

**North Lanarkshire Leisure Trading
Community Interest Company**

**Directors' report and financial statements
for the year ended 31 March 2020**

Registered Number SC365792

North Lanarkshire Leisure Trading Community Interest Company

Directors' report and financial statements for the year ended 31 March 2020

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North Lanarkshire Leisure Trading Community Interest Company

Directors' report for the year ended 31 March 2020

The directors have pleasure in submitting the report and the audited financial statements of the company for the year ended 31 March 2020.

Reference and administrative details

| Directors | | |
|----------------|--------------------|------------------|
| P Kelly | | Removed 09.07.19 |
| F McNally | | Removed 17.12.19 |
| J Linden | | Removed 15.11.19 |
| F Fotheringham | | Removed 15.11.19 |
| R Burgess | | Removed 16.12.19 |
| W Shields | | Removed 09.07.19 |
| D Gamble | | Removed 17.12.19 |
| W Shearer | | Removed 13.08.20 |
| G McKenzie | | Removed 17.12.19 |
| R McCallum | | Removed 17.12.19 |
| K McLoughlin | | Removed 17.12.19 |
| P Hogg | | Removed 20.12.18 |
| N Wilson | | Removed 20.12.18 |
| W Stewart | Appointed 09.07.19 | Removed 09.06.20 |
| L Roarty | Appointed 09.07.19 | Removed 11.12.19 |
| D Craig | Appointed 09.07.19 | Removed 15.11.19 |
| A Beveridge | Appointed 09.07.19 | Removed 11.12.19 |
| T Douglas | Appointed 09.07.19 | Removed 27.11.19 |
| J Sweeney | Appointed 17.12.19 | |
| A Mcpherson | Appointed 17.12.19 | |
| N Paterson | Appointed 17.12.19 | |
| S Penman | Appointed 17.12.19 | |
| R Munro | Appointed 17.12.19 | |
| W Craik | Appointed 17.12.19 | |
| R Turner | Appointed 03.06.20 | |
| L Stewart | Appointed 20.08.20 | |

Secretary

| | |
|----------|--------------------|
| N Lynch | Removed 17.12.19 |
| F Ekinli | Appointed 04.02.20 |
| | Removed 30.04.20 |
| A Aitken | Appointed 30.04.20 |

Registered Office 1 Ardgoil Drive, Cumbernauld, Glasgow, G68 9NE
Registered Number SC365792

Independent auditor RSM UK Audit LLP
First Floor, Quay 2, 139 Fountainbridge, Edinburgh, EH3 9QG

Solicitors Anderson Strathern
1 Rutland Court, Edinburgh, EH3 8EY

Bankers Royal Bank of Scotland
10 Buchanan Street, Glasgow, G1 3PL.

North Lanarkshire Leisure Trading Community Interest Company

Principal activities

The company was created to undertake non-charitable trading activities on behalf of its parent company, Culture & Leisure NL Ltd, which is a registered charity. These activities include the following:

- Conferencing;
- Hospitality; and
- Special events (e.g. boxing events, careers fairs and any events not linked to the charitable objectives of the Trust).

Review of business risks and uncertainties

The income statement is set out on page 8 of the financial statements. The company has made a profit of £4,982 during the period and this will be distributed to the parent company.

A risk analysis has been undertaken to ensure that the company is aware of the key risks facing it. A pro-active approach is taken towards addressing the identified risks through improvement strategies.

The main function of the company is as detailed in the principal activities, to provide events and hospitality outwith the charitable objectives of North Lanarkshire Leisure. These events predominantly take place at Broadwood Stadium and Ravenscraig Regional Sports facility.

Dividends

The company made a profit of £4,982 during the period which will be distributed to Culture & Leisure NL Ltd. The directors recommend that no dividend be paid.

Directors and their interests

The directors who served during the period and who held office during the year are noted on page 1. The directors have no interest in the shares of the company or of its parent company.

Insourcing to North Lanarkshire Council

At a committee meeting on January 31st 2020 approval was given to insource the delivery of Culture, Sport and Leisure Services to North Lanarkshire Council (NLC). This transfer of services will take place on April 1st 2021 and all assets and liabilities of Culture & Leisure NL Ltd (formerly Culture NL Ltd) and its subsidiaries will be donated to NLC for £nil consideration. This will result in North Lanarkshire Leisure Trading CIC ceasing to trade therefore the Directors have concluded that it is no longer appropriate to prepare the financial statements on a going concern basis. There have been no adjustments made to the financial statements as a result of the application of the non-going concern basis of accounting.

North Lanarkshire Leisure Trading Community Interest Company

Statement on disclosure of information to the auditors

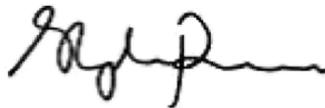
So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware. Each director has taken all the steps (such as making enquiries of other directors and the auditor and any other steps required by the director's duty to exercise due care, skill and diligence) that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditor

In accordance with section 487 of the Companies Act 2006, RSM UK Audit LLP have been appointed as Auditor.

By Order of the Board:

S. Penman
Director

A handwritten signature in black ink, appearing to read 'S. Penman', written in a cursive style.

Date: 12-11-2020

North Lanarkshire Leisure Trading Community Interest Company

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Directors' Report 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).

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 estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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 have general responsibility for taking such steps as are reasonably open to them to safeguarding the assets of the company and to prevent and detect fraud and other irregularities. They are also responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

North Lanarkshire Leisure Trading Community Interest Company

Independent Auditor's report to the members of North Lanarkshire Leisure Trading Community Interest Company

Opinion

We have audited the financial statements of North Lanarkshire Leisure Trading Community Interest Company (the 'company') for the year ended 31 March 2020 which comprise the Income statement, Statement of Financial Position, 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;
- 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.

Emphasis of matter – Non-going concern basis of accounting

We draw attention to the accounting policies on page 11 of the financial statements which describes the preparation of the financial statements on a non-going concern basis. As described, a decision was made in January 2020 to disband North Lanarkshire Leisure Trading Community Interest Company as of 1 April 2021 and to return the services to the Council. North Lanarkshire Leisure Trading Community Interest Company will therefore cease trading at that date, with operations continuing as part of North Lanarkshire Council. Therefore, the directors have concluded that it is no longer appropriate to prepare the financial statements on a going concern basis. There have been no adjustments made to the financial statements as a result of the application of the non-going concern basis of accounting. Our opinion is not modified in respect of this matter.

Other information

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

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

We have nothing to report in this regard.

North Lanarkshire Leisure Trading Community Interest Company

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 in relation to which 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 from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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.

Use of our report

This report is made solely to the company's members, as a body, 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 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.

North Lanarkshire Leisure Trading Community Interest Company



Kelly Adams MA, (hons), C.A. (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
First Floor, Quay 2
139 Fountainbridge
Edinburgh
EH3 9QG

Date: 24 November 2020

North Lanarkshire Leisure Trading Community Interest Company

Income Statement for the year ended 31 March 2020

| | Note | 2020 £ | 2019 £ |
|--|------|------------------|------------------|
| Turnover | | 149,078 | 121,775 |
| Administrative expenses | | (144,096) | (111,290) |
| Other operating income | | - | - |
| Operating Profit | | 4,982 | 10,485 |
| Profit on ordinary activities before taxation | | 4,982 | 10,485 |
| Tax on profit on ordinary activities | 4 | - | - |
| Result for the financial period | | 4,982 | 10,485 |

All items dealt with in arriving at the profit on ordinary activities before taxation relate to continuing operations.

There is no difference between the profit on ordinary activities before taxation and the result for the financial period and their historical cost equivalents.

The accompanying notes on pages 11-15 are an integral part of the financial statements.

North Lanarkshire Leisure Trading Community Interest Company

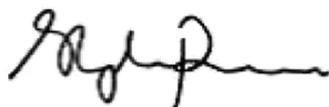
Registered number SC365792

Statement of Financial Position as at 31 March 2020

| | Note | 2020 £ | 2019 £ |
|---|------|-----------------|-----------------|
| Current assets | | | |
| Stock | | 568 | 845 |
| Debtors | 5 | 9,560 | 16,387 |
| Cash and cash equivalents | | 75,494 | 33,032 |
| Net current Assets | | 85,622 | 50,264 |
| Creditors: amounts falling due within one year | 6 | (80,540) | (50,164) |
| Total assets less current liabilities | | 5,082 | 100 |
| Capital and reserves | | | |
| Called up share capital | 7 | 100 | 100 |
| Profit and loss reserve | 8 | 4,982 | - |
| Total shareholder's funds | | 5,082 | 100 |

The financial statements on pages 8 to 10 were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

S Penman
Director



Date: 12-11-2020

North Lanarkshire Leisure Trading Community Interest Company

Statement of Changes in Equity for the year ended 31 March 2019

| | Share Capital | Profit & Loss | Total |
|--|---------------|---------------|------------|
| Balance at 31 March 2018 | 100 | - | 100 |
| Results for the year | - | 10,485 | 10,485 |
| Distributed to North Lanarkshire Leisure Limited | - | (10,485) | (10,485) |
| Balance at 31 March 2019 | 100 | - | 100 |

Statement of Changes in Equity for the year ended 31 March 2020

| | Share Capital | Profit & Loss | Total |
|---|---------------|---------------|--------------|
| Balance at 31 March 2019 | 100 | - | 100 |
| Results for the year | - | 4,982 | 4,982 |
| Distributed to Culture & Leisure NL Limited | - | - | - |
| Balance at 31 March 2020 | 100 | 4,982 | 5,082 |

North Lanarkshire Leisure Trading Community Interest Company

Accounting policies

General Information / Legal Status

North Lanarkshire Leisure Trading Community Interest Company is a United Kingdom company, limited by shares. The registered office details and principal activities are outlined in the Directors Report on pages 1-3.

Basis of preparation

The accounts are prepared under the historical cost accounting rules and in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

As it is a wholly owned subsidiary of Culture & Leisure NL Limited, North Lanarkshire Leisure Trading Community Interest Company has taken advantage of the exemption set out in section 1.12(b) of FRS 102 and therefore no cash flow statement has been prepared.

The consolidated accounts of Culture & Leisure NL Limited, within which this Company is included, can be obtained from the address given in note 10.

These financial statements are prepared in pounds sterling (GBP) as that is the currency in which the charitable company's transactions are denominated.

Going Concern

Approval was given in January 2020 to insource the delivery of Culture, Sport and Leisure Services to North Lanarkshire Council (NLC). This transfer of services will take place on April 1st 2021 and all assets and liabilities of Culture & Leisure NL (CLNL) (formerly Culture NL Ltd) and its subsidiaries will be donated to NLC for £nil consideration. North Lanarkshire Leisure Trading Community Interest Company will therefore cease trading at that date, with operations continuing as part of North Lanarkshire Council. The Directors have therefore concluded that it is no longer appropriate to prepare the financial statements of the group or the subsidiary companies on a going concern basis. There have been no adjustments made to the financial statements as a result of the application of the non-going concern basis of accounting.

Turnover

Turnover represents revenue, being conferencing and special events income in relation to North Lanarkshire Leisure facilities and the sale of sundry items, net of value added tax.

Stock

Stocks held are in respect of provisions and supplies and are valued at the lower of cost and net realisable value in the ordinary course of operating.

Taxation

The Directors have resolved that the full profits of the Company will be gifted on an annual basis to its parent company Culture & Leisure NL Limited (number SC435540) and a registered Scottish Charity (number SC043891). This means there is no requirement to provide for any tax on the profits of the company.

Value Added Tax

Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

**North Lanarkshire Leisure Trading Community Interest
Company**

North Lanarkshire Leisure Trading Community Interest Company

Accounting policies

Distribution of Profits

The company has a policy of paying gift aid of an amount up to the taxable profits each year to Culture & Leisure NL Limited, its ultimate parent undertaking. In line with ICAEW technical release 'Tech 16/14 BL', the company treats this donation as a distribution of reserves which are recognised when they are paid. Any donation made in this manner is capped to the level of distributable reserves available. The Board are responsible for formally agreeing the amount to be distributed each year. The application of the exception under paragraph 29.14A of FRS102 provides relief in respect of the accounting for tax. This results in an overall nil charge for tax in the income statement. This exemption is only applicable as it is probable that gift aid payments will be made by the company within 9 months of the year end.

North Lanarkshire Leisure Trading Community Interest Company

Notes to the financial statements for the year ended 31 March 2020

1 Profit on ordinary activities before taxation

No emoluments were paid to the directors in respect of their services to the company, nor did the company receive a recharge for the directors' services from any employer entity.

No audit fees were charged to North Lanarkshire Leisure Trading Community Interest Company as all costs are borne by Culture & Leisure NL Limited.

2 Employee information

North Lanarkshire Trading Community Interest Company has no direct employees as all staff are employed through Culture & Leisure NL Limited.

3 Gift aid

North Lanarkshire Leisure Trading Community Interest Company will donate all trading surpluses for the period to Culture & Leisure NL Limited, the ultimate parent undertaking (see note 10).

4 Tax on profit of ordinary activities

Factors affecting the tax charge for the current period:

The current tax charge for the period is the standard rate of corporation tax in the UK (2020: 19%, 2019: 19%).

The differences are explained below:

| | 2020 | 2019 |
|---|--------------|----------------|
| | £ | £ |
| Current Tax Reconciliation | | |
| Profit in ordinary activities before tax and gift aid | 4,982 | 10,485 |
| Current Tax at 19% (2018: 19%) | 947 | 1,992 |
| Effects of: Gift aid | (947) | (1,992) |
| Total Current Tax Charge | - | - |

There are no other factors that may affect future and total tax charges.

North Lanarkshire Leisure Trading Community Interest Company

5 Debtors

| | 2020 | 2019 |
|---|--------------|---------------|
| | £ | £ |
| Trade debtors (net of bad debt provision) | 2,897 | 7,174 |
| Amounts due from related party | 2,575 | 175 |
| Prepayments and accrued income | 2,050 | 1,535 |
| Intercompany debtor | 2,038 | 7,503 |
| Debtors | 9,560 | 16,387 |

6 Creditors

| | 2020 | 2019 |
|----------------------------|-----------------|-----------------|
| | £ | £ |
| Trade Creditors | - | (9,195) |
| Intercompany Creditor | (71,720) | (38,722) |
| Other Creditors & Accruals | (8,820) | (2,247) |
| Creditors | (80,540) | (50,164) |

7 Share capital

| | 2020 | 2019 |
|--|------|------|
| | £ | £ |
| Authorised, allotted and fully paid | | |
| 100 ordinary shares of £1 | 100 | 100 |

8 Profit & Loss reserve

| | 2020 | 2019 |
|----------------------------|--------------|----------|
| | £ | £ |
| Result for the year | 4,982 | 10,485 |
| Distributed to NLL | - | (10,485) |
| Balance at 31 March | 4,982 | - |

North Lanarkshire Leisure Trading Community Interest Company

9 Related Party Transactions

North Lanarkshire Council, the sole member of Culture & Leisure NL Ltd, owed the company £2,574.77 for use of facilities as at 31st March 2020, the total transactions in the year amounted to £37,445.46.

As at 31st March Culture & Leisure NL Ltd, the Parent Company, owed NL Leisure Trading CIC £2,038 for VAT. NL Leisure Trading CIC owed Culture & Leisure NL Ltd £71,720 for employee cost recharges relating to events as well as £4,982 for the surplus distribution.

10 Ultimate control of the company

The company is a wholly owned subsidiary of Culture & Leisure NL Limited, a company incorporated in the United Kingdom. The largest group into which the results of the company are consolidated is North Lanarkshire Council. Copies of the group accounts for the ultimate parent undertaking may be obtained from the following address:

The Secretary
Summerlee Museum of Scottish Industrial Life,
Heritage Way,
Coatbridge,
Lanarkshire,
ML5 1QD