



Falkirk Community Trading Limited

report and financial statements

2020

Company Registration No.SC400658

**Report of the Directors and
Audited Financial Statements for the Year Ended
31 March 2020**

for

Falkirk Community Trading Limited

Registered number: SC400658

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For the Year ended 31 March 2020

Directors: Suzanne Arkinson (Chair)
Christopher Morris
Maureen Campbell, OBE
Ased Iqbal
Shona Dunsmore
Andrew Roberts

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

Registered Number: SC400658 (Scotland)

Auditors: Wylie & Bisset (Audit) Limited
Chartered Accountants
168 Bath Street
Glasgow
G2 4TP

Bankers: The Royal Bank of Scotland plc
2 Newmarket Street
Falkirk
FK1 1JX

For the Year ended 31 March 2020

The directors present their report with the financial statements of the company for the year ended 31 March 2020.

Principal Activity

The principal activity of the company in the year under review was that of the management and operation of catering services and other non-charitable activities for the parent company, Falkirk Community Trust Limited.

Directors

The directors shown below have held office during the whole of the period from 1 April 2019 to the date of this report.

Maureen Campbell, OBE
Christopher Morris
Suzanne Arkinson
Ased Iqbal
Shona Dunsmore
Andrew Roberts

Statement of Directors' Responsibilities

The directors are responsible for preparing the Report of the Directors and the 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 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.

Statement as to disclosure of information to Auditors

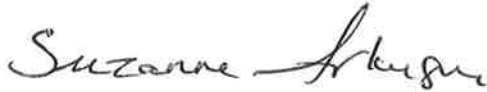
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Wylie & Bisset (Audit) Limited were appointed as auditors for 2 years covering the financial statements up to the year ended 31 March 2021. Auditors for ensuing years will be appointed subject to a tender process.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the Board:



Suzanne Arkinson - Director

DATE: 27th October 2020

Independent Auditors Report to the Members of Falkirk Community Trading Ltd

Opinion

We have audited the financial statements of Falkirk Community Trading Limited (the 'company') for the year ended 31 March 2020 which comprise the income statement, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

Independent Auditors Report to the Members of Falkirk Community Trading Ltd

- the directors' report has been prepared in accordance with applicable legal requirements.

Independent Auditors Report to the Members of Falkirk Community Trading Ltd

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

This report is made solely to the company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member 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 member for our audit work, for this report, or for the opinions we have formed.



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

DATE: 27th October 2020

Chartered Accountants
Statutory Auditor

168 Bath Street
Glasgow
G2 4TP

Income Statement

For the Year ended 31 March 2020

	Note	31.03.20 £	Restated 31.03.19 £
TURNOVER		2,135,175	2,054,359
Cost of sales		(1,738,803)	(1,564,821)
GROSS PROFIT		396,372	489,538
Administrative expenses		(103,303)	(140,017)
OPERATING PROFIT and PROFIT BEFORE TAXATION		293,069	349,521
Tax on profit	7	-	-
PROFIT FOR THE FINANCIAL YEAR		293,069	349,521

Statement of Financial Position

For the Year ended 31 March 2020

		31.3.20	Restated
	Notes	£	31.3.19
			£
CURRENT ASSETS			
Stocks		120,639	107,988
Debtors	4	236,884	294,985
Cash in hand		5,926	27,612
		<u>363,449</u>	<u>430,585</u>
CREDITORS			
Amounts falling due within one year	5	(70,379)	(81,063)
		<u>293,070</u>	<u>349,522</u>
NET CURRENT ASSETS			
		<u>293,070</u>	<u>349,522</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>293,070</u>	<u>349,522</u>
CAPITAL AND RESERVES			
Called up share capital		1	1
Reserves	6	293,069	349,521
		<u>293,070</u>	<u>349,522</u>
SHAREHOLDERS' FUNDS			
		<u>293,070</u>	<u>349,522</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 27th October 2020 and were signed on its behalf by:



Suzanne Arkinson - Director

Statement of Changes in Equity

For the Year ended 31 March 2020

	Share Capital £	Profit & Loss Reserve £	TOTAL £
Balance at 1 April 2018 – as previously reported	1	-	1
Prior Year Adjustments	-	360,951	360,951
Balance at 1 April 2018 – as restated	1	360,951	360,952
Profit and Total Comprehensive Income for the year	-	349,521	349,521
Distribution to Parent Charity	-	(360,951)	(360,951)
Balance at 31 March 2019 – as restated	1	349,521	349,522
Profit and Total Comprehensive Income for the year	-	293,069	293,069
Distribution to Parent Charity	-	(349,521)	(349,521)
Balance at 31 March 2020	1	293,069	293,070

For the Year ended 31 March 2020

1. STATUTORY INFORMATION

Falkirk Community Trading Limited is a private company, limited by shares, domiciled in Scotland, registration number SC400658. The registered office is Suite 1A, The Falkirk Stadium, 4 Stadium Way, Falkirk, FK2 9EE.

The company's parent is Falkirk Community Trust Limited which has the same registered office.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

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

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group.

The financial statements of the company are consolidated in the financial statements of The Falkirk Community Trust. These consolidated financial statements are available from its registered office, Suite 1A, The Falkirk Stadium, 4 Stadium Wat, Falkirk, FK2 9EE.

Going Concern

At the time of approving the financial statements the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

The turnover shown in the profit and loss account represents the value of all goods and services provided during the year, at selling price exclusive of Value Added Tax. Sales are recognised at the point at which the company has fulfilled its contractual obligations to the customer.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in first-out method and includes the normal cost of transporting stock to its present location and condition. Cost is represented by purchase price. Net realisable value is the anticipated sales proceeds less any cost of disposal.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Provisions

Provisions are recognised when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are discounted where the time value of money is material.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Cash and Cash Equivalents

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

Financial Instruments

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

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

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

Loans and receivables

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

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Basic financial liabilities

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

Derecognition of financial liabilities

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

3. EMPLOYEES AND DIRECTORS

The average number of employees, excluding the directors, during the year was nil (2019 - nil). Staff who work in the Trading Company facilities are deemed to be employed by the parent Charity company and are therefore not Trading Company employees.

Notes to the Financial Statements

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20	Restated 31.3.19
	£	£
Trade debtors	3,331	11,706
Amounts owed from group undertakings	219,322	279,157
Prepayments	14,231	4,122
	<u>236,884</u>	<u>294,985</u>

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20	Restated 31.3.19
	£	£
Trade creditors	28,651	31,309
Amounts owed to group undertakings	-	-
Amounts owed to related parties	11,449	15,004
Taxation and social security	24,498	33,225
Other creditors	5,781	1,525
	<u>70,379</u>	<u>81,063</u>

6. PRIOR YEAR ADJUSTMENT

Reconciliation of Changes in Equity

	31 March 2019 £
Equity as previously reported	1
Add Back: 2019 Trading Profit	349,521
Inclusion of Trading Company's proportion of VAT Creditor	-
Equity as Adjusted	<u>349,522</u>

Reconciliation of Changes in Profit for the Previous Financial Period

	31 March 2019 £
Profit as previously Reported	-
Add Back: 2019 Distribution to Parent Charity	349,521
Inclusion of Trading Company's proportion of VAT Creditor	-
Profit as adjusted	<u>349,521</u>

Notes to reconciliation

As there is not a Deed of Covenant in place between the Trading Company and its parent Charity, the distribution of annual profit to the Parent Charity must be accounted for in the year following the period that the surplus was made. In addition, it is now a requirement to show the Gift Aid payment of the subsidiary as a distribution through the Statement of Changes in Equity instead of on the face of the Income Statement. This has resulted in the prior year showing a higher profit, and an increase in the reserves of the Trading Company.

In addition, a proportion of the Group's VAT liability that relates to the Trading Company has now been recognised as a creditor in the Trading Company's accounts. There is no affect on the Income Statement nor on the overall reserves of the company.

7. TAXATION

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	Restated 2019 £
Profit before Taxation	293,069	349,521
Expected tax charge based on the standard rate of Corporation Tax in the UK of 19% (2019: 19%)	55,683	66,409
Tax Relief on Gift Aid	(55,683)	(66,409)
Taxation Charge for the year	-	-

8. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with its parent company Falkirk Community Trust Limited which prepares consolidated accounts.

The company is related to Falkirk Council by virtue of Falkirk Council being the sole member, and Falkirk councillors being directors of the parent company Falkirk Community Trust Limited. Recharges for expenses paid on the company's behalf have been made in the year and the company owed £11,449 (2019 - £15,004) to Falkirk Council at 31 March 2020.

Trading and Profit and Loss Account

For the Year ended 31 March 2020

	31 Mar 2020		Restated 31 Mar 2019	
	£	£	£	£
Income				
Sales		2,135,175		2,054,359
Cost of sales				
Materials and supplies	1,666		2,766	
Reusable items	228,610		228,115	
Vending machine supplies	32,368		41,456	
Catering supplies	539,648		467,352	
Staff Cost recharge	936,511		825,132	
		<u>1,738,803</u>		<u>1,564,821</u>
GROSS PROFIT		396,372		489,538
Establishment costs				
Utilities	5,191		2,919	
Property repairs	1,618		106	
Cleaning and laundry	5,007		4,921	
		<u>11,816</u>		<u>7,946</u>
		384,556		481,592
Administrative expenses				
Equipment – Purchases & Repairs	63,799		106,393	
Hire of equipment	1,383		-	
Subscriptions and licences	2,770		-	
Other expenses	21,015		21,078	
Legal & Professional fees	-		2,700	
Auditors' remuneration	2,520		1,900	
		<u>91,487</u>		<u>132,071</u>
NET PROFIT/(LOSS)		293,069		349,521

