

Report of the Directors and  
Unaudited Financial Statements for the Year Ended 31 March 2014  
for  
Falkirk Community Stadium Limited

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for the Year Ended 31 March 2014

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Falkirk Community Stadium Limited

Company Information  
for the Year Ended 31 March 2014

<b>DIRECTORS:</b>	Ms M Campbell Mrs R Geisler Mr D J Cairney
<b>REGISTERED OFFICE:</b>	The Falkirk Stadium 4 Stadium Way Falkirk Stirlingshire FK2 9EE
<b>REGISTERED NUMBER:</b>	SC242060 (Scotland)
<b>ACCOUNTANTS:</b>	Drummond Laurie Limited Unit 5 Gateway Business Park Beancross Road Grangemouth FK3 8WX
<b>BANKERS:</b>	Clydesdale Bank 1 Bank Street Falkirk FK1 1NB

The directors present their report with the financial statements of the company for the year ended 31 March 2014.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the operation of sports arenas, stadium and conference facilities.

The directors are aware of the net current liability and net liability position of the company and of its continued reliance upon its shareholders who make up the majority of the creditors.

The shareholders are currently reviewing the potential hive-up of the trade and assets to the ultimate parent. This is expected to take place during the year-ended 31 March 2015.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2013 to the date of this report.

Ms M Campbell  
Mrs R Geisler

Other changes in directors holding office are as follows:

Mr J Flannigan - appointed 1 May 2013  
Mr D McGregor - resigned 1 May 2013

Mr D J Cairney was appointed as a director after 31 March 2014 but prior to the date of this report.

Mr J Flannigan ceased to be a director after 31 March 2014 but prior to the date of this report.

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

**ON BEHALF OF THE BOARD:**

.....  
Mr D J Cairney - Director

Date: .....

Chartered Accountants' Report to the Board of Directors  
on the Unaudited Financial Statements of  
Falkirk Community Stadium Limited

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Falkirk Community Stadium Limited for the year ended 31 March 2014 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants of Scotland, we are subject to its ethical and other professional requirements which are detailed at <http://www.icas.org.uk/accountspreparationguidance>.

This report is made solely to the Board of Directors of Falkirk Community Stadium Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Falkirk Community Stadium Limited and state those matters that we have agreed to state to the Board of Directors of Falkirk Community Stadium Limited, as a body, in this report in accordance with the requirements of the Institute of Chartered Accountants of Scotland as detailed at <http://www.icas.org.uk/accountspreparationguidance>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Falkirk Community Stadium Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Falkirk Community Stadium Limited. You consider that Falkirk Community Stadium Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Falkirk Community Stadium Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

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

Date: .....

Falkirk Community Stadium Limited

Profit and Loss Account  
for the Year Ended 31 March 2014

	Notes	31.3.14 £	31.3.13 £
<b>TURNOVER</b>		967,395	843,919
Cost of sales		<u>(303,582)</u>	<u>(295,091)</u>
<b>GROSS PROFIT</b>		663,813	548,828
Administrative expenses		<u>(868,669)</u>	<u>(897,006)</u>
<b>OPERATING LOSS</b>	2	(204,856)	(348,178)
Interest receivable and similar income		<u>769</u>	<u>720</u>
		(204,087)	(347,458)
Interest payable and similar charges		<u>(17,710)</u>	<u>(17,710)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(221,797)	(365,168)
Tax on loss on ordinary activities	3	<u>-</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u><u>(221,797)</u></u>	<u><u>(365,168)</u></u>

The notes form part of these financial statements

Balance Sheet  
31 March 2014

	Notes	31.3.14 £	31.3.13 £
<b>FIXED ASSETS</b>			
Tangible assets	4	6,857,432	7,121,381
<b>CURRENT ASSETS</b>			
Stocks		9,856	8,792
Debtors	5	94,286	128,793
Cash at bank		102,661	131,750
		206,803	269,335
<b>CREDITORS</b>			
Amounts falling due within one year	6	(445,633)	(568,027)
<b>NET CURRENT LIABILITIES</b>			
		(238,830)	(298,692)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		6,618,602	6,822,689
<b>CREDITORS</b>			
Amounts falling due after more than one year	7	(7,781,446)	(7,763,736)
<b>NET LIABILITIES</b>			
		(1,162,844)	(941,047)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	3,376,066	3,376,066
Share premium	12	47,059	47,059
Profit and loss account	12	(4,585,969)	(4,364,172)
<b>SHAREHOLDERS' FUNDS</b>			
		(1,162,844)	(941,047)

The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 31 March 2014.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2014 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

Balance Sheet - continued

31 March 2014

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on ..... and were signed on its behalf by:

.....  
Mr D J Cairney - Director



1. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared under applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**Exemption from preparing a cash flow statement**

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

**Turnover**

Turnover represents net invoiced value of rentals and services supplied by the company excluding value added tax and trade discounts. Sales are recognised at the point at which the rental period or service is complete.

**Tangible fixed assets and depreciation**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold land and buildings	- 10% on cost and 2.5% on cost
Fixtures and fittings	- 10% on cost
Computer and office equipment	- 20% on cost

Tangible fixed assets are stated at cost less depreciation. Cost represent purchase price together with any incidental costs of acquisition.

**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 represented by purchase price.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2014

## 2. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	31.3.14 £	31.3.13 £
Depreciation - owned assets	287,178	286,086
Profit on disposal of fixed assets	-	(1,146)
Auditors' remuneration	-	5,100
Pension costs	1,749	1,989
	<u>1,749</u>	<u>1,989</u>
Directors' remuneration and other benefits etc	-	-
	<u>-</u>	<u>-</u>

## 3. TAXATION

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2014 nor for the year ended 31 March 2013.

## 4. TANGIBLE FIXED ASSETS

	Leasehold land and buildings £	Fixtures and fittings £	Computer and office equipment £	Totals £
<b>COST</b>				
At 1 April 2013	9,133,449	181,470	130,336	9,445,255
Additions	-	4,340	18,889	23,229
	<u>9,133,449</u>	<u>185,810</u>	<u>149,225</u>	<u>9,468,484</u>
At 31 March 2014	9,133,449	185,810	149,225	9,468,484
<b>DEPRECIATION</b>				
At 1 April 2013	2,143,911	115,329	64,634	2,323,874
Charge for year	253,128	18,219	15,831	287,178
	<u>2,397,039</u>	<u>133,548</u>	<u>80,465</u>	<u>2,611,052</u>
At 31 March 2014	2,397,039	133,548	80,465	2,611,052
<b>NET BOOK VALUE</b>				
At 31 March 2014	<u>6,736,410</u>	<u>52,262</u>	<u>68,760</u>	<u>6,857,432</u>
At 31 March 2013	<u>6,989,538</u>	<u>66,141</u>	<u>65,702</u>	<u>7,121,381</u>

## 5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.14 £	31.3.13 £
Trade debtors	58,561	54,999
Amounts owed by associates	5,141	47,200
Prepayments and accrued income	30,584	26,594
	<u>94,286</u>	<u>128,793</u>

6. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.14	31.3.13
	£	£
Trade creditors	23,456	46,558
Amounts owed to associates	361,127	439,855
VAT	14,009	18,571
Accruals and deferred income	47,041	63,043
	<u>445,633</u>	<u>568,027</u>

7. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.3.14	31.3.13
	£	£
Council loans	6,233,670	6,233,670
Preference shares (see note 8)	354,193	354,193
Amounts owed to associates	1,009,107	1,009,107
Preference share dividends	184,476	166,766
	<u>7,781,446</u>	<u>7,763,736</u>

8. **PREFERENCE SHARES**

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.14	31.3.13
			£	£
354,193	Preference 5% shares	£1	<u>354,193</u>	<u>354,193</u>

9. **OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

	31.3.14	31.3.13
	£	£
Expiring:		
Within one year	595	5,492
Between one and five years	4,127	3,984
In more than five years	16,265	16,726
	<u>20,987</u>	<u>26,202</u>

10. **SECURED DEBTS**

The following secured debts are included within creditors:

	31.3.14	31.3.13
	£	£
Council loans	<u>6,233,670</u>	<u>6,233,670</u>

The council loans are secured by a floating charge and standard security over the company's interest in the ground lease in favour of Falkirk Council.

11.  **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.14 £	31.3.13 £
75,000	Ordinary Class A	£1	75,000	75,000
25,000	Ordinary Class B	£1	25,000	25,000
2,683,347	Ordinary Class C	£1	2,683,347	2,683,347
592,719	Ordinary Class D	£1	592,719	592,719
			<u>3,376,066</u>	<u>3,376,066</u>

12.  **RESERVES**

	Profit and loss account £	Share premium £	Totals £
At 1 April 2013	(4,364,172)	47,059	(4,317,113)
Deficit for the year	(221,797)		(221,797)
At 31 March 2014	<u>(4,585,969)</u>	<u>47,059</u>	<u>(4,538,910)</u>

13.  **ULTIMATE PARENT COMPANY**

The directors consider that the parent company is FCSL (Holdings) Limited, while the ultimate parent is Falkirk Council through its 100% ownership of the parent company.

14.  **RELATED PARTY DISCLOSURES**

**Falkirk Council**

100% shareholders in parent company, FCSL (Holdings) Limited.

Sales to Falkirk Council - £271,197 (2013: £264,108)

Trade amounts due from Falkirk Council - £5,141 (2013: £47,200)

Purchases and recharges from Falkirk Council - £501,226 (2013: £607,899)

Trade amounts due to Falkirk Council - £1,370,234 (2013: £1,448,962)

At the year end and prior year end, there is £6,233,670 due to Falkirk Council in respect of interest bearing loans with varying interest bearing and repayment profiles. After company restructuring, in May 2009, repayment of the loan capital and interest charged was postponed indefinitely by Falkirk Council.

The 5% preference shares of £354,193 held by Falkirk Council were to be repaid in full along with cumulative dividends in 4 equal payments on 30 September of 2012, 2016, 2018 and 2024. The cumulative dividends due to Falkirk Council at the year-end are £184,476 (2013: £166,766). Falkirk Council have postponed repayment of the balances that are currently due until 1st April 2015 at the earliest.

15.  **ULTIMATE CONTROLLING PARTY**

The controlling party is Falkirk Council.

Falkirk Community Stadium Limited

Trading and Profit and Loss Account  
for the Year Ended 31 March 2014

	31.3.14		31.3.13	
	£	£	£	£
<b>Turnover</b>				
Rental income	223,722		182,351	
Service charges	213,569		226,466	
5 a sides	62,869		72,222	
Conferencing income	263,027		193,634	
Miscellaneous income	18,219		13,315	
Café income	102,201		79,649	
Hospitality income	83,788		76,282	
	<u>          </u>	967,395	<u>          </u>	843,919
<b>Cost of sales</b>				
Opening stock	8,792		5,887	
Conferencing and catering	118,860		112,816	
5 a sides purchases	1,322		1,140	
Wages	184,464		184,040	
	<u>          </u>		<u>          </u>	
Closing stock	313,438		303,883	
	(9,856)		(8,792)	
	<u>          </u>	303,582	<u>          </u>	295,091
<b>GROSS PROFIT</b>		663,813		548,828
<b>Establishment costs</b>				
Rent	16,266		16,265	
Rates and water	50,469		50,601	
Insurance	14,090		14,496	
Light and heat	118,755		113,032	
Repairs and maintenance	81,765		102,770	
	<u>          </u>	281,345	<u>          </u>	297,164
		382,468		251,664
<b>Administrative expenses</b>				
Wages	257,646		266,119	
Pensions	1,749		1,989	
Telephone	1,939		2,317	
Print, post and stationery	706		1,516	
Advertising	13,973		16,999	
Motor expenses	908		3,702	
Staff training	1,956		1,164	
Sundry expenses	1,201		1,754	
Accountancy	4,000		1,645	
Legal and professional fees	11,756		8,855	
Auditors' remuneration	-		5,100	
Depreciation of tangible fixed assets	287,177		286,086	
Profit/loss on sale of tangible fixed assets	-		(1,146)	
	<u>          </u>	583,011	<u>          </u>	596,100
		(200,543)		(344,436)
<b>Finance costs</b>				
Bank charges		4,313		3,742
		<u>          </u>		<u>          </u>
Carried forward		(204,856)		(348,178)

This page does not form part of the statutory financial statements

Falkirk Community Stadium Limited

Trading and Profit and Loss Account  
for the Year Ended 31 March 2014

	31.3.14		31.3.13	
	£	£	£	£
Brought forward		(204,856)		(348,178)
<b>Finance income</b>				
Deposit account interest		769		720
		<u>(204,087)</u>		<u>(347,458)</u>
<b>Finance costs</b>				
Dividends - preference shares		17,710		17,710
<b>NET LOSS</b>		<u><u>(221,797)</u></u>		<u><u>(365,168)</u></u>

This page does not form part of the statutory financial statements