
SLIC	Library Live Project	-	£35,700
HMRC	Job Retention Scheme	£158,460	-

25. Notes to the cashflow statement

	Group		Charity	
	2020 Total	Restated 2019 Total	2020 Total	Restated 2019 Total
	£'000	£'000	£'000	£'000
(a) Adjustments				
Depreciation	202	54	202	54
(Gain)/Loss of Disposal of Assets	(15)	(18)	(15)	(18)
Donation from Trading Company	-	-	(349)	(361)
Interest Received	(27)	(26)	(27)	(26)
	160	10	(189)	(351)
(b) Working Capital Movements				
(Increase)/Decrease in Stocks	(13)	(18)	-	-
(Increase)/Decrease in Debtors	78	(402)	95	(410)
Increase/(Decrease) in Creditors	(327)	(637)	(391)	(671)
	(262)	(1,057)	(296)	(1,081)
(c) Cash Balances				
Cash at Bank and in hand	1,254	2,171	1,248	2,143
Bank Overdraft	-	-	-	-
Total Cash and Cash Equivalents	1,254	2,171	1,248	2,143

26. Pension Scheme

Employees of the company are members of Falkirk Council Pension Fund. Contributions in the period relating to those employees amounted to £1.825m and the amount of outstanding contributions at the 31 March 2020 amounted to £0.190m.

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 2020 the employer contribution rate was 22.5%.

27. 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 2020, Falkirk Council made a payment of £10,899m to the group and leased the facilities occupied by the company for a peppercorn rent.

At 31 March 2020, Falkirk Council owed the group £0.150m and the group owed Falkirk Council £0.273m (including amounts due to Falkirk Council Pension Fund) in relation to normal trading activities. This has been set-off and the net creditor in the accounts totals £0.123m. 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 six Elected Members from Falkirk Council served on the Board: Councillors Lorna Binnie, Joan Coombes, Jim Flynn, Cecil Meiklejohn, Niall Coleman and John McLuckie. No Director received any remuneration in their roles as Directors.

28. 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 £5.692m, 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.

29. 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.