

FALKIRK COMMUNITY TRUST LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

Company Registration No. SC400657

Charity No. SC042403

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REFERENCE AND ADMINISTRATIVE INFORMATION

Falkirk Community Trust Limited

Directors	Ian Scott (Chair)	(Appointed 6 th June 2011)
	Ann Cowen	(Appointed 6 th June 2011)
	Councillor Dennis Goldie (Vice Chair)	(Appointed 28 th June 2012)
	Councillor Linda Gow	(Appointed 27 th October 2011)
	Alex McQuade	(Appointed 6 th June 2011)
	Gayle Martin	(Appointed 27 th October 2011)
		(Resigned 28 th March 2013)
	Ruth Morrison	(Appointed 30 th August 2012)
	Richard Murphy	(Appointed 30 th May 2013)
	Councillor Malcolm Nicol	(Appointed 6 th June 2011)
	Councillor Joan Paterson	(Appointed 28 th June 2012)
	Councillor Pat Reid	(Appointed 6 th June 2011)
	Simon Rennie	(Appointed 1 st November 2012)
	Robert Tait	(Appointed 6 th June 2011)

Chief Executive Maureen Campbell

Company Secretary Jane Clark

Registered Office Suite 1A
The Falkirk Stadium
4 Stadium Way
Falkirk
FK2 9EE

Auditors RSM Tenon Audit Limited
Unit 3
Gateway Business Park
Beancross Road
Grangemouth
FK3 8WX

Solicitors Shepherd + Wedderburn
191 West George street
Glasgow
G2 2LB

Bankers Clydesdale Bank
Vicar Street
Falkirk
FK

Charity number SC042403
Company number SC400657

DIRECTORS' REPORT

Structure, Governance and Management

Charitable status

Falkirk Community Trust is a company limited by guarantee, governed by its memorandum and articles of association. The company has charitable status and the Scottish Charity Number is SC 042403. The charitable company have responsibility for the management and operation of a range of community facing sport, recreation, arts, heritage and library services provided by Falkirk Council.

Board of Directors

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

The Board has the ability to appoint two additional co-opted Directors to allow the Trust to benefit from relevant skill sets and expertise as required. One co-opted Director was appointed to the Board in November 2012 for a period of 12 months. The Chair of the Board is elected from the Independent Directors. The Directors are trustees for the purposes of charity law. A list of the current Directors including those who served during the period can be found on page 2.

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

Trading Subsidiary

A wholly owned trading subsidiary, Falkirk Community Trading Limited, is established to govern those activities which are not recognised as charitable. It has a board of 3 directors drawn from the Trust's board and executive management. The Director details are as follows:

Ann Cowen (Chair)	(appointed 23 rd June 2011)
Maureen Campbell	(appointed 23 rd June 2011)
Ian Scott	(appointed 23 rd June 2011)

Induction and training of directors

An induction process is in place for new directors. This covers strategic and operational issues affecting the company. 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 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.

Risk

The major strategic, business and operational risks associated with the company have been identified and are reviewed by the board periodically. A Strategic Risk Management Policy is in place along with risk register review and mitigation systems.

Objectives and activities

Main activity

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

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

Business objectives

For the period 2011 – 2015 the objectives of the company are:

- To ensure existing services are delivered effectively;
- To generate increased uptake of services and reduce the net cost per user;
- To develop a better understanding of our customers and improve our marketing activity;
- To embed integrity, equality of opportunity, and social and environmental responsibility into how we undertake our business;
- To manage an organisational transition to produce an effective Trust, that maintains and enhances relationships;
- To create a positive working environment where staff use their skills and expertise to deliver valued contributions to the Trust.

Achievements and Performance

Our second year has been an important one; the first full year for the organisation. It has been a year in which we took stock of challenges that lie ahead and began to put in place a strategy for dealing with the impact of a reducing funding profile whilst moving forward an improvement agenda.

We thought carefully about our strategic options and decided to pursue a growth strategy through income generation. This has proved worthwhile. With investment of £150,000 in improving and modernising our health & fitness offer we expect see a steady income stream from this area of the business which at 10% (2011/12) of our overall income is a key contributor to our sustainability. Our customers are therefore vital to our future and I am pleased to report that our customer satisfaction feedback shows that our current service users would recommend us to other people.

We had a very busy and successful year. We attracted 1,057,020 admissions to sports centres and pools, an 11% increase on last year; there were 712,454 admissions of young people across all our services, programmes, classes or workshops, up almost 4,000 on last year. We supported 88,638 admissions to paid activities across all our venues via anti-poverty and health concessions, an increase of 5%.

Performance highlights included 34,018 admissions to the Hippodrome, up by 27% on last year. 2012 was the 100th anniversary of this venue, Scotland's oldest cinema, and we delivered a programme of celebratory events. Later in the year our investment in refurbishments, a new class programme and new memberships began to pay dividends - Grangemouth Circuit club admissions increased by 40% in the final 3 months when compared to 2011.

Our Heritage services performed well retaining admission levels and showing a significant upturn in the level of education activity, workshops for schools alone were up 22%. Quality of the offer is a key factor in attracting visitors. The percentage of visits from outwith the area, at 45% was down slightly on last year and reinforces the need to review the offer at both Callendar House and Kinneil Museum. We have embarked on creating an ambitious plan for Callendar House and with support from the Heritage Lottery Fund we will be working with the Friends of Kinneil to boost the appeal of the Museum. Kinneil Museum achieved 4 star visitor attraction accreditation, demonstrating excellent service to customers.

Libraries continue to be a challenge with performance continuing to show a downwards trend. We responded with a concentrated effort to modernise and towards the end of 2012 launched a new eBook service including digital magazines. This immediately attracted new borrowers and continues to be popular. Performance requires to be sustained however if the downwards trends are to be halted.

We received additional funding from Falkirk Council to deliver sports initiatives to encourage more young people in the harder to reach 12-18 year ages group, to take part in sport and physical activity and delivered an additional 83 sessions generating 2,068 participant opportunities.

The change process and desire to improve are at the heart of our agenda. We set a strong strategic framework for improvement through leading, on behalf of Falkirk Council, the development of a strategy to position culture and sport more overtly within the community planning for the area and commenced a major piece of work with the Council on an Asset Management Plan.

Financial review

The financial results for the year 1st April 2012 to 31st March 2013 are shown on page 10. This shows a deficit on unrestricted funds of £210,000. After accounting for additional planned investment of £150,000 on improving health and fitness facilities and applying £69,000 from the revaluation reserve, there was a small underlying surplus of £9,000. Overall this leaves an unrestricted income fund of £214,000 (£355,000 as at 31st March 2012).

The Trust's wholly owned subsidiary, Community Trust Trading Limited, achieved a breakeven position for the period to 31st March 2013. The principle activity of the trading company is the provision of catering and retail services.

Plans for the Future

The future will be about putting our plans into action. Falkirk Council has asked us to take forward consultation on 'Inspiring Active Lives – A Culture and Sport Strategy for Falkirk 2013-2023'. We will be working with a plethora of partners to create delivery plans across the constituent disciplines within Culture and Sport and work has commenced on a Heritage Delivery Plan for the area.

Our ambition for Callendar House and Park is to transform House, Stables Block and Park into a connected cohesive heritage attraction including meeting future Archive storage needs. The outcome of a bid to the Heritage Lottery Fund for £4.7m capital funding is awaited. If successful we will be invited to develop our proposals further over the next 2 years. Falkirk Council has agreed to support the first development phase of the project.

Following agreement with project partners, Falkirk Council and Scottish Canals, we will be taking over operations for Helix Park in September 2013. This is the first phase of handover, as construction works conclude across the site.

Falkirk Council is our key partner and we will need to plan together to mitigate the impacts of proposed service payment reductions whilst ensuring we continue to contribute to Community Plan objectives and get the best possible outcomes for the communities and customers we serve.

Building credibility as an independent organisation is now a priority and it is important that we promote our brand and identity to demonstrate our independence and charitable status especially if we are to win new support. We will be developing a Marketing Strategy to help us position ourselves more effectively as well as direct us to the key areas for development in our customer base.

Knowing our customers better is fundamental to more effective marketing and we will be reviewing our systems and processes to generate more effective business intelligence. This may require us to consider investing in new technology.

The Trust will continue to develop programmes that deliver to those most in need. We recently reviewed our fees and charges and maintaining accessibility, ensuring that those who can least afford to pay for our services are supported the most, underpinned the review. The focus within the Board and across the organisation will continue to be on achieving balance – balance in our programmes to ensure our social agenda is not compromised by a drive to increase income; balance between creating programme content and effective use of facilities; and balance between driving for business improvement and taking time to support and develop and use our key resources especially our people, more effectively.

Auditors

RSM Tenon Audit Limited have been appointed for 3 years covering the financial statements up to the year ended 31 March 2014.

Ian Scott
Chair of the Board
Falkirk Community Trust

Date: 29 August 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the surplus and deficit of the company for that period. In preparing those statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable 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 company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for the maintenance and integrity of the corporate and financial information contained on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

We have audited the group and parent company financial statements of Falkirk Community Trust Limited for the year ended 31 March 2013 which comprises the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes.

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

Respective responsibilities of directors and auditors

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

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

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2013 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended); and
- the information given in the Directors Report is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

John McLeod, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited
Statutory Auditor
Unit 3 Gateway Business Park
Beancross Road
Grangemouth
FK3 8WX

Date:.....

GROUP STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING A GROUP INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2013

	Notes	Unrestricted Fund £'000	Restricted Fund £'000	Total 2013 £'000	Total 2012 £'000
Incoming resources					
<i>Incoming resources from generated funds</i>					
Investment Income	2	27	-	27	13
<i>Activities for generating funds</i>					
Commercial Trading Activities	4	842	-	842	533
<i>Incoming resources from charitable activities</i>					
Provision of Leisure and cultural facilities		3,662	950	4,612	3,099
Contract with Falkirk Council		12,181	76	12,257	9,356
Total incoming resources		16,712	1,026	17,738	13,001
Resources Expended					
<i>Cost of Generating Funds</i>					
Commercial Trading Activities	4	908	-	908	697
<i>Charitable activities</i>					
Provision of Leisure and cultural facilities	5	16,002	798	16,800	11,937
<i>Governance</i>	6	12	-	12	12
Total resources expended		16,922	798	17,720	12,646
Net incoming/(outgoing) resources before other recognised gains and losses		(210)	228	18	355
Other recognised gains and losses					
Gains on revaluation of fixed assets for Charity's own use		105	-	105	264
Net Movement in Funds		(105)	228	123	619
Fund Balances brought forward at 1 April 2012		619	-	619	-
Fund Balances carried forward to 31 March 2013		514	228	742	619

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

<p style="text-align: center;">GROUP BALANCE SHEET AT 31 MARCH 2013</p>

	Note	Group 2013 £'000	Charity 2013 £'000	Group 2012 £'000	Charity 2012 £'000
Fixed Assets					
Tangible assets	8/9	377	377	264	264
Current Assets					
Stocks	10	51	13	61	14
Debtors	11	181	205	774	792
Cash in Hand		1,400	1,388	1,138	1,129
		<u>1,632</u>	<u>1,606</u>	<u>1,973</u>	<u>1,935</u>
Current Liabilities					
Creditors : amounts falling due in one year	12	1,267	1,241	1,618	1,580
Net current liabilities		<u>365</u>	<u>365</u>	<u>355</u>	<u>355</u>
Net assets		<u>742</u>	<u>742</u>	<u>619</u>	<u>619</u>
Unrestricted Funds					
Unrestricted Income Funds		214	214	355	355
Revaluation Reserve		300	300	264	264
		<u>514</u>	<u>514</u>	<u>619</u>	<u>619</u>
Restricted Funds					
Grant Funding		228	228	-	-
TOTAL FUNDS	13-15	<u>742</u>	<u>742</u>	<u>619</u>	<u>619</u>

The financial statements were approved and authorised for issue by the Board on 29 August 2013 and signed on its behalf by:

Ian Scott
Chair of the Board
Falkirk Community Trust

<p style="text-align: center;">GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013</p>
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	Note	2013 £'000	2012 £'000
Net cash inflow from operating activities	16a	312	1,125
Returns on investments and servicing of finance			
Interest received		27	13
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(77)	-
Increase in cash in the year	16b	262	1,138

NOTES

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost basis of accounting and in accordance with applicable accounting standards. The financial statements are set out so as to comply with the Statement of Recommended Practice: Accounting and Reporting by Charities approved by the Accounting Standards Board in April 2005, the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006. The charity has availed itself of Paragraph 3(3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities.

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 2013.

Under Section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own statement of financial activities.

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 on an accruals basis.

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

Investment Income is accounted for on an accruals basis.

Capital Grants received are accounted for on an accruals basis.

Resources Expended

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

NOTES (contd.)

1. Accounting policies (continued)

Stocks

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

Depreciation

Motor vehicles are held at cost. Depreciation is provided on motor vehicles at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected life of between 5-7 years. The assets are reviewed annually for impairment.

Revaluation

Assets are included in the Balance Sheet at fair value and revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year end but as a minimum every five years with an interim review carried out in the third year.

Taxation

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

Pensions

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

2. Investment Income

	2013	2012
	£'000	£'000
Bank and other interest	27	13

NOTES (contd.)

3. Financial Activities of the Charity

The financial activities shown in the consolidated income and expenditure statement includes those of the Charity's wholly owned subsidiary, Falkirk Community Trading Limited. A summary of the financial activities undertaken by the Charity is set out below.

	Total 2013 £'000	Total 2012 £'000
Total Incoming Resources	16,830	12,304
Total Resources Expended	(16,743)	(11,949)
Net Movement in funds and net income for the period	87	355
Net Movement in funds brought forward at 1 April 2013	355	-
Net Movement in funds carried forward at 31 March 2013	442	355
Represented by:		
Unrestricted Income Funds	214	355
Restricted Grant Funds	228	-
	442	355

4. Incoming Resources from Activities Generating Funds

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

	Total 2013 £'000	Total 2012 £'000
Turnover	842	533
Contract with Falkirk Council	66	164
Cost of sales and administration costs	(908)	(697)
Net profit/(loss) on ordinary activities before taxation	-	-
Taxation on profit/(loss) on ordinary activities	-	-
Profit/(loss) for the period	-	-
The assets and liabilities of the Trading Company are:		
Current Assets	55	64
Current Liabilities	(55)	(64)
Net Current Liabilities	-	-
Reserves	-	-

5. Costs of providing Leisure and Cultural Activities

	Unrestricted Fund £'000	Restricted Fund £'000	Total 2013 £'000	Total 2012 £'000
Wages and salaries	7,979	543	8,522	6,393
Social security costs	474	21	495	354
Employer pension costs	1,149	56	1,205	855
Property Expenses	2,174	24	2,198	1,381
Transport Expenses	131	-	131	155
Supplies and Services	4,095	154	4,249	2,799
	16,002	798	16,800	11,937

NOTES (contd.)

6. Governance

	2013 £'000	2012 £'000
Audit Fees	12	12

7. Staff numbers and costs

The remuneration and associated costs of the company were:-

	Group 2013 £'000	Charity 2013 £'000	Group 2012 £'000	Charity 2012 £'000
Wages and salaries	8,931	8,522	6,717	6,393
Social security costs	509	495	370	354
Pension costs	1,257	1,205	910	855
	10,697	10,222	7,997	7,602

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

	Group 2013 Number	Charity 2013 Number	Group 2012 Number	Charity 2012 Number
£60,000 - £70,000	1	1	1	1
£90,000 - £100,000	1	1	0	0

No member of the Board received remuneration from Falkirk Community Trust other than Directors indemnity insurance and travel expenses.

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

	Group 2013 Number	Charity 2013 Number	Group 2012 Number	Charity 2012 Number
Business Development	21	21	9	9
Parks & Recreation	48	48	51	51
Libraries	66	66	61	61
Arts	23	23	23	23
Museums	22	22	26	26
Sport & Leisure	142	142	138	138
Trading Subsidiary	22	-	22	-
	344	322	330	308

NOTES (contd.)

8. Tangible fixed assets

	Motor Vehicles £'000
<i>Cost</i>	
At 1 July 2012	264
Additions	77
Revaluation	105
At end of year	<u>446</u>
<i>Depreciation</i>	
At 1 April 2012	-
Charge for the year	69
At end of year	<u>69</u>
<i>Net Book Value</i>	
At 31 March 2013	<u>377</u>
At 31 March 2012	<u>264</u>

9. Fixed asset investments

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

10. Stock

	Group 2013 £'000	Charity 2013 £'000	Group 2012 £'000	Charity 2012 £'000
Stock	51	13	61	14

11. Debtors

	Group 2013 £'000	Charity 2013 £'000	Group 2012 £'000	Charity 2012 £'000
Trade debtors	70	65	85	77
Amounts due from related parties	-	-	662	662
Due from Subsidiary Undertaking	-	29	-	26
VAT	-	-	10	10
Prepayments and accrued income	111	111	17	17
	<u>181</u>	<u>205</u>	<u>774</u>	<u>792</u>

12. Creditors : amounts falling due within one year

	Group 2013 £'000	Charity 2013 £'000	Group 2012 £'000	Charity 2012 £'000
Trade creditors	484	469	292	276
Amounts due to related parties	300	294	852	844
Social security costs and other taxes	200	197	143	135
Other creditors and accruals	283	281	331	325
	<u>1,267</u>	<u>1,241</u>	<u>1,618</u>	<u>1,580</u>

NOTES (contd.)

13. Reconciliation of Movements in Funds

	Group 2013 £'000	Charity 2013 £'000	Group 2012 £'000	Charity 2012 £'000
Surplus for the Period	18	18	355	355
Revaluation carried out in the period	105	105	264	264
Net addition to funds	123	123	619	619
Opening Funds	619	619	-	-
Closing Funds	742	742	619	619

14. Analysis of net assets between funds

	Unrestricted Funds £'000	Revaluation Reserve £'000	Restricted Funds £'000	Total £'000
Fund balances at 31 March 2013 are represented by:				
Tangible Fixed Assets	77	300	-	377
Current Assets	1,404	-	228	1,632
Current Liabilities	(1,267)	-	-	(1,267)
	214	300	228	742

15. Summary of Movement in Funds

	Fund Balance Brought Forward £'000	Incoming Resources £'000	Resources Expended £'000	Fund Balances Carried Forward £'000
Unrestricted Income Funds	355	16,712	(16,853)	214
Revaluation Reserve	264	105	(69)	300
Restricted Grant Funds	-	1,026	(798)	228
	619	17,843	(17,720)	742

The Restricted grant funds represent a number of small funds received from external organisations for specific purposes. Sufficient resources are held to enable each fund to be applied in accordance with any restrictions.

16. Notes to the Cash Flow Statement

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

	2013 £'000	2012 £'000
Net Incoming Resources for the year	18	355
Interest Received	(27)	(13)
Depreciation Charge for the year	69	-
Decrease in Stocks	10	(61)
Decrease/(Increase) in Debtors	593	(774)
(Decrease)/Increase in Creditors	(351)	1,618
Net cash inflow from operating activities	312	1,125

(b) Analysis of net debt

	At beginning of period £'000	Cashflows £'000	Other non- cash changes £'000	At end of period £'000
Cash at bank and in hand	1,138	262	-	1,400
Bank Overdrafts	-	-	-	-
	1,138	262	-	1,400

17. Pension Scheme

Employees of the company are members of Falkirk Council Pension Fund. Contributions in the period relating to those employees amounted to £1.257m and the amount of outstanding contributions at the 31 March 2013 amounted to £0.138m.

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 2013 the employer contribution rate was 19.5%.

18. Related Party Transactions

Falkirk Community Trust is related to Falkirk Council by virtue of Falkirk Councillors being Directors of the company. Falkirk Community Trust is contracted to provide recreation and leisure services by Falkirk Council. In the year to 31 March 2013, Falkirk Council made a payment of £12.2m to the company and leased the facilities occupied by the company for a peppercorn rent. On the 1st April 2012 Falkirk Council also transferred vehicles for a peppercorn consideration of £1 which was subject to revaluation to reflect the fair value of £105k.

At 31 March 2013, Falkirk Council owed the company £0.744m and the company owed Falkirk Council £1.038m (including amounts due to Falkirk Council Pension Fund) in relation to normal trading activities. This has been set-off and the creditor in the accounts totals £0.294m. 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 £1.5m.

The Trust is related to Falkirk Community Trading Limited by virtue of the Trust being the parent company. The Trust has taken advantage of the exemption under Financial Reporting Standard No 8 "Related Party Transactions" from disclosing transactions with Falkirk Community Trading Limited on the grounds that it is a wholly owned subsidiary consolidated within the Trust's group accounts. At 31 March 2013, Falkirk Community Trading owed £0.029m (2012: £0.026m) to Falkirk Community Trust Limited representing amounts due in respect of the trading activities of the subsidiary undertaking.

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

No Director received any remuneration in their roles as Directors.

19. Contingent Liability

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