

Falkirk  
Community  
Trust

**Falkirk Community Trust Limited**

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# report and financial statements

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**2016**



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**REFERENCE AND ADMINISTRATIVE INFORMATION**  
**YEAR END 31 MARCH 2010**

Falkirk Community Trust Limited

<b>Directors</b>	<p>Ian Scott (Chair) Ann Cowen Councillor Dennis Goldie (Vice Chair) Councillor Linda Gow Alex McQuade Ruth Morrison Richard Murphy Councillor Pat Reid Simon Rennie Robert Tait Bailie William Buchanan Councillor Robert Spears Steve Mackie David White</p>	<p>(Resigned 22<sup>nd</sup> October 2015)</p> <p>(Resigned 1<sup>st</sup> May 2015)</p> <p>(Resigned 10<sup>th</sup> June 2016) (Appointed 27<sup>th</sup> May 2015) (Appointed 28<sup>th</sup> September 2015) (Appointed 28<sup>th</sup> September 2015)</p>
<b>Senior Management Team</b>	<p>Maureen Campbell Neil Brown Jane Clark Paul Finnie Lesley O'Hare</p>	<p>Chief Executive General Manager Business Development Manager Sports &amp; Recreation Manager Culture &amp; Libraries Manager</p>
<b>Registered Office</b>	<p>Suite 1A The Falkirk Stadium 4 Stadium Way Falkirk FK2 9EE</p>	
<b>Auditors</b>	<p>Drummond Laurie Limited Unit 5 Gateway Business Park Beancross Road Grangemouth FK3 8WX</p>	
<b>Solicitors</b>	<p>Shepherd &amp; Wedderburn 191 West George Street Glasgow G2 2LB</p>	
<b>Bankers</b>	<p>Clydesdale Bank 1 Bank Street Falkirk FK1 1NB</p>	
<b>Charity number</b>	<p>SC042403</p>	
<b>Company number</b>	<p>SC400657</p>	

## GROUP STRATEGIC REPORT

Y E A R E N D E D 3 1 M A R C H 2 0 1 6

### *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, sport 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 attendance.

### *Going Concern*

Funding for 2016-17 has been agreed for the period to 31st March 2017. The level of funding for 2017-18 is yet to be agreed. Funding reduction in 2016-17 was mitigated by a savings plan which protected reserves. The Trust will respond to anticipated further reduction in funding with a savings plan bolstered by a healthy balance of reserves which may be required to meet the cost of implementing savings. Directors are reviewing business strategy and are satisfied that they are able to continue to prepare accounts on a going concern basis. A letter of comfort has been received from the Council confirming that the service in general will be funded in future years.

### *Business objectives*

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

- Meeting customer needs
- Organisational development
- Financial sustainability.

These objectives are being met through a range of activity within the Trust's Business Plans and during 2015-16 this included:

- Conducting a mystery shopping exercise across our main venues to find out how we could improve customer experience and implementing a number of customer improvements particularly to meet the needs of families;
- Research into the development of a new customer focused website, to produce a comprehensive brief and budget costs to aid forward planning;
- Rolling out World Host Training for new staff in areas of business with a tourism focus;
- Embracing social media to resolve complaints and gather positive feedback from customers - our Facebook likes were up by 37%;
- Achieving a 3% increase in concessionary admissions the highest following the introduction of The Go Card in 2014;

## GROUP STRATEGIC REPORT

Y E A R E N D E D 3 1 M A R C H 2 0 1 6

- > Visiting the Kelpies was ranked as the top thing to do in Falkirk on TripAdvisor and both the Helix and Callendar House continued to receive 5 star reviews;
- > Being a finalist for a Sports Business Innovation Award for the new track development at Grangemouth Sports Stadium;
- Conducting a first stakeholder survey which was positive although limited in response rate;
- Approving an employee development plan and establishing a team to implement it across all functional areas of the Trust;
- Introducing a free employee fitness initiative to boost health & wellbeing of the workforce, with over 50% uptake;
- Introducing a monthly e-bulletin to give employees information about the business and upcoming activities;
- Progressing systems development with database consolidation work across our till system;
- Continuing to maintain a corporate focus on health & safety,
- > Introducing a strategic level risk register and more regular reporting to the Board of Directors on risk;
- Securing increased income following investment in venues, with 36% increase at the Mariner Centre and 5% increase at Grangemouth Sports Stadium;
- Developing a business case for new investment in a soft play venture to deliver an income stream for reinvestment;
- Exceeding the £500,000 target for attracting funds from competitive grant making bodies and sponsors with £864,431 awards made, and developing a forward fundraising strategy for 2016/19.

### ***Risk Management***

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

1. Financial Risk: National influences could lead to Council priorities for finance being focused away from the Trust leading to a reduction in funding for culture and sport. This could lead to the closure of facilities, reduction in service, loss of income and planned deterioration. Mitigation action is in place through: *Inspiring Active Lives* — A Strategy for Culture and Sport in the Falkirk area with a suite of delivery plans; implementing a business case for income generation through a new soft play centre development; developing an improvement plan for health & fitness operations; maintaining improvement in trading company performance; achieving fundraising strategy targets.
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.
3. Information Risk: Lack of investment by the Council and the Trust causes IT systems resulting in a failure to meet both customer and business management needs and restricting customer transactions and customer data capture. Mitigation action in place through: implementing a website improvement project; creating a brief and specification for an improved ticketing system; reviewing opportunities for mobile and flexible working.

### ***Achievements and Performance***

Good progress has been made towards delivery of the Business Strategy and positive results were achieved against an ever challenging financial backdrop. Customer income increased and reliance on income from Council funding reduced to 65%, significantly down from 72% in the first year of operation. Trading performance continued to improve and an overall surplus was passed to the parent company as a charitable payment.



Recent investment at the Mariner Centre and Grangemouth Stadium helped provide modern, attractive and fit for purpose facilities with very positive results at each. The Mariner Centre now provides a significantly enhanced pool for young families, encouraging early introduction to swimming for young children and admissions were up by 33%. Grangemouth Stadium admissions were up by 22% as it provides a much better experience when taking part in sport, as evidenced by more young people taking part in the Star Track introduction to athletics programme.

During 2015 the Helix Visitor Centre and Stenhousemuir Gym opened and are enhancing services to local communities and visitors. The new visitor centre attracted 57,000 visitors in its first 5 months, improving the visitor experience at the Kelpies and helping to increase dwell time and the overall tourism economy of the area. Stenhousemuir Gym is a new venue for that neighbourhood offering new access to fitness for training and physical activity and it attracted over 36,000 admissions in its first 6 months. Accessible to all this new venue benefits the health and wellbeing of experienced exercisers as well as those new to exercise who receive motivation and support through the Active Forth programme.

Young people's participation in Active Schools programmes increased by 19%. As well as the health benefits of participation pupils also gained personal development benefits through, for example, the Young Leaders programme which is designed to support the curriculum for excellence in schools. During the year we worked with 850 Young Leaders as volunteers to deliver a wide variety of clubs in schools, helping to deliver events and coaching in schools and local clubs.

Visits to events in public libraries were up by 13% and 1,576 events were held. Library events are designed to enhance learning, literacy skills and reader development, and to be as accessible as possible. A project to create a Minecraft World specifically with disadvantaged young people in the Bo'ness area promoted ICT skills, team working, communication and self-confidence, and encouraged children to become library users. Visits to libraries fell by 9% despite the good attendance at events. A partnership with the Scottish Prison Service enhanced library services to male young offenders. This work developed the library within the prison at Polmont, created informal learning opportunities and helped to facilitate the transition for young offenders between prison and their return to the community.

The Hippodrome admissions were up by 10% which was the highest attendance in some time. As well as providing a unique cultural experience the Hippodrome helped boost the visitor offering in the area through the annual Silent Film Festival. The Festival also connected a wider audience through a 'Community Tour', taking film and educational activity into community settings, including care homes and community centres.

Aided by popular exhibitions in the Park Gallery, such as Fantasia by Fabrizio Gianni, admissions to Callendar House were up by 13%. The heritage and arts services offered throughout the year engaged communities in creative learning activity, exploring the area's rich heritage, including a continuation of the WWI commemorative programme.

The development of parks continued, particularly to encourage people to be more active and enjoy the health and wellbeing benefits that they offer. A new poetry trail opened at Muiravonside, to help encourage families to be active, take a walk, and learn about the natural heritage of the park. The partnership advisory group for Kinneil Estate was set up and boosted by Friends of Kinneil events, with visits to Kinneil Museum increasing by 25%. Extensive consultation with park users developed a management plan for Callendar Park and good progress was made to secure a package of funding for a natural play project.

#### *Financial Review*

The Group's financial results for the year 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016 are shown on pages 12 to 27. This shows a surplus on unrestricted funds of £381,000. The Charity has adopted FRS102 from 1 April 2015 which has given the opportunity to revalue the Fixed Assets held at actual cost. These assets do not have to be revalued in the future, consequently the revaluation reserve has been transferred to Unrestricted Funds. After transferring the revaluation reserve of £163,000 and £175,000 to Helix, the unrestricted fund has increased to £736,000 (£192,000 as at 31<sup>st</sup> March 2015).

Income totalled £19.3m (2014/15 - £19.5m) with the decrease primarily due to a reduction in income received from Falkirk Council of £0.4m netted against income from the trading company increasing by £0.2m, mainly due to the opening of the Helix Visitor Centre towards the end of 2015. Costs incurred of £19.2m are £0.3m greater than the previous year (2014/15 - £18.9m), and is mainly a result of increased expenditure in the trading company.

## GROUP STRATEGIC REPORT

### YEAR ENDED 31 MARCH 2016

The Trust's wholly owned subsidiary, Falkirk Community Trading Limited, achieved a breakeven position for the period to 31<sup>st</sup> March 2016 after accounting for a charitable payment of £159,000. The principal activity of the trading company is the provision of catering and retail services. Trading income and costs increased by £0.2m, largely as a result of trading activities within the Helix Park.

The balance sheet shows a bank balance of £0.7m (£3.3m as at 31 March 2015) and net assets of £1.5m (£1.4m as at 31 March 2015). The movement in cash reflects timing differences between payments made by Falkirk Council on behalf of the Trust and subsequent reimbursement back to Falkirk Council.

#### *Plans for the Future*

Recent investment in facilities has enabled us to improve services and offer better opportunities for people to achieve fulfilled and active lifestyles. However asset management and development continues to be a challenge. It is agreed that the area needs an Arts Centre and we will work with the Council and others to consider how best to deliver one to replace Falkirk Town Hall. Future development opportunities in Grangemouth Sports Complex and Bo'ness Recreation Centre are also major strategic challenges.

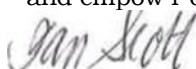
A further phase of investment at Grangemouth Stadium is planned in 2016, its 50<sup>th</sup> birthday year. With support from sportscotland and other funders the indoor track, athlete facilities and the main entrance will be refurbished. With the Council we will be opening a new library in Denny which forms a key building in the regeneration of Denny town centre. New ventures are also vital to continue to satisfy customer needs and with the support of the Council we will be utilising our borrowing capacity to continue to develop the Mariner Centre for families and plan to open a new soft play facility in 2017.

Whilst options for a new Arts Centre are considered, we must meantime develop and grow audiences for the arts. It is critical that we ensure that optimum nights at Falkirk Town Hall (Thursday-Sunday) are programmed on a regular basis and that a good mix of live music, popular theatre, comedy and entertainment is achieved, including a pro-active approach to attracting high profile 'names'. This will be challenging given the limitations of the venue, however if the performing arts are to thrive in this area then we must offer a programme that is relevant to the lives of Falkirk's communities.

A main task is to take forward the five-year Arts Delivery Plan for the area. Consultation in 2015-16 secured a mandate from the arts community in the area for the approach set out in the Plan. The first step is to establish an Arts Network drawn from the arts community and from this, work collectively to eliminate competition and encourage co-operation, secure and retain interest in the arts, build financial resilience across the sector, and share risk. Strategic in focus we hope there will also be opportunities to take forward a number of practical ideas such as Arts Ambassador, Arts Directory and Social Prescribing.

We offer many opportunities for volunteering and would like to develop new ways of engaging with volunteers. Therefore we will make more use of our digital platforms, websites and social media. Successful volunteering programmes are very dependent on developing relationships with individuals and matching their needs to opportunities. Great potential exists for those who use mental health services, whether through the NHS or 3<sup>rd</sup> sector, to engage in appropriate volunteering activity to benefit health and wellbeing. Another area for development is employer-supported volunteering. Tapping into the corporate social responsibility agendas of major employers and working with them to organise volunteering events will be a focus for us.

We will be operating with a £1.8m reduction in funding in 2016-17 the impact of which will be visible with reduced staffing in Culture and Libraries and relocation of the Box Office from the Steeple. We expect to face similar pressures for the foreseeable future and will be reviewing our approach to ensure that our services reflect local needs and priorities. We will continue to work closely with other organisations and see increased partnership working as crucial for the development of culture and sport. Looking forward, we see the role of the Trust being increasingly to support and empower others to "do it for themselves".



Ian Scott  
Chair of the Board  
Falkirk Community Trust Limited

Date: 25 August 2016

## GROUP DIRECTORS' REPORT

### YEAR ENDED 31 MARCH 2016

#### 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 31<sup>st</sup> May 2011 and began to trade on 1<sup>st</sup> July 2011, taking 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. Seven independent directors are drawn from local business, sport, culture, environmental and learning sectors. Four directors are nominated elected members of Falkirk Council. There is currently no Employee Director serving on the Board.

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. 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, was established to govern those activities which are not recognised as charitable. It has a board of 4 directors drawn from the Trust's board, executive management and independent experts.

The Director details are as follows:

Ian Scott (Chair)	(Appointed 23 <sup>rd</sup> June 2011)
Ann Cowen	(Resigned 22 <sup>nd</sup> October 2015)
Maureen Campbell	(Appointed 23 <sup>rd</sup> June 2011)
Chris Morris	(Appointed 17 <sup>th</sup> July 2014)
Clive Ramsay	(Resigned 23 <sup>rd</sup> February 2016)
Steve Mackie	(Appointed 22 <sup>nd</sup> October 2015)

##### *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](http://www.falkirkcommunitytrust.org)).

Two sub groups are established, each comprising five directors drawn from the Trust's board. The Audit and Performance sub group focuses on company performance, specifically in relation to the business plan and audit arrangements. The People sub group is charged with recruitment of all senior managers and strategic liaison with trade union representatives.

## GROUP DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2016

### *Reserves Policy*

The Trust has the following three reserves:-

#### Unrestricted Income Fund

Maintaining a level of reserves helps to meet unexpected events. The Board agreed that it would maintain an unrestricted reserve of 2% calculated on the basis of the Service Payment received from Falkirk Council and the total budgeted expenditure. This gives a range of between £260,000 and £390,000. The unrestricted reserve at 31 March 2016 was £736,000. Although the reserve is well above the recommended limit, the Trust's reserve policy notes that maintaining the reserve at the threshold limits should not be taken as given and situations may arise where the Trust operates outwith the framework. The current level of reserves will help the Trust to manage in the current difficult financial climate, in particular providing an opportunity to deploy funds on activities aimed at generating additional income.

#### Restricted Funds — Grants and Other Funding

This fund represents grants received for specific purposes, with the balances held to be applied in accordance with the funders' requirements. The balances held are detailed at Note 18 and shows an overall balance of £345,000 as at 31 March 2016.

#### Restricted Funds — Helix

The Helix Fund represents funding given for the operations at the Helix site. The balance on the fund at 31 March 2016 was £459,000.

### *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 Plans 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. In 2015/16 the funding from Falkirk Council reduced by £620,000 and plans are in place for a further reduction of £2.1m over the next two financial years. These plans incorporate actions to increase income, secure efficiency savings and reduce services to ensure activity is managed within the overall financial resources available. During 2015/16 the Trust managed its resources within the agreed budget, taking actions where appropriate to address variances.

### *Employees*

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

### *Auditors*

Drummond Laurie Limited has been appointed for 3 years covering the financial statements up to the year ended 31 March 2017.

### *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.



Ian Scott  
Chair of the Board  
Falkirk Community Trust Limited

Date: 25<sup>th</sup> August 2016

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**YEAR ENDED 31 MARCH 2016**

The trustees (who are also directors of Falkirk Community Trust Limited for the purposes of company law) are responsible for preparing the Group Strategic Report and the Group Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group, and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and the charitable group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF FALKIRK  
COMMUNITY TRUST LIMITED****YEAR ENDED 31 MARCH 2016**

We have audited the group and parent company financial statements of Falkirk Community Trust Limited for the year ended 31 March 2016 which comprises the Consolidated and Charity Statements of Comprehensive Income, the Consolidated and Charity Statements of Changes in Equity, the Consolidated Statement of Financial Position, the Consolidated Cash Flow Statement and the related notes.

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

**Respective responsibilities of directors and auditors**

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

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

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

**Scope of audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopcukprivatc>.

**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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended); and
- the information given in the Group Strategic Report and the Group Directors Report is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF FALKIRK  
COMMUNITY TRUST LIMITED****YEAR ENDED 31 MARCH 2016****Matters on which we are required to report by exception**

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

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



David Wheeler  
Senior Statutory Auditor

For and on behalf of

Drummond Laurie Limited  
Statutory Auditor  
Unit 5  
Gateway Business Park  
Beancross Road  
Grangemouth  
FK3 8WX

Date: ZVI atA, Ovi



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
(INCORPORATING A GROUP INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	Unrestricted Fund £'000	Restricted Fund £'000	Total 2016 £'000	Total 2015 as restated £'000
<b>Income and Endowments from:</b>					
Donations and Legacies	2	12	1	13	7
Charitable Activities					
-Provision of Leisure and Cultural Activities	3	4,110	1,114	5,224	5,323
-Contract with Falkirk Council		11,822	838	12,660	13,085
Other Trading Activities	4	1,364	-	1,364	1,089
Investments	5	24	-	24	16
<b>Total Income</b>		<b>17,332</b>	<b>1,953</b>	<b>19,285</b>	<b>19,520</b>
<b>Expenditure on:</b>					
Raising Funds		1,205	-	1,205	1,049
Charitable Activities	6	15,571	2,388	17,959	17,836
<b>Total Expenditure</b>		<b>16,776</b>	<b>2,388</b>	<b>19,164</b>	<b>18,885</b>
<b>Net Income/(Expenditure)</b>		<b>556</b>	<b>(435)</b>	<b>121</b>	<b>635</b>
Transfers between funds	17	(175)	175		
<b>Net Movement in Funds</b>		<b>381</b>	<b>(260)</b>	<b>121</b>	<b>635</b>
<b>Fund Balances brought forward at 1 April 2015</b>			<b>1,064</b>	<b>1,601</b>	952
<b>Prior Year Adjustment</b>	14	<b>(182)</b>		<b>(182)</b>	(168)
<b>Fund Balances brought forward at 1 April 2015 — Restated</b>	14-18	355	<b>1,064</b>	<b>1,419</b>	784
<b>Fund Balances carried forward to 31 March 2016</b>	14-18	<b>736</b>	<b>804</b>	<b>1,540</b>	<b>1,419</b>

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



**CHARITY STATEMENT OF COMPREHENSIVE INCOME  
(INCORPORATING THE CHARITY INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2016**

Notes	Unrestricted Fund i'000	Restricted Fund £1100	Total 2016 £'000	Total 2015 as restated £'000
<b>Income and Endowments from:</b>				
Donations and Legacies	12	1	13	7
Charitable Activities				
- Provision of Leisure and Cultural Activities	4,110	1,114	5,224	5,323
- Contract with Falkirk Council	11,822	838	12,660	13,085
Investments	183		183	56
<b>Total Income</b>	<b>16,127</b>	<b>1,953</b>	<b>18,080</b>	<b>18,471</b>
<b>Expenditure On:</b>				
Charitable activities	15,571	2,388	17,959	17,836
<b>Total Expenditure</b>	<b>15,571</b>	<b>2,388</b>	<b>17,959</b>	<b>17,836</b>
<b>Net Income/(Expenditure)</b>				
Transfers between Funds	556	(435)	121	635
	(175)	175		
<b>Net Movement in Funds</b>	<b>381</b>	<b>(260)</b>	<b>121</b>	<b>635</b>
<b>Fund Balances brought forward at 1 April 2015</b>				
	537	1,064	1,601	952
<b>Prior Year Adjustment</b>				
	(182)		(182)	(168)
<b>Fund Balances brought forward at 1 April 2015 — Restated</b>				
	355	1,064	1,419	784
<b>Fund Balances carried forward to 31 March 2016</b>				
	736	804	1,540	1,419

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

**GROUP CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2016**

	Unrestricted Fund	Restricted Fund	Total 2016	Total 2015 as restated E'000
	£'000	£'000	£'000	
Balance of Funds Brought Forward	355	1,064	1,419	952
Net Income/(Expenditure)	381	(260)	121	649
Prior Year Adjustment - Annual Leave Accrual	-	-	-	(182)
<b>Balance of Funds Carried Forward</b>	<b>736</b>	<b>804</b>	<b>1,540</b>	<b>1,419</b>

**CHARITY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2016**

	Unrestricted Fund	Restricted Fund	Total 2016	Total 2015 as restated E'000
	£'000	£'000	£'000	
Balance of Funds Brought Forward	355	1,064	1,419	952
Net Income/(Expenditure)	381	(260)	121	649
Prior Year Adjustment - Annual Leave Accrual	-	-	-	(182)
<b>Balance of Funds Carried Forward</b>	<b>736</b>	<b>804</b>	<b>1,540</b>	<b>1,419</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AT 31 MARCH 2016**

Company No.: SC400657

	Note	Group 2016 £'000	Charity 2016 V000	As restated 2015 £'000	Group 2015 £'000	Charity 2015 £'000
<b>Fixed Assets</b>						
<b>Tangible assets</b>	<b>9-10</b>	310	310	357	357	
<b>Current Assets</b>						
Stocks	<b>11</b>	65		66		13
Debtors	12	2,067	2,064	270		314
Cash in Hand		674	650	3,277		3,266
		<u>2,806</u>	<u>2,714</u>	<u>3,613</u>		<u>3,593</u>
<b>Current Liabilities</b>						
Creditors : amounts falling due in one year	13	1,576	1,484	2,551		2,531
				<u>1,062</u>		<u>1,062</u>
<b>Net current assets</b>		<u>1,230</u>	<u>1,230</u>			
<b>Net assets</b>		<u>1,540</u>	<u>1,540</u>	<u>1,419</u>		<u>1,419</u>
<b>Unrestricted Funds</b>						
Unrestricted Income Funds		736	736	192		192
Revaluation Reserve				163		163
		<u>736</u>	<u>736</u>	<u>355</u>		<u>355</u>
<b>Restricted Funds</b>						
Grant and Other Funding	18	345	345	506		506
Helix Funding	17	459	459	558		558
		<u>804</u>	<u>804</u>	<u>1,064</u>		<u>1,064</u>
<b>TOTAL FUNDS</b>		<u>1,540</u>	<u>1,540</u>	<u>1,419</u>		<u>1,419</u>

The financial statements were approved and authorised for issue by the Board on 25<sup>th</sup> August 2016 and signed on its behalf by:



Ian Scott  
Chair of the Board  
Falkirk Community Trust

<b>CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016</b>	
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	Notes	Total 2016 £'000	Total 2015 as restated £'000
<b>Operating Activities</b>			
Net Income/(Expenditure)		121	635
Adjustments	19a	71	79
Working Capital Movements	19b	(1771)	648
<b>Cash flow from Operating Activities</b>		<b>(2,579)</b>	<b>1,362</b>
<b>Investing Activities</b>			
Purchases of property, plant and equipment		(48)	(58)
Interest Received		24	16
<b>Cash flow from Investing Activities</b>		<b>(24)</b>	<b>(42)</b>
<b>Net Change in Cash and Cash Equivalents</b>		<b>(2,603)</b>	<b>1,320</b>
<b>Cash and Cash Equivalents at 1 April 2015</b>	19c	<b>3,277</b>	<b>1,957</b>
<b>Cash and Cash Equivalents at 31 March 2016</b>	19c	<b>674</b>	<b>3,277</b>

**NOTES TO THE ACCOUNTS  
YEAR ENDED 31 MARCH 2016****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 United Kingdom Generally Accepted Accounting Practice, which is FRS 102, the Charities SORP (FRS 102) and the Companies Act 2006.

**Basis of Preparation — Going Concern**

The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

**Basis of consolidation**

The consolidated financial statements include the financial statements of the charitable company and its subsidiary undertaking Falkirk Community Trading Limited made up to 31 March 2016.

**Funds**

Funds are classified as either restricted funds or unrestricted funds, defined as follows:

*Restricted funds* are funds subject to specific trusts, which may be declared by the donor or with their authority. Some are restricted income funds expendable at the discretion of the Board in furtherance of a particular activity, such as government grants for a specific centre, and funds raised for particular client groups or activities. Others are capital funds where the assets are required to be invested for long term use.

*Unrestricted funds* are expendable at the discretion of the Board in furtherance of the objectives of Falkirk Community Trust. If part of the unrestricted funds is earmarked at the discretion of the Board for a particular project, it is designated as a separate fund. This designation has an administrative purpose only, and does not legally restrict the Board's discretion to apply the fund.

**Incoming resources**

*Activities for generating income* are accounted for when there is entitlement to the income, it is virtually certain that the income will be received and the income can be reliably measured.

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

*Investment Income* is accounted for on an accruals basis.

*Capital Grants received* are accounted for on an accruals basis.

**Resources Expended**

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

Creditors are recognised where the group has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts.

Charitable expenditure comprises those costs incurred by the group in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. These costs are allocated based on an estimate of the proportion of time that personnel spend on charitable activities.

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.

NOTES TO THE ACCOUNTS (contd.)  
YEAR ENDED 31 MARCH 2016**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.

**Fixed Assets**

Assets are capitalised only if they have an individual value of £1,000 or above. Assets are initially capitalised at purchase price plus **any costs to bring to its current state**.

Depreciation is **provided on vehicles, plant and equipment at rates** calculated to write off the cost **less estimated residual value of each** asset evenly over their expected life of between 5-8 years. No depreciation is charged in the year of acquisition. The assets are reviewed annually for impairment.

On incorporation, vehicles, plant and equipment were transferred from the Council at the cost of £1. These assets were **revalued to their fair value after transfer**.

**Fixed Asset Investments**

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

**Taxation**

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

**Pensions**

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

**Transition to FRS 102**

The opening fund balances at the date of transition have been restated — See Note 14 — due to a liability for holiday pay but no further restatement of items has been required in making the transition to FRS 102. The **group has adopted FRS 102 from 1 April 2015 and the date of transition was 1 April 2014. As of transition date, the Fixed Assets** were restated at revalued cost, therefore there is no longer a policy of revaluation required.

**2. Donations and Legacies**

	2016 £'000	2015 £'000
Other Donations	13	7
	13	7

**3. Income from provision of Leisure and Cultural Activities**

	Unrestricted Fund £'000	Restricted Fund £'000	Total 2016 £'000	Total 2015 £'000
Fees, Charges & Admissions	3,800	308	4,108	3,606
Sales	79		79	277
Grant Income		749	749	1,183
Rental Income	54		54	27
Miscellaneous Income	177	57	234	230
	4,110	1,114	5,224	5,323

**NOTES TO THE ACCOUNTS (contd.)**

**YEAR ENDED 31 MARCH 2016**

**4. Income from Other Trading Activities**

The wholly owned trading subsidiary Falkirk Community Trading Limited, which is registered in Scotland — Company Number SC400658 - pays any profits to the charity by gift aid. The trading company operates all the catering and retail operations carried out at the premises managed by the charity. A summary of the trading results is shown below.

	<b>Total 2016 £'000</b>	<b>Total 2015 £'000</b>
Turnover	<b>1,364</b>	1,089
Contract with Falkirk Council		
Cost of sales and administration costs	<b>(1,364)</b>	(1,089)
<b>Net profit/(loss) on ordinary activities before taxation</b>		
Taxation on profit/(loss) on ordinary activities		
<b>Profit/(loss) for the period</b>		
<b>The assets and liabilities of the Trading Company are:</b>		
Current Assets	<b>117</b>	81
Current Liabilities	<b>(117)</b>	(81)
<b>Net Current Assets</b>		
<b>Net Assets</b>		

**5. Investment Income**

	<b>2016 £'000</b>	<b>2015 £'000</b>
Charitable donation from subsidiary	<b>159</b>	40
Bank and other interest	<b>24</b>	16
	<b>183</b>	56

**6. Costs of providing Leisure and Cultural Activities**

	<b>Unrestricted Fund £'000</b>	<b>Restricted Fund £'000</b>	<b>Total 2016 £'000</b>	<b>Total 2015 as restated £'000</b>
Wages and salaries	7,787	827	8,614	8,659
Social security costs	405	81	486	496
Employer pension costs	1,581	100	1,681	1,526
Voluntary severance	83	-	83	
Other staff costs	<b>137</b>	21	158	158
Property expenses	1,979	237	2,216	2,178
Transport expenses	167	18	185	164
Supplies and services	3,432	1,104	4,536	4,655
	<b>15,571</b>	<b>2,388</b>	<b>17,959</b>	<b>17,836</b>

**NOTES TO THE ACCOUNTS (contd.)**

**YEAR ENDED 31 MARCH 2016**

**7. Auditor Remuneration**

		<b>2016</b>	<b>2015</b>
		<b>£'000</b>	<b>£'000</b>
Audit Fees	- Charity	<b>8</b>	8
-	Trading company	<b>2</b>	2
		<b>10</b>	10

**8. Staff numbers and costs**

The remuneration and associated costs of the company were:-

	<b>Group</b>	<b>Charity</b>	<b>As restated</b>	
	<b>2016</b>	<b>2016</b>	<b>Group</b>	<b>Charity</b>
	<b>£'000</b>	<b>£'000</b>	<b>2015</b>	<b>2015</b>
			<b>£'000</b>	<b>£'000</b>
Wages and salaries	<b>9,111</b>	<b>8,614</b>	9,123	8,645
Social security costs	<b>499</b>	<b>486</b>	511	496
Pension costs	<b>1,766</b>	<b>1,681</b>	1,600	1,526
Severance Costs	<b>83</b>	<b>83</b>		
Other Staff Costs	<b>172</b>	<b>158</b>	<b>160</b>	158
	<b>11,631</b>	<b>11,022</b>	<b>11,394</b>	<b>10,825</b>

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

	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
£60,000 - £70,000				
£70,000 - £80,000				
£80,000 - £90,000				
£90,000 - £100,000				

Pension costs in relation to those employees earning over £60,000 totalled £34k (2015: £33k).

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

**Management Team Remuneration**

	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
£50,000 - £60,000	3	3	3	3
£60,000 - £70,000				
£70,000 - £80,000				
£80,000 - £90,000	1	1	1	1
£90,000- £100,000	1	1	1	1
	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>



**NOTES TO THE ACCOUNTS (contd.)**

**YEAR ENDED 31 MARCH 2016**

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

	<b>Group 2016 Number</b>	<b>Charity 2016 Number</b>	<b>Group 2015 Number</b>	<b>Charity 2015 Number</b>
Business Development	<b>21</b>	<b>21i</b>	<b>24</b>	<b>24</b>
Parks & Recreation	<b>40</b>	<b>40</b>	47	47
Libraries	62	62	64	64
Arts	25	2	23	23
Heritage	17		23	23
Sport & Fitness	138	138;	133	133
Helix	20	20	12	12
Trading Subsidiary	21		21	
	<b>344</b>	<b>323</b>	<b>347</b>	<b>326</b>

\* The figures above do not include casual seasonal staff

		<b>2016</b>	<b>2015</b>
Average Employee Numbers	Full Time	223	227
	Part Time	<u>271</u>	<u>256</u>
	Total	<u>494</u>	<u>483</u>

**9. Tangible fixed assets**

	<b>Vehicles, Plant &amp; Equipment I'000</b>
<i>Cost or Valuation</i>	
At 1 April 2015	601
Additions	48
Disposals	
At end of year	<u><b>649</b></u>
<i>Depreciation</i>	
At 1 April 2015	244
Charge for the year	<u>95</u>
At end of year	<u><b>339</b></u>
<i>Net Book Value</i>	
<b>At 31 March 2016</b>	<u><b>310</b></u>
At 31 March 2015	<u>357</u>

**NOTES TO THE ACCOUNTS** (contd.)

YEAR ENDED 31 MARCH 2016

**10. Fixed asset investments**

The company owns 100% of the ordinary share capital of Falkirk Community Trading Limited, a company registered in the United Kingdom. The value of the investment is £1 (2015 - £1).

**11. Stock**

	<b>Group 2016</b>	<b>Charity 2016</b>	<b>Group 2015</b>	<b>Charity 2015</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Stock	65		66	13

**12. Debtors**

	<b>Group 2016</b>	<b>Charity 2016</b>	<b>Group 2015</b>	<b>Charity 2015</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade debtors	190	162	95	79
Due from subsidiary undertaking		17		61
Amount due from related parties	1,873	L881	24	24
VAT			151	150
Prepayments and accrued income	4	4		
	<b>2,067</b>	<b>2,064</b>	<b>270</b>	<b>314</b>

**13. Creditors: amounts falling due within one year**

	<b>Group 2016</b>	<b>Charity 2016</b>	<b>Group 2015</b>	<b>Charity 2015 as restated</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade creditors	517	434	358	355
Amounts due to related parties			1,458	1,449
Social security costs and other taxes	428	421	141	134
Annual Leave accrual	164	164	182	182
Other creditors and accruals	467	465	412	411
	<b>1,576</b>	<b>1,484</b>	<b>2,551</b>	<b>2,531</b>

Included in other creditors and accruals is £201k (2015 - £62k) of deferred income. This relates to payments in advance for events occurring post year end.

NOTES TO THE ACCOUNTS (contd.)

Y E A R E N D E D 3 1 M A R C H 2 0 1 6

**14. Transition to FRS 102**

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, the restatement of comparative items was required.

The Charity has adopted FRS 102 from 1 April 2015 and the date of transition was 1 April 2014. At the date of transition a liability was recognised for holiday entitlement arising in the year which was due but not taken. The initial liability was for £168,467. The liability rose to £182,652 at 31 March 2015. In accordance with the requirements of FRS 102 a reconciliation of opening balances is provided.

<b>Reconciliation of Equity</b>	<b>31 March 2015 £'000</b>	<b>1 April 2014 £'000</b>
Fund Balances as previously stated	1,601	952
Annual Leave accrual	(182)	(168)
Fund Balances as restated	<u>1,419</u>	<u>784</u>
Reconciliation of net movement in funds		_____
Net Income/(Expenditure) under previous GAAP	649	
Annual Leave Accrual	(14)	
Net Income/(Expenditure) under FRS 102 (as adjusted)	<u>635</u>	

**15. Reconciliation of Movements in Funds**

	<b>Group 2016 £'000</b>	<b>Charity 2016 £'000</b>	<b>Group 2015 £'000</b>	<b>Charity 2015 as restated £'000</b>
Surplus for the Period	121	121	635	635
Revaluation carried out in the period				
Net addition to funds	121	121	635	635
Opening Funds	1,419	1,419	784	784
<b>Closing Funds</b>	<b>1,540</b>	<b>1,540</b>	<b>1,419</b>	<b>1,419</b>

**16. Analysis of net assets between funds**

	<b>Unrestricted Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Total £'000</b>
<b>Fund balances at 31 March 2016 are represented by:</b>			
Tangible Fixed Assets	310		310
Current Assets	2,249	557	2,806
Current Liabilities	(1,205)	(371)	(1,576)
	<u>1,354</u>	<u>186</u>	<u>1,540</u>

NOTES TO THE ACCOUNTS (contd.)  
Y E A R E N D E D 3 1 M A R C H 2 0 1 6

**17. Summary of Movement in Funds**

	<b>Fund Balance Brought Forward (as restated) £'000</b>	<b>Incoming Resources £'000</b>	<b>Resources Expended £'000</b>	<b>Transfers £'000</b>	<b>Fund Balances Carried Forward £'000</b>
Unrestricted Funds	192	17,332	(16,776)	(12)	736
Revaluation Reserve	163	-		(163)	
Restricted Funds (Note 18)	506	752	(913)	-	345
Helix Funds	558	1,201	(1,475)	175	459
	<b>1,419</b>	<b>19,285</b>	<b>(19,164)</b>	<b>-</b>	<b>1,540</b>

Unrestricted Funds

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

Revaluation Reserve

The Revaluation Reserve represents the fair value of assets transferred from Falkirk Council included in the Balance Sheet. Due to adoption of the transition arrangements of FRS 102, Fixed Assets costs were rebased to the latest revalued cost. The revaluation reserve has therefore been transferred to unrestricted funds.

Restricted Fund

The Restricted Fund represents funds received from external organisations for specific purposes. Further detail is given in Note 18.

Helix Fund

The Helix Fund represents funding given for the operations of the Helix site. Any money unspent is to be carried forward and ring-fenced as outlined by the funder.

**18. Restricted Funds**

Sufficient resources are held to enable each fund to be applied in accordance with any restrictions. Transfers between individual restricted funds are not performed.

	<b>Fund Balance Brought Forward £'000</b>	<b>Incoming Resources £'000</b>	<b>Resources Expended £'000</b>	<b>Fund Balances Carried Forward £'000</b>
Hippodrome Festival	18	63	(66)	15
Youth Music Initiative	169	118	(197)	90
Active Schools	30	290	(281)	39
Cashback for Communities	26	-		26
Fairer Falkirk Fund	12	-	(9)	3
Muiravonside Nature Reserve	..	87	(31)	56
Swimming Programme	43			43
Scottish Football Association	8	40	(48)	
Acts of Discovery	101	(30)	(58)	13
Peoples Millions — Dance Project	39		(37)	2
Young Start — Arts Champions	19		(16)	3
Helix — Sensory Play	-	73	(73)	
Others	41	111	(97)	55
	<b>506</b>	<b>752</b>	<b>(912)</b>	<b>345</b>

NOTES TO THE ACCOUNTS (contd.)  
Y E A R E N D E D 3 1 M A R C H 2 0 1 6

**Hippodrome Festival**

Creative Scotland Grant given for the Silent Film Festival programme held at the Hippodrome Cinema.

**Youth Music Initiative**

Creative Scotland Grant for the development of music within schools.

**Active Schools**

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

**Cashback for Communities**

Funding provided to enable repairs and improvements to Sports Pavilions working alongside people from the Criminal Justice system.

**Fairer Falkirk Fund**

Falkirk Council funding for Sport for Youth. This is used to engage young people to become more active in physical activities and diverting them from unsocial behaviour.

**Muiravonside Nature Reserve**

Heritage Lottery (£40k) & EB Scotland Funding (£47k) were given for the purpose of environmental & visitor services improvement to the heritage of the park.

**Swimming Programme**

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

**Scottish Football Association**

SFA funding to provide support for football development within the Falkirk area.

**Acts of Discovery**

Creative Scotland Grant given to fund three new commissions and projects based on the concept of people, routes and pathways, which will celebrate Falkirk's cultural renaissance over the past 10 years, aimed at engaging a wide range of audiences.

**People's Million — Dance Project**

Big Lottery funding via the People's Millions towards providing a programme of creative dance workshops for children with Additional Support Needs across 10 schools in the Falkirk Council area.

**Young Start — Arts Champions**

Big Lottery Grant given to deliver a programme of arts activities for local young people.

**Helix — Sensory Park**

Veolia Environmental Trust (£55k) & EB Scotland (£18k) provided funding for a sensory play area to be built to enhance the existing Helix Adventure Zone to allow disabled children access to the play area.

**19. Notes to the cash flow statement**

	<b>Total 2016 £'000</b>	<b>Total 2015 £'000</b>
(a) Adjustments		
Depreciation	95	95
Interest Received	(24)	(16)
	<b>71</b>	<b>79</b>

NOTES TO THE ACCOUNTS (contd.)  
Y E A R E N D E D 3 1 M A R C H 2 0 1 6

	<b>Total 2016</b>	Total 2015 as restated
	£ 0 0 0	£'000
(b) Working Capital Movements		
(Increase)/Decrease in Stocks	1	(19)
(Increase)/Decrease in Debtors	(1,797)	(109)
Increase/(Decrease) in Creditors	<u>(975)</u>	<u>776</u>
	<b><u>(2,771)</u></b>	<b><u>648</u></b>

	<b>Total 2016</b>	Total 2015
	£'000	£'000
(c) Cash Balances		
Cash at bank and in hand	674	3,277
Bank Overdraft		
Total Cash and Cash Equivalents	<b><u>674</u></b>	<b><u>3,277</u></b>

- (d) The movement in working capital and cash balances reflects timing differences between payments made by Falkirk Council on behalf of the Trust and subsequent reimbursement back to Falkirk Council.

20. Pension Scheme

Employees of the company are members of Falkirk Council Pension Fund. Contributions in the period relating to those employees amounted to £1.647m and the amount of outstanding contributions at the 31 March 2016 amounted to £0.167m.

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 2016 the employer contribution rate was 21%.

21. Related Party Transactions

The group is related to Falkirk Council by virtue of Falkirk Councillors being Directors of the company. The group is contracted to provide recreation and leisure services by Falkirk Council. In the year to 31 March 2015, Falkirk Council made a payment of £12.66m to the group and leased the facilities occupied by the company for a peppercorn rent.

At 31 March 2016, Falkirk Council owed the group £2.702m and the group owed Falkirk Council £0.829m (including amounts due to Falkirk Council Pension Fund) in relation to normal trading activities. This has been set-off and the debtor in the accounts totals £1.873m. 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 £1.056m.

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 2016, Falkirk Community Trading owed £0.017m (2015: £0.06m) to Falkirk Community Trust Limited representing amounts due in respect of the trading activities of the subsidiary undertaking.

NOTES TO THE ACCOUNTS (contd.)  
Y E A R E N D E D 3 1 M A R C H 2 0 1 6

During the period the following five elected members from Falkirk Council served on the Board: Councillors Dennis Goldie, Linda Gow, Pat Reid, Robert Spears and William Buchanan. The nominated employee on the Board was Richard Murphy who resigned in May 2015 and no one has been reappointed in his place.

No Director received any remuneration in their roles as Directors

**22. Contingent Liability**

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

**23. Ultimate Controlling Party**

Falkirk Community Trust Limited and its trading subsidiary, Falkirk Community Trading Limited are controlled by the Board of Directors of Falkirk Community Trust Limited.