

To: Council

On: 26 September 2019

Report by: Director of Finance & Resources

Heading: Audited Annual Accounts 2018/19 – Common Good Funds and Coats Observatory Trust

1. Summary

- 1.1 The 2018/19 unaudited Annual Accounts for the above charities were submitted to Council for approval on 27 June 2019 and then passed for audit to Audit Scotland.
- 1.2 The audit process is now complete and the appointed auditor has provided an audit opinion which is free from qualification. A report to those charged with governance was considered by the Audit, Risk and Scrutiny Board on 23 September 2019.
- 1.3 Under the Local Authority Accounts (Scotland) Regulations 2014, the Council must meet to consider the Annual Accounts and aim to approve those accounts for signature no later than 30 September. In order to comply with these requirements the 2018/19 accounts are now attached for Council approval for signature.
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2. Recommendations

Council is asked to:

- 2.1 Approve the Annual Accounts of the Common Good Funds and the Coats Observatory Trust for 2018/19 for signature in accordance with the Local Authority Accounts (Scotland) Regulations 2014; and thereafter delegate authority to the Director of Finance & Resources to

submit these accounts to OSCR in accordance with the relevant charities accounting regulations.

Implications of the Report

1. **Financial** – The 2018/19 Annual Accounts have been certified as providing a true and fair view of the financial position of the Common Good Funds and Coats Observatory Trust as at 31 March 2019.
 2. **HR & Organisational Development – none**
 3. **Community/Council Planning – none**
 4. **Legal** – An audit opinion free from qualification demonstrates the Council's compliance with the statutory accounting requirements set out in the Local Government (Scotland) Act 1973, the Local Government in Scotland Act 2003 and the Charities Accounts (Scotland) Regulations 2006.
 5. **Property/Assets – none**
 6. **Information Technology – none**
 7. **Equality & Human Rights** – The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
 8. **Health & Safety – none**
 9. **Procurement – none**
 10. **Risk – none**
 11. **Privacy Impact – none**
 12. **Cosla Policy Position – none**
 13. **Climate Risk – none**
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Author: Alastair MacArthur, Ext 7363

RENFREWSHIRE COUNCIL COMMON GOOD FUNDS

PAISLEY SCo19478

RENFREW SCo19479

JOHNSTONE SCo19480

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

2018-19



TABLE OF CONTENTS

| | |
|---|----|
| TRUSTEES' ANNUAL REPORT..... | 1 |
| STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND ACCOUNTS..... | 7 |
| AUDITORS REPORT TO THE TRUSTEES OF PAISLEY, JOHNSTONE AND RENFREW COMMON GOOD FUNDS..... | 8 |
| STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST MARCH 2019..... | 11 |
| BALANCE SHEET AS AT 31ST MARCH 2019..... | 13 |
| CASH FLOW STATEMENT FOR YEAR ENDED 31ST MARCH 2019..... | 14 |
| NOTES TO THE FINANCIAL STATEMENTS..... | 15 |
| 1: ACCOUNTING POLICIES..... | 15 |
| 2: INCOME AND ENDOWMENTS | 17 |
| 3: EXPENDITURE..... | 18 |
| 4: TANGIBLE FIXED ASSETS..... | 19 |
| 5: FIXED ASSET INVESTMENTS..... | 21 |
| 6: RESERVES COVER..... | 22 |
| 7: CASH FLOW STATEMENT..... | 22 |
| 8: TRUSTEES' REMUNERATION AND EXPENSES..... | 23 |
| 9: RELATED PARTIES..... | 23 |
| 10: COMMITMENTS..... | 23 |
| 11: STAFF COSTS AND EMOLUMENTS..... | 23 |
| 12: AUDIT COSTS..... | 23 |
| 13: DEBTORS..... | 24 |
| 14: CREDITORS..... | 24 |
| 15: SHORT TERM DEPOSITS..... | 24 |
| 16: EVENTS AFTER THE BALANCE SHEET DATE..... | 24 |

Trustees' Annual Report

Introduction

Renfrewshire Council acts as sole trustee for the Common Good Funds listed below which have charitable status and are registered with the Office of the Scottish Charity Regulator (OSCR):

| | |
|----------|----------------------------|
| SC019478 | Paisley Common Good Fund |
| SC019479 | Renfrew Common Good Fund |
| SC019480 | Johnstone Common Good Fund |

The principal address of the Common Good Funds is:

Renfrewshire Council
Finance and Resources
Renfrewshire House
Cotton Street
Paisley
PA1 1JB

Renfrewshire Council administers the Common Good Funds and separately accounts for them. Renfrewshire Council was established by the Local Government (Scotland) Act 1994 and came into being on 1 April 1996. The Council provides a wide range of public services such as education, social services, environmental services and housing and economic regeneration.

They do not form part of the Council's single entity balance sheet, although under s222 of the Local Government (Scotland) Act 1973, the property of the Common Good "vest[s] in" the relevant local authority. However they are included within the group accounts of the Council. A copy of the group accounts can be obtained from the address above.

Auditors: Audit Scotland
 4th Floor, South Suite
 The Athenaeum Building
 8 Nelson Mandela Place
 Glasgow
 G2 1BT

Investment Managers: Aberdeen Standard Capital Limited
 1 George Street
 Edinburgh
 EH2 2LL

Investment Advisors: Hymans Robertson LLP
 20 Waterloo Street
 Glasgow
 G2 6DB

Trustees

The Common Good is not a Trust, and is not governed by trust law. Therefore in terms of the “Trustees” of the Common Good, the guidance provided by OSCR is that those who have “general control and management” of the charity are the charity trustees. Decisions regarding the general control and management of the Common Good Funds are made by the Finance, Resources and Customer Services Policy Board (FRCSPB) of the Council, which has delegated authority from the Council in this regard; but ultimately control rests with the full Council of elected members. We have therefore interpreted the above guidance as meaning all elected members are charity trustees.

The following individuals were the Trustees of the Common Good Funds in their capacity as elected members of Renfrewshire Council during the 2018/19 financial year:

| | |
|------------------------|--------------------|
| William Brown | Lorraine Cameron |
| Lisa-Marie Hughes | Eileen McCartin |
| John Shaw | Kevin Montgomery |
| Jane Strang | Jacqueline Cameron |
| Edward Grady | John Hood |
| Catherine McEwan | Alistair MacKay |
| Jim Paterson | Andrew Steel |
| Jennifer Adam-McGregor | Derek Bibby |
| Neill Graham | William Binks |
| Jim Sharkey | Andrew Doig |
| Karen Kennedy | Emma Rodden |
| John McIntyre | Alison Dowling |
| Kenneth MacLaren | Scott Kerr |
| Margaret MacLaren | James Sheridan |
| Carolann Davidson | Natalie Don |
| John McNaughtan | Colin McCulloch |
| William Mylet | James MacLaren |
| Edward Devine | Tom Begg |
| Marie McGurk | Michelle Campbell |
| Paul Mack | Jim Harte |
| Stephen Burns | Iain Nicolson |
| Audrey Doig | |

Day to day management of the Common Good Funds is delegated to the Director of Finance and Resources of Renfrewshire Council. All of the trustees for the accounts are normally elected or re-elected at local government elections. By-elections are held to elect new members in the event of existing members vacating their position. New members automatically become trustees.

Structure, Governance and Management

The Common Good is a fund of money and assets which the Council has a statutory obligation (under Section 15(4) of the Local Government etc (Scotland) Act 1994) to administer “having regard to the interests of the inhabitants of the area to which the Common Good formerly related” (i.e. the former burghs of Paisley, Renfrew and Johnstone). Although the Common Good is administered separately from mainstream local authority funding, it is owned outright by the Council (s222 of the Local Government (Scotland) Act 1973) and does not have an identity separate from the Council, nor a constitutional form distinct from the Council.

The charity test, set out in Section 7 of the Charities and Trustee Investment (Scotland) Act 2005 provides that “a body meets the charity test if –

- (a) its purposes consist of only one or more charitable purposes, and
- (b) it providespublic benefit in Scotland or elsewhere.”

The Common Good Funds are not “bodies” separate from the Council, and the Council’s purposes consist of much more than the charitable purposes listed in the Act.

History

The Common Good comprises land granted to a Burgh by the Crown, further grants of land and buildings, mainly in the late 19th and early 20th century by local industrialists and other landowners for the common good of the inhabitants of the Burgh and the rental income and sale proceeds from such land. The bulk of the Paisley Common Good was granted to the Burgh of Paisley by the King Charles II Charter dated 27 and 28 July 1666, and has been administered by the Burgh and its successors since that date. The bulk of the Renfrew Common Good was granted to the Royal Burgh of Renfrew by the Queen Anne Charter dated 7 August 1703 and again has been administered by the Burgh and its successors since that date.

Governance and Management

The Council is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. The Director of Finance and Resources has been designated as that officer in Renfrewshire Council. He manages the affairs of the Council to secure the economic, efficient and effective use of resources and safeguard its assets and those of any charitable trust it controls. Given the Common Good is owned by the Council, these specific provisions are supplemented by the general provisions relating to the administration of local authority monies, i.e. the duty to obtain best value.

The Director of Finance and Resources has responsibility for ensuring an effective system of internal financial control is maintained and operated. This system of internal financial control can only provide reasonable and not absolute assurance that assets are safeguarded, transactions are recorded and properly authorised, and that material errors or irregularities are either prevented or would be detected within a timely period. The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures and a system of delegation and accountability. The Director of Finance and Resources is responsible for keeping proper accounting records which are up to date and which ensure that the financial statements comply with the Charities Accounts (Scotland) Regulations 2006.

Decisions regarding the operation, assets, processes or policies of the Common Good Funds are delegated by the Council to the Finance, Resources and Customer Services Policy Board (FRCSPB). Income to the Common Good Funds is solely from investment returns (both financial investments and property rental income) and bank interest – no donations to the Funds are solicited. The only other source of income which arises periodically is from the sale of fixed assets.

The investment performance of the Common Good Funds is monitored regularly by Council officers, and is reported bi-annually to the Investment Review Board, which is comprised of 5 cross party elected members. The minutes of the Investment Review Board are submitted to the Finance, Resources and Customer Services Policy Board, whose meetings are held in public. In turn, the minutes of this Board are submitted to the full Council for ratification. Therefore each elected member is informed of both the performance of the funds, and any decision regarding the operation of the Funds which would be made by the Finance, Resources and Customer Services Policy Board.

Regular training is offered to the members of the Investment Review Board through information sessions at each meeting.

Risk

The Trustees have overall responsibility for the Common Good Funds' systems of internal control that are designed by senior management to ensure effective and efficient operations, including financial reporting and compliance with laws and regulations. The Trustees acknowledge that such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The main risk for the Common Good relates to the investment income available for disbursement through grants. As mentioned above, investment performance is monitored quarterly by officers of the Council and they receive specialist advice in this regard from Hymans Robertson LLP, appointed investment advisors. A Statement of Investment Principles has been agreed by the Investment Review Board and this is regularly reviewed to ensure the benchmark against which performance is monitored remains relevant and appropriate.

Objectives and Activities

As mentioned above, there is no governing document for the Common Good. The assets were gifted for the common good of the inhabitants of the burgh. The most concise statement of the administration of the Common Good is contained in a judgement by Lord Kyllachy:

"The Common Good is corporate property and falls as such to be administered by the Council – and applied by them for the benefit of the community in such a manner as, and using such reasonable judgement as, they think proper".

Therefore in terms of the aims of the Common Good, they can not be narrowed down from that detailed above, i.e. that the funds are used for the benefit the inhabitants of the burgh to which they are related.

Grantmaking

There are two elements to the grants awarded from Common Good Funds: recurring grants (i.e. those awarded for a period of some years) or large grant awards that are agreed by the FRCPB. In addition the FRCPB also agrees the budget available to Local Partnerships (successor bodies to local area committees) for subsequent award to community groups. Local Partnerships were set up in an effort to involve communities more directly in the decision-making of the Council, and they are comprised of the elected members of the relevant wards, along with representatives from local community groups e.g. Community Councils, Elderly Forums, Youth Groups etc. Each Local Partnership now is allocated an annual budget, and they consider at relevant meetings (held in public) the grant requests they have received. Only eligible grants may be considered – further information on the eligibility criteria may be obtained from the Council.

Achievements and Performance

In 2018-19 grants totalling £169,952 were awarded by Local Area Committees to a wide variety of community organisations. Other grant expenditure totalling £139,540 was made throughout the year.

Investment performance

The Common Good Funds have adopted a total return policy for investment income, and have agreed income targets which the Investment Manager exceeded in year. During the year the average yield on investments was 10.2% (2.2% in 2017-18). The average return on cash balances held within Renfrewshire Council's Loans Fund was 0.71% (0.46% in 2017-18).

Overall, the Common Good Funds reported a combined net increase in funds of £1.299 million which is added to the previous fund balance brought forward. The total funds held by Paisley Common Good increased by £0.237 million and the funds held by Renfrew Common Good increased by £1.062 million. The movement in funds this year is mainly related to the level of grant awards made in the year and to increased other income.

Income

Renfrew Common Good other income includes an amount of £0.592 million. This was received from a former tenant for dilapidation compensation in accordance with the lease conditions.

Financial Review

The Common Good Funds have no explicit reserves policy, but as a general principle the "capital" of the funds is held effectively as a permanent endowment, with only the annual income available for disbursement in the year.

No individual Common Good Fund is in deficit.

The main funding sources for the Common Good Funds this year are dividend and investment income (67%) and property rental income (33%).

The Investment Review Board has agreed a Statement of Investment Principles (SoIP) which regulates the relationship between the Council and the Investment Manager. The SoIP details benchmark asset class holdings and also the restrictions which the Council has agreed i.e. no direct holdings in tobacco stocks or companies involved in the manufacture or supply of military equipment; and a minimum holding of 15% of the total funds to be held in fixed interest stocks.

Future Plans

On 5 September 2018 the Finance, Resources & Customer Service Policy Board of Renfrewshire Council agreed that a formal application be submitted to the Office of the Scottish Charity Regulator (OSCR) requesting the de-registration of all three Common Good Funds.

The Council has contacted OSCR to start the process of de-registration, however due to the unique nature of Common Good Funds this is not a simple matter of a normal de-registration and OSCR are currently reviewing the situation and will provide an update of the timescales and procedures in due course.

Regardless of registration status, Common Good Funds will continue to make grants available to local organisations through the Local Partnership grant making process, and will also continue to fund recurring commitments such as Christmas Lights displays.

The Council will also continue to review the funding provided by the Common Good Funds to ensure it remains appropriate and in line with the objectives of the Funds and to the benefit of the inhabitants of the relevant Burghs.

The Community Empowerment (Scotland) Act 2015 places new obligations on Councils with regards recording and the use of Common Good assets. The Council is required to prepare and publish a register of all Common Good properties and make it publicly available. The Act also requires local authorities to publish any proposals and consult with community bodies before disposing of or changing the use of Common Good assets.

The Trustees wish to thank the Renfrewshire Council officers involved in producing the Annual Report and Financial Statements

Signed:

Alan Russell
Director of Finance and Resources
Renfrewshire Council

Date:

On behalf of the Trustees:
Councillor John Shaw
Convener – Finance, Resources and Customer Services Policy Board
Renfrewshire Council

Date:

Statement of Trustees' Responsibilities in respect of the Annual Report and Accounts

a) Statement of responsibilities in respect of the annual report and accounts

The Trustees are responsible for preparing the annual report and financial statements for each financial year, in accordance with the accounting policies set out in note 1 to the accounts and the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014. The financial statements give a true and fair view of the incoming resources and application of the resources of the charity during the year and of the charity's state of affairs at the end of the financial year. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice 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 charity will continue in operation.

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

b) Statement of disclosure of information to auditors

The trustees who held office at the date of approval of this annual report and accounts confirm that, so far as they are each aware, there is no relevant audit information of which the auditors are unaware; and each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the auditors are aware of this information.

Signed:

Cllr John Shaw
Convener – Finance, Resources and Customer Services Policy Board
Renfrewshire Council

Date:

Independent Auditors Report to the Trustees of Renfrewshire Council Common Good Funds and the Accounts Commission

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of Renfrewshire Council Common Good Funds for the year ended 31 March 2019 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 the United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the charities as at 31 March 2019 and of their incoming resources and application of resources 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 Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charities in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

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

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about ability of the charities 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.

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the trustees 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 trustees are responsible for assessing the charities' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My 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 my 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 the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other information in the statement of accounts

The trustees are responsible for the other information in the statement of accounts. The other information comprises the information other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission or required by applicable law to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the statement of accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am 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 I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements**Opinion on matter prescribed by the Accounts Commission**

In my opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Charities SORP (FRS 102).

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.
- I have nothing to report in respect of these matters.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Mark Ferris FCCA
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

September 2019

Mark Ferris (Audit Scotland) is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973.

Statement of Financial Activities for the Year Ended 31st March 2019

This Account summarises the resources that have been generated and consumed in providing services and managing the Common Good Funds during the year. It includes all day to day expenses and related income on an accruals basis, as well as transactions measuring the value of fixed assets actually consumed. This Account also includes the Statement of Total Recognised Gains and Losses which brings together all of the gains and losses of the Funds for the year and shows the aggregate movement in their net worth. All Common Good Funds have unrestricted funds only; there were no restricted or endowment funds during 2018-19 or in 2017-18.

| | Notes | Year to 31 st March 2019 | | | | Year to 31 st March 2018 | | | |
|--|-------|-------------------------------------|--------------|--------------|--------------|-------------------------------------|--------------|----------------|----------------|
| | | Paisley | Johnstone | Renfrew | Total | Paisley | Johnstone | Renfrew | Total |
| | | SC019478 | SC019480 | SC019479 | | SC019478 | SC019480 | SC019479 | |
| | | £m | £m | £m | £m | £m | £m | £m | £m |
| Income and Endowments from: | | | | | | | | | |
| Grants, Interest & Dividend Income | 2(a) | 0.144 | 0.000 | 0.499 | 0.643 | 0.161 | 0.000 | 0.553 | 0.714 |
| Rental and Other Income | 2(b) | 0.049 | 0.000 | 0.859 | 0.908 | 0.048 | 0.000 | 0.272 | 0.320 |
| Total Income and Endowments | | 0.193 | 0.000 | 1.358 | 1.551 | 0.209 | 0.000 | 0.825 | 1.034 |
| Expenditure on: | | | | | | | | | |
| Raising Funds | | | | | | | | | |
| Fundraising Trading | | 0.000 | 0.000 | 0.042 | 0.042 | 0.000 | 0.000 | 0.025 | 0.025 |
| Investment Management Costs | | 0.017 | 0.000 | 0.055 | 0.072 | 0.016 | 0.000 | 0.054 | 0.070 |
| Total Raising Funds | | 0.017 | 0.000 | 0.097 | 0.114 | 0.016 | 0.000 | 0.079 | 0.095 |
| Charitable Activities | | | | | | | | | |
| Charitable Activities | 3(a) | 0.111 | 0.000 | 0.198 | 0.309 | 0.372 | 0.000 | 1.197 | 1.569 |
| Governance Costs | 3(b) | 0.015 | 0.000 | 0.049 | 0.064 | 0.015 | 0.000 | 0.049 | 0.064 |
| Depreciation and Impairment | | 0.071 | 0.000 | 0.488 | 0.559 | 0.071 | 0.000 | (0.131) | (0.060) |
| Total Charitable Activities | | 0.197 | 0.000 | 0.735 | 0.932 | 0.458 | 0.000 | 1.115 | 1.573 |
| Total Expenditure | | 0.214 | 0.000 | 0.832 | 1.046 | 0.474 | 0.000 | 1.194 | 1.668 |
| Net Income / (Expenditure) and net movement in funds before gains and losses on investments | | (0.021) | 0.000 | 0.526 | 0.505 | (0.264) | 0.000 | (0.369) | (0.634) |
| Gains/(losses) on Investment Assets | 5 | 0.258 | 0.000 | 0.871 | 1.129 | (0.070) | 0.000 | (0.236) | (0.306) |
| Net Income/(Expenditure) | | 0.237 | 0.000 | 1.397 | 1.634 | (0.334) | 0.000 | (0.605) | (0.940) |

Statement of Financial Activities for the Year Ended 31st March 2019

| | Notes | Year to 31 st March 2019 | | | | Year to 31 st March 2018 | | | |
|---|-------|-------------------------------------|-----------|----------|----------------|-------------------------------------|-----------|----------|----------------|
| | | Paisley | Johnstone | Renfrew | Total | Paisley | Johnstone | Renfrew | Total |
| | | SC019478 | SC019480 | SC019479 | | SC019478 | SC019480 | SC019479 | |
| | | £m | £m | £m | £m | £m | £m | £m | £m |
| Transfer between Funds | | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total after funds transfer | | 0.237 | 0.000 | 1.397 | 1.634 | (0.335) | 0.000 | (0.605) | (0.940) |
| Other Gains or Losses | | | | | | | | | |
| Gains/(Losses) on Revaluation of Fixed Assets | 4 | 0.000 | 0.000 | (0.335) | (0.335) | 0.000 | 0.000 | 1.027 | 1.027 |
| Total Other Recognised Gains or Losses | | 0.000 | 0.000 | (0.335) | (0.335) | 0.000 | 0.000 | 1.027 | 1.027 |
| Net Movement in Funds | | 0.237 | 0.000 | 1.062 | 1.299 | (0.335) | 0.000 | 0.422 | 0.087 |
| Total Funds Brought Forward | | 5.257 | 0.052 | 30.108 | 35.417 | 5.592 | 0.052 | 29.686 | 35.330 |
| Total Funds Carried Forward | | 5.494 | 0.052 | 31.170 | 36.716 | 5.257 | 0.052 | 30.108 | 35.417 |

The notes on pages 15 to 24 form part of these financial statements.

Balance Sheet as at 31st March 2019

The Balance Sheet summarises in its top half all of the assets that the Common Good Funds own and the liabilities that they owe to others. The bottom half sets out how the net assets of the Funds are allocated between usable resources and statutory reserves needed to comply with accounting rules.

| | | At 31 st March 2019 | | | | At 31 st March 2018 | | | |
|--|-------|--------------------------------|-----------------------------|---------------------------|----------------|--------------------------------|-----------------------------|---------------------------|----------------|
| | Notes | Paisley SC019478 £m | Johnstone SC019480 £m | Renfrew SC019479 £m | Total £m | Paisley SC019478 £m | Johnstone SC019480 £m | Renfrew SC019479 £m | Total £m |
| Fixed Assets | | | | | | | | | |
| Tangible Fixed Assets | 4 | 0.773 | 0.000 | 13.047 | 13.820 | 0.844 | 0.000 | 13.869 | 14.713 |
| Heritage Assets | 4 | 0.063 | 0.047 | 0.109 | 0.219 | 0.063 | 0.047 | 0.109 | 0.219 |
| Investments | 5 | 4.163 | 0.000 | 14.073 | 18.236 | 3.915 | 0.000 | 13.233 | 17.148 |
| | | 4.999 | 0.047 | 27.229 | 32.275 | 4.822 | 0.047 | 27.211 | 32.080 |
| Current Assets | | | | | | | | | |
| Debtors | 13 | 0.000 | 0.000 | 0.026 | 0.026 | 0.000 | 0.000 | 0.008 | 0.008 |
| Short term deposits | 15 | 0.535 | 0.005 | 3.960 | 4.500 | 0.481 | 0.005 | 2.955 | 3.441 |
| | | 0.535 | 0.005 | 3.986 | 4.526 | 0.481 | 0.005 | 2.963 | 3.449 |
| Less: Current Liabilities | | | | | | | | | |
| Creditors: Amounts Falling Due Within One Year | 14 | (0.040) | 0.000 | (0.045) | (0.085) | (0.046) | 0.000 | (0.066) | (0.112) |
| | | (0.040) | 0.000 | (0.045) | (0.085) | (0.046) | 0.000 | (0.066) | (0.112) |
| Net Current Assets | | 0.495 | 0.005 | 3.941 | 4.441 | 0.435 | 0.005 | 2.897 | 3.337 |
| Net Assets | | 5.494 | 0.052 | 31.170 | 36.716 | 5.257 | 0.052 | 30.108 | 35.417 |
| Funds of the Charities | | | | | | | | | |
| <u>Unrestricted Funds</u> | | | | | | | | | |
| Income Funds | | 3.580 | 0.036 | 19.981 | 23.597 | 3.486 | 0.036 | 19.070 | 22.592 |
| Revaluation reserve : Investments | | 0.937 | 0.000 | 3.104 | 4.041 | 0.794 | 0.000 | 2.618 | 3.412 |
| Revaluation reserve : Other Fixed Assets | | 0.977 | 0.016 | 8.085 | 9.078 | 0.977 | 0.016 | 8.420 | 9.413 |
| | | 5.494 | 0.052 | 31.170 | 36.716 | 5.257 | 0.052 | 30.108 | 35.417 |

Signed

Date

Alan Russell

Director of Finance and Resources

Renfrewshire Council

Signed

Date

Councillor John Shaw

Convener – Finance, Resources and Customer Services

Policy Board. Renfrewshire Council.

Cash Flow Statement for Year Ended 31st March 2019

This statement summarises the inflows and outflows of cash arising from the transactions with third parties on both day to day revenue transactions and expenditure on capital activities. For the purposes of this statement, cash is defined as cash in hand and deposits repayable on demand.

| | Notes | Year ended 31st March 2019 | | | | Year ended 31st March 2018 | | | |
|---|----------|----------------------------|-----------------|----------------|----------------|----------------------------|-----------------|----------------|----------------|
| | | Paisley £m | Johnstone £m | Renfrew £m | Total £m | Paisley £m | Johnstone £m | Renfrew £m | Total £m |
| Net Cash Inflow from Operating Activities | 7 | 0.044 | 0.000 | 0.975 | 1.019 | (0.184) | 0.000 | (0.544) | (0.728) |
| Capital Expenditure and Financial Investment | | | | | | | | | |
| Cash paid for fixed asset investment | | (0.789) | 0.000 | (2.824) | (3.613) | (0.415) | 0.000 | (1.388) | (1.803) |
| Receipts from sales of fixed asset: investments | | 0.769 | 0.000 | 2.778 | 3.547 | 0.352 | 0.000 | 1.181 | 1.533 |
| Receipts from sales of fixed asset: property | | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Payments to acquire tangible fixed assets | | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Net cash flow from capital expenditure and financial investments | | (0.020) | 0.000 | (0.046) | (0.066) | (0.063) | 0.000 | (0.207) | (0.270) |
| (Increase)/decrease in cash held for investments | | 0.029 | 0.000 | 0.077 | 0.106 | 0.050 | 0.000 | 0.158 | 0.208 |
| Increase/(decrease) in cash held in the year | | 0.053 | 0.000 | 1.006 | 1.059 | (0.197) | 0.000 | (0.593) | (0.790) |
| Reconciliation of net cash flow to movement in net funds | | | | | | | | | |
| (Decrease)/increase in cash in year | | 0.053 | 0.000 | 1.006 | 1.059 | (0.197) | 0.000 | (0.593) | (0.790) |
| net funds at 1 April | | 0.481 | 0.005 | 2.955 | 3.441 | 0.678 | 0.005 | 3.548 | 4.231 |
| Net funds at 31 March | | 0.534 | 0.005 | 3.961 | 4.500 | 0.481 | 0.005 | 2.955 | 3.441 |

Notes to the Financial Statements

1: Accounting Policies

Introduction

The Financial Statements for the year ended 31 March 2019 have been compiled in accordance with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006(as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) published on 16 July 2014. They are designed to give a true and fair view of the financial performance and position of the Common Good Funds and comparative figures for the previous financial year are provided. There are no significant departures from accounting standards other than that outlined specifically below.

The accounting concepts of “materiality” and “going concern” have been considered in the application of accounting policies. In this regard the materiality concept means that information is included where the information is of such significance as to justify its inclusion. The accounts have been prepared on a going concern basis. The going concern concept assumes that the Charities will not significantly curtail the scale of their operations.

The accounts have been prepared under the historic cost convention, other than changes resulting from the revaluation of certain categories of assets. The following accounting policies used in its preparation have been reviewed following the introduction of Financial Reporting Standard 18 “Accounting Policies” (FRS18).

Income and Endowments

Recognition of income and endowments

These are included in the Statement of Financial Activities (SOFA) when:

- The charity becomes entitled to the resources;
- The trustees are virtually certain they will receive the resources; and
- The monetary value can be measured with sufficient reliability.

Grants and Donations

Grants and donations are only included in the SOFA when the charity has unconditional entitlement to the resources.

Gifts in Kind

Gifts in kind are not reflected in the SORP, but are referred to when necessary in the Trustees Annual Report.

Investment Income

This is included in the accounts when receivable.

Investment Gains and Losses

This includes any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

Expenditure

Liability Recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Charitable Activities

Decisions regarding the way the Common Good Funds' income is spent are taken by the Finance, Resources and Customer Services Policy Board, whose membership comprises of 15 of the trustees of the Common Good Funds. Voluntary groups are encouraged to apply for funding from the available funds allocated to Renfrewshire Council Local Partnerships.

Governance Costs

Governance costs include the:

- costs of the preparation and examination of statutory accounts;
- cost of any legal advice to trustees on governance or constitutional matters;
- cost of administering grants; and
- property maintenance.

Grants Payable without Performance Conditions

These are recognised in the accounts when the grant has been paid.

Assets

Valuation

Land and buildings have been valued on the basis of market value in relation to existing use, assessed either on a comparative basis or on a depreciated replacement cost basis. The valuations have been compiled by the Council Valuer who is Member of the Royal Institute of Chartered Surveyors (MRICS) qualified. Assets under construction are shown at historic cost. Land and buildings are revalued every five years, with increases in valuation matched by credits to the Revaluation Reserve.

A de-minimis of £9,000 is applied for capitalisation of expenditure.

The civic regalia and equipment (heritage assets) have been valued on a present value insurance basis.

Investments are valued at market value.

Depreciation

Depreciation is charged on a straight -line basis on all assets other than land, heritage assets and assets under construction. The Council Valuer determines the useful life of property assets. Depreciation is based on expected life of costs capitalised.

Impairment

The value of each category of asset is reviewed at the end of each financial year for evidence of reductions in value. Where impairment is identified as part of this review or as a result of a revaluation exercise, the loss is charged to the SOFA.

Departures from the Charities SORP

Operational land and buildings have been valued on a depreciated replacement costs basis, not a historic basis as per the Charities SORP. The main reason for this is the obligation under the Local Government Code of Practice on local authority accounting to apply a depreciated replacement cost valuation basis, and it is under the Local Government Code that the Common Good Accounts have been audited in previous years.

Events after the Balance Sheet date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statements are authorised for issue. There are two types of events:

- Adjusting events – those that provide evidence of conditions that existed at the end of the reporting period, and the Statement are adjusted to reflect such events; and
- Non-adjusting events – those that are indicative of conditions that arose after the reporting period, and the Statements are not adjusted. Where a category of events would have a material effect, disclosure is made in the notes of the nature of the event and its estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statements. Note 16 provides further information.

2: Income and Endowments

a) Investments

| | 2018-19 | | | | 2017-18 | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Paisley | Johnstone | Renfrew | Total | Paisley | Johnstone | Renfrew | Total |
| | £m | £m | £m | £m | £m | £m | £m | £m |
| Grant income | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Dividend income | 0.140 | 0.000 | 0.476 | 0.616 | 0.158 | 0.000 | 0.536 | 0.694 |
| Interest income | 0.004 | 0.000 | 0.023 | 0.027 | 0.003 | 0.000 | 0.017 | 0.020 |
| Total grant & investment income | 0.144 | 0.000 | 0.499 | 0.643 | 0.161 | 0.000 | 0.553 | 0.714 |

b) Rental and Other Income

| | 2018-19 | | | | 2017-18 | | | |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Paisley | Johnstone | Renfrew | Total | Paisley | Johnstone | Renfrew | Total |
| | £m | £m | £m | £m | £m | £m | £m | £m |
| Rental income from properties | 0.049 | 0.000 | 0.266 | 0.315 | 0.048 | 0.000 | 0.272 | 0.320 |
| Other Income | 0.000 | 0.000 | 0.593 | 0.593 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total rental and other income | 0.049 | 0.000 | 0.859 | 0.908 | 0.048 | 0.000 | 0.272 | 0.320 |

3: Expenditure

a) Charitable Activities

| | 2018-19 | | | | 2017-18 | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Paisley | Johnstone | Renfrew | Total | Paisley | Johnstone | Renfrew | Total |
| | £m | £m | £m | £m | £m | £m | £m | £m |
| Voluntary organisation grants | 0.024 | 0.000 | 0.146 | 0.170 | 0.030 | 0.000 | 0.067 | 0.097 |
| Civic related grants | 0.087 | 0.000 | 0.052 | 0.139 | 0.342 | 0.000 | 1.130 | 1.472 |
| Total charitable activities grants | 0.111 | 0.000 | 0.198 | 0.309 | 0.372 | 0.000 | 1.197 | 1.569 |

b) Governance Costs

| | 2018-19 | | | | 2017-18 | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Paisley | Johnstone | Renfrew | Total | Paisley | Johnstone | Renfrew | Total |
| | £m | £m | £m | £m | £m | £m | £m | £m |
| Accountancy and Administrative Services | 0.011 | 0.000 | 0.034 | 0.045 | 0.011 | 0.000 | 0.034 | 0.045 |
| Property Services | 0.004 | 0.000 | 0.015 | 0.019 | 0.004 | 0.000 | 0.015 | 0.019 |
| Total Governance Costs | 0.015 | 0.000 | 0.049 | 0.064 | 0.015 | 0.000 | 0.049 | 0.064 |

4: Tangible Fixed Assets

a) Paisley Common Good Fund

| | Operational Land and Buildings | Non- Operational Assets – Surplus Assets | Total Tangible Fixed Assets | Heritage Assets |
|---|--------------------------------------|---|--------------------------------|--------------------|
| | £m | £m | £m | £m |
| Gross Book Value | | | | |
| At 1 st April 2018 | 0.711 | 0.275 | 0.986 | 0.063 |
| Additions | 0.000 | 0.000 | 0.000 | 0.000 |
| Disposals | 0.000 | 0.000 | 0.000 | 0.000 |
| Revaluations | 0.000 | 0.000 | 0.000 | 0.000 |
| At 31st March 2019 | 0.711 | 0.275 | 0.986 | 0.063 |
| Depreciation | | | | |
| At 1 st April 2018 | 0.142 | 0.000 | 0.142 | 0.000 |
| Depreciation for Year | 0.071 | 0.000 | 0.071 | 0.000 |
| Depreciation on Revaluation | 0.000 | 0.000 | 0.000 | 0.000 |
| At 31st March 2019 | 0.213 | 0.000 | 0.213 | 0.000 |
| Net Book Value at 31st March 2019 | 0.498 | 0.275 | 0.773 | 0.063 |
| Net Book Value at 31st March 2018 | 0.569 | 0.275 | 0.844 | 0.063 |

b) Renfrew Common Good Fund

| | Operational Land and Buildings | Plant and Equipment | Non- operational assets – Investment Properties | Non- Operational Assets – Surplus Assets | Total Tangible Fixed Assets | Heritage Assets |
|---|--------------------------------------|------------------------|---|--|--------------------------------------|--------------------|
| | £m | £m | £m | £m | £m | £m |
| Gross Book Value | | | | | | |
| At 1 st April 2018 | 10.035 | 3.300 | 0.689 | 0.015 | 14.039 | 0.109 |
| Additions | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Disposals | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Transfers | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Revaluations | (0.467) | (0.016) | (0.045) | 0.000 | (0.528) | 0.000 |
| At 31st March 2019 | 9.568 | 3.284 | 0.644 | 0.015 | 13.511 | 0.109 |
| Depreciation | | | | | | |
| At 1 st April 2018 | 0.251 | (0.095) | 0.014 | 0.000 | 0.170 | 0.000 |
| Depreciation for year | 0.192 | 0.243 | 0.007 | 0.000 | 0.442 | 0.000 |
| Impairment | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Depreciation writeback on revaluations | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Impairment losses written out on revaluation | (0.029) | (0.114) | (0.005) | 0.000 | (0.148) | 0.000 |
| At 31st March 2019 | 0.414 | 0.034 | 0.016 | 0.000 | 0.464 | 0.000 |
| Net Book Value at 31st March 2019 | 9.154 | 3.250 | 0.628 | 0.015 | 13.047 | 0.109 |
| Net Book Value at 31st March 2018 | 9.784 | 3.395 | 0.675 | 0.015 | 13.869 | 0.109 |

c) Johnstone Common Good Fund

| | Heritage Assets |
|---|--------------------|
| | £m |
| Gross Book Value | |
| At 1 st April 2018 | 0.047 |
| Additions | 0.000 |
| Disposals | 0.000 |
| Revaluations | 0.000 |
| At 31st March 2019 | 0.047 |
| Depreciation | |
| At 1 st April 2018 | 0.000 |
| Depreciation for year | 0.000 |
| At 31st March 2019 | 0.000 |
| Net Book Value at 31st March 2019 | 0.047 |
| Net Book Value at 31st March 2018 | 0.047 |

d) Heritage Assets

Heritage Assets include items of civic regalia and equipment formerly used by the Provost of the Council on civic occasions. The assets are now held in Renfrewshire museums.

5: Fixed Asset Investments

Investments are held specifically to provide the funds from which donations and civic activities can be funded from.

a) Analysis of market values

| | 2018-19 | | | 2017-18 | | |
|---|--------------|---------------|---------------|--------------|---------------|---------------|
| | Paisley | Renfrew | Total | Paisley | Renfrew | Total |
| Market Value | £m | £m | £m | £m | £m | £m |
| At 1 st April 2018 | 3.915 | 13.233 | 17.148 | 3.972 | 13.420 | 17.392 |
| Additions | 0.789 | 2.824 | 3.613 | 0.415 | 1.388 | 1.803 |
| Disposals | (0.769) | (2.778) | (3.547) | (0.352) | (1.181) | (1.533) |
| Net gain/(loss) on revaluation | 0.257 | 0.871 | 1.128 | (0.070) | (0.236) | (0.306) |
| Increase/(decrease) in cash in bank awaiting investment | (0.029) | (0.077) | (0.106) | (0.050) | (0.158) | (0.208) |
| At 31st March 2019 | 4.163 | 14.073 | 18.236 | 3.915 | 13.233 | 17.148 |

b) Asset Allocation Analysis

| | 2018-19 | | | 2017-18 | | |
|--------------------------------|--------------|---------------|---------------|--------------|---------------|---------------|
| | Paisley | Renfrew | Total | Paisley | Renfrew | Total |
| | £m | £m | £m | £m | £m | £m |
| Bonds: | | | | | | |
| UK Government Bonds | 0.228 | 0.825 | 1.053 | 0.212 | 0.740 | 0.952 |
| Other UK Bonds | 0.277 | 0.876 | 1.153 | 0.295 | 0.984 | 1.279 |
| Overseas Bonds | 0.132 | 0.445 | 0.577 | 0.122 | 0.386 | 0.508 |
| Equities: | | | | | | |
| UK Equities | 1.835 | 6.197 | 8.032 | 1.650 | 5.569 | 7.219 |
| Overseas Equities | 1.463 | 4.947 | 6.410 | 1.375 | 4.678 | 6.053 |
| Non-Region Specific | 0.045 | 0.153 | 0.198 | 0.069 | 0.234 | 0.303 |
| Property Investments | 0.044 | 0.148 | 0.192 | 0.104 | 0.351 | 0.455 |
| Cash | 0.135 | 0.470 | 0.605 | 0.084 | 0.277 | 0.361 |
| Accrued Interest | 0.004 | 0.012 | 0.016 | 0.004 | 0.014 | 0.018 |
| Total Investment Assets | 4.163 | 14.073 | 18.236 | 3.915 | 13.233 | 17.148 |

All investments during 2018-19 and in 2017-18 were held in unrestricted funds.

6: Reserves Cover

| | 2018-19 | | | | 2017-18 | | | |
|---|----------------|--------------|---------------|---------------|----------------|--------------|---------------|---------------|
| | Paisley | Johnstone | Renfrew | Total | Paisley | Johnstone | Renfrew | Total |
| | £m | £m | £m | £m | £m | £m | £m | £m |
| Free Reserves | | | | | | | | |
| Unrestricted Funds | 3.580 | 0.036 | 19.981 | 23.597 | 3.751 | 0.036 | 19.439 | 23.226 |
| Allocation Adjustment | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Unrestricted Funds from SOFA | (0.021) | 0.000 | 0.526 | 0.505 | (0.265) | 0.000 | (0.369) | (0.634) |
| Total Unrestricted Funds | 3.559 | 0.036 | 20.507 | 24.102 | 3.486 | 0.036 | 19.070 | 22.592 |
| Less Funds tied up in fixed assets | (4.163) | 0.000 | (14.073) | (18.236) | (3.915) | 0.000 | (13.233) | (17.148) |
| Total Free Reserves | (0.604) | 0.036 | 6.434 | 5.866 | (0.429) | 0.036 | 5.837 | 5.444 |
| Annual Running Costs exclude impairment | 0.214 | 0.000 | 0.832 | 1.046 | 0.474 | 0.000 | 1.194 | 1.668 |
| Number of months held in reserve | 0 | 0 | 93 | n/a | 0 | 0 | 59 | n/a |

Funds tied up in fixed assets are represented by investments held by the Common Good Funds.

7: Cash Flow Statement

a Reconciliation of net income/expenditure to net cash inflow/ (outflow) from operating activities

| | Year to 31 st March 2019 | | | Year to 31 st March 2018 | | |
|---|-------------------------------------|--------------|--------------|-------------------------------------|--------------|----------------|
| | Paisley | Johnstone | Renfrew | Paisley | Johnstone | Renfrew |
| | £m | £m | £m | £m | £m | £m |
| Net Incoming / (Expenditure) and net movement in funds before gains and losses on investments | (0.021) | 0.000 | 0.526 | (0.264) | 0.000 | (0.369) |
| Transfer of revaluation reserve realised on investment movement | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Depreciation and impairment | 0.071 | 0.000 | 0.488 | 0.071 | 0.000 | (0.130) |
| Decrease/(increase) in debtors | 0.000 | 0.000 | (0.018) | 0.000 | 0.000 | 0.009 |
| Increase/(decrease) in creditors | (0.006) | 0.000 | (0.021) | 0.010 | 0.000 | (0.054) |
| Net cash (inflow)/outflow from operating activities | 0.044 | 0.000 | 0.975 | (0.184) | 0.000 | (0.544) |

b Analysis of changes in net funds

| | At 1 April 2018 | Cash- flow | At 31 March 2019 | At 1 April 2017 | Cash- flow | At 31 March 2018 |
|----------------------------|--------------------|---------------|------------------------|--------------------|----------------|------------------------|
| | £m | £m | £m | £m | £m | £m |
| Short term deposits | | | | | | |
| Paisley | 0.481 | 0.053 | 0.534 | 0.678 | (0.201) | 0.477 |
| Johnstone | 0.005 | 0.000 | 0.005 | 0.005 | 0.000 | 0.005 |
| Renfrew | 2.955 | 1.006 | 3.961 | 3.548 | (0.589) | 2.959 |
| | 3.441 | 1.059 | 4.500 | 4.231 | (0.790) | 3.441 |

8: Trustees' remuneration and expenses

Neither the Trustees of the Common Good Funds nor any associated person connected with them have received any remuneration for their services. Further, no directly incurred expenses were reimbursed to the Trustees during 2018-19.

9: Related Parties

During the year, the Common Good Fund balances were invested by Renfrewshire Council, who manage the administration of the Funds on behalf of the Trustees. The costs of this are disclosed in note 3(b), Governance Costs. The Council also acts as the banker for the Common Good Funds and all transactions, incoming and outgoing, are made via the Council's accounts. This creates a debtor as detailed in the respective Funds' balance sheets. There are no outstanding balances due to or from Renfrewshire Council other than those that appear in the balance sheet.

10: Commitments

As at March 2019, no Common Good Fund had outstanding commitments on capital contracts. There were no outstanding commitments for operating lease rentals.

11: Staff Costs and Emoluments

No members of staff were employed directly via the Common Good Funds during 2018-19 (2017-18 nil). All costs were incurred by Renfrewshire Council and recharged as detailed in note 3(b) Governance Costs. There are therefore no employees with emoluments above £60,000 (2017-18 nil).

12: Audit Costs

Costs of £4,550 were incurred in relation to the audit of the 2018-19 financial statements.

13: Debtors

| | Year to 31 st March 2019 | | | | Year to 31 st March 2018 | | | |
|----------------------|-------------------------------------|--------------|--------------|--------------|-------------------------------------|--------------|--------------|--------------|
| | Paisley | Johnstone | Renfrew | Total | Paisley | Johnstone | Renfrew | Total |
| | £m | £m | £m | £m | £m | £m | £m | £m |
| Accrued Income | 0.000 | 0.000 | 0.007 | 0.007 | 0.000 | 0.000 | 0.008 | 0.008 |
| Prepayment of Grant | 0.000 | 0.000 | 0.019 | 0.019 | 0.000 | 0.000 | 0.000 | 0.000 |
| Total Debtors | 0.000 | 0.000 | 0.026 | 0.026 | 0.000 | 0.000 | 0.008 | 0.008 |

14: Creditors

| | Year to 31 st March 2019 | | | | Year to 31 st March 2018 | | | |
|------------------------|-------------------------------------|--------------|--------------|--------------|-------------------------------------|--------------|--------------|--------------|
| | Paisley | Johnstone | Renfrew | Total | Paisley | Johnstone | Renfrew | Total |
| | £m | £m | £m | £m | £m | £m | £m | £m |
| Trade Creditors | 0.040 | 0.000 | 0.041 | 0.081 | 0.046 | 0.000 | 0.062 | 0.108 |
| Rents in Advance | 0.000 | 0.000 | 0.004 | 0.004 | 0.000 | 0.000 | 0.004 | 0.004 |
| Total Creditors | 0.040 | 0.000 | 0.045 | 0.085 | 0.046 | 0.000 | 0.066 | 0.112 |

15: Short Term Deposits

Short term deposits are accounts held with Renfrewshire Council who process receipts, payments and accounting entries on behalf of the Common Good Funds.

16: Events after the Balance Sheet date

Events taking place after the authorised issue date per the balance sheet are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2019, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. There are no non adjusting events.

RENFREWSHIRE COUNCIL

COATS OBSERVATORY TRUST FUND

SC019454

TRUSTEES' REPORT
AND FINANCIAL STATEMENTS
1 APRIL 2018 to 31 MARCH 2019



Table of Contents

TRUSTEES' REPORT..... 1

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF COATS OBSERVATORY TRUST FUND AND
THE ACCOUNTS COMMISSION FOR SCOTLAND5

TRUST ACCOUNTS FINANCIAL STATEMENTS OVERVIEW8

STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31ST MARCH 20199

STATEMENT OF BALANCES AS AT 31ST MARCH 20199

NOTES TO THE FINANCIAL STATEMENTS 10

Trustees' Report

1. INTRODUCTION

Renfrewshire Council acts as sole trustee for the Coats Observatory Trust Fund which has charitable status and is registered with the Office of the Scottish Charity Regulator (OSCR):

The financial statements of the Trust are included in this report:

The principal address of the Trust Fund is:

Renfrewshire Council
Finance and Resources
Renfrewshire House
Cotton Street
Paisley
PA1 1JB

Renfrewshire Council administers the Trust Fund and separately accounts for it. Renfrewshire Council was established by the Local Government (Scotland) Act 1994 and came into being on 1 April 1996. The Council provides a wide range of public services such as education, social services, environmental services, council housing and economic regeneration.

The Trust Accounts do not form part of Renfrewshire Council's single entity balance sheet, although under s222 of the Local Government (Scotland) Act 1973, the property of the Trust "vest[s] in" the relevant local authority. However, the Trust Fund accounts are included within the group accounts of the Council. A copy of the group accounts can be obtained from the address above.

Independent Auditors: Audit Scotland
 4th Floor, South Suite
 The Athenaeum Building
 8 Nelson Mandela Place
 Glasgow G2 1BT

TRUSTEES

In terms of the “Trustees” of the Trust, the guidance provided by OSCR is that those who have “general control and management” of the charity are the charity trustees. Decisions regarding the general control and management of the Trust Fund are made by the Finance, Resources and Customer Services Policy Board (FRCSPB), which has delegated authority from the Council in this regard; but ultimately control rests with the full Council of elected members. We have therefore interpreted the above guidance as meaning all elected members are charity trustees

The following individuals were the Trustees of the Trust Fund in their capacity as elected members of Renfrewshire Council during the 2018/19 financial year:

| | |
|------------------------|--------------------|
| William Brown | Eileen McCartin |
| Lisa-Marie Hughes | Kevin Montgomery |
| John Shaw | Jacqueline Cameron |
| Jane Strang | John Hood |
| Edward Grady | Alistair MacKay |
| Catherine McEwan | Andrew Steel |
| Jim Paterson | Derek Bibby |
| Jennifer Adam-McGregor | William Binks |
| Neill Graham | Andrew Doig |
| Jim Sharkey | Emma Rodden |
| Karen Kennedy | Audrey Doig |
| John McIntyre | Alison Dowling |
| Kenneth MacLaren | Scott Kerr |
| Margaret MacLaren | James Sheridan |
| Carolann Davidson | Natalie Don |
| John McNaughtan | Colin McCulloch |
| William Mylet | James MacLaren |
| Edward Devine | Tom Begg |
| Marie McGurk | Michelle Campbell |
| Paul Mack | Jim Harte |
| Stephen Burns | Iain Nicolson |
| Lorraine Cameron | |

Day to day management of the Trust Fund is delegated to the Director of Finance and Resources of Renfrewshire Council. All of the trustees for the accounts are normally elected or re-elected at local government elections. By-elections are held to elect new members in the event of existing members vacating their position. New members automatically become trustees.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

The Coats Observatory Fund was inherited by the local authority in early 1963 from the Paisley Philosophical Society. The Council as Trustees own the buildings comprising the Coats Observatory. These buildings are leased to Renfrewshire Leisure Ltd for zero consideration.

HISTORY

The original purpose of the Trust when it was set up was: “for the upkeep of Coats Observatory equipment”. This purpose was relevant while there were cash funds available; however these funds have been exhausted, and only the property assets remain.

GOVERNANCE AND MANAGEMENT

The Council is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. The Director of Finance and Resources has been designated as that officer in Renfrewshire Council. They manage the affairs of the Council to secure the economic, efficient and effective use of resources and safeguard its assets and those of any charitable trust it controls. Given the Trust Fund is controlled by the Council, these specific provisions are supplemented by general provisions relating to the administration of local authority monies, i.e. the duty to obtain best value.

The Director of Finance and Resources has responsibility for ensuring an effective system of internal financial control is maintained and operated. This system of internal financial control can only provide reasonable and not absolute assurance that assets are safeguarded, transactions are recorded and properly authorised, and that material errors or irregularities are either prevented or would be detected within a timely period. The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures and a system of delegation and accountability. The Director of Finance and Resources is responsible for keeping proper accounting records which are up to date and which ensure that the financial statements comply with the Charities Accounts (Scotland) Regulations 2006(as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16th July 2014.

Decisions regarding the operation, assets, processes or policies of the Trust Fund are delegated by the Council to the Finance, Resources and Customer Services Policy Board (FRCSPB).

RISK

The Trustees have overall responsibility for the Trust Funds’ system of internal control. This system is designed by senior management to ensure effective and efficient operation, including financial reporting and compliance with laws and regulations. The Trustees acknowledge that such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

3. FINANCIAL REVIEW

The Trust Fund has no explicit reserves policy. The Trust Fund is not in deficit and no donations to the Fund are solicited.

4. FUTURE PLANS

Given there are no cash funds remaining, nor are any anticipated, the Council will explore with OSCR the future of the charity, always considering the ongoing sustainability of the Observatory and ensuring appropriate governance arrangements remain in place.

The Trustees wish to thank the Renfrewshire Council officers involved in producing the Report and Financial Statements.

Signed:

Date:

Alan Russell
Director of Finance and Resources
Renfrewshire Council

On behalf of the Trustees:

Date:

Councillor John Shaw
Convener – Finance, Resources and Customer Services Policy Board
Renfrewshire Council

Independent Auditor's Report to the Trustees of Coats Observatory Trust Fund and the Accounts Commission for Scotland

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of Coats Observatory Trust Fund for the year ended 31 March 2019 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Receipts and Payments, the Statement of Balances 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 a receipts and payments basis.

In my opinion the accompanying financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2019 and its statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1),(2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the trustees for the financial statements

As explained more fully in the Trustees' Report, the trustees are responsible for the preparation of financial statements which properly present the receipts and payments of the charity and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

My 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 my 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 the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other information in the statement of accounts

The trustees are responsible for the other information in the statement of accounts. The other information comprises the information other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission or required by applicable law to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the statement of accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am 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 I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on other requirements

Opinion on matter prescribed by the Accounts Commission

In my opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with The Charities Accounts (Scotland) Regulations 2006.

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.
- I have nothing to report in respect of these matters.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Mark Ferris FCCA
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

September 2019

Mark Ferris is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973.

Trust Accounts Financial Statements Overview

1. INTRODUCTION

The following pages detail the Statement of Receipts and Payments, the Statement of Balances and relevant Notes to the Accounts, as required by the Charities Accounts (Scotland) Regulations 2006. A Cash Flow Statement is not required as the charity is classified as a small charity as defined in the Charities Statement of Recommended Practice (SORP) and therefore is exempt from producing a Cash Flow Statement.

2. STATEMENT OF RECEIPTS AND PAYMENTS

The Statement of Receipts and Payments provides an analysis of the incoming and outgoing cash and bank transactions for the period. If applicable, the Statement would also show any cash movements in relation to fixed assets. In the case of the Trust Fund, there have been no purchases or sales of fixed assets.

3. STATEMENT OF BALANCES

The Statement of Balances reconciles the cash and bank balances at the beginning and end of the financial year with the surpluses or deposits shown in the Statement of Receipts and Payments. The Statement of Balances also summarises final closing balances at the end of the period.

4. NOTES TO THE ACCOUNTS

Notes to the accounts expand on or explain the information contained in the Statement of Receipts and Payments and the Statement of Balances.

Statement of Receipts and Payments for the year ended 31st March 2019

| year ended 31st March 2019 | | | |
|---|-------------------|-----------------|--------------------|
| 2018 Total £ | Unrestricted £ | Restricted £ | 2019 Total £ |
| 0 Total receipts | 0 | 0 | 0 |
| 0 Total payments | 0 | 0 | 0 |
| 0 Surplus / (deficit) for period | 0 | 0 | 0 |

Statement of Balances as at 31st March 2019

| As at 31 st March 2019 | | | |
|---|-------------------|-------------------|--------------------|
| 2018 Total £ | Unrestricted £ | Restricted £ | 2019 Total £ |
| Cash funds | | | |
| <i>Balances held with Renfrewshire Council:</i> | | | |
| 0.00 Opening balance | 0.00 | 0.00 | 0.00 |
| 0.00 Surplus / (deficit) for period | 0.00 | 0.00 | 0.00 |
| 0.00 | 0.00 | 0.00 | 0.00 |
| Other assets (at current valuation) | | | |
| <i>Land and buildings:</i> | | | |
| 631,597.46 Coats Observatory, Paisley | 0.00 | 610,850.73 | 610,850.73 |
| 0.00 Long Term Investments | 0.00 | 0.00 | 0.00 |
| 631,597.46 | 0.00 | 610,850.73 | 610,850.73 |

Signed
Date:
Alan Russell
Director of Finance and Resources

Renfrewshire Council

Signed
Date:
Councillor John Shaw
Convenor – Finance, Resources and Customer
Services Policy Board
Renfrewshire Council

Notes to the Financial Statements

1. ACCOUNTING POLICIES

INTRODUCTION

The Financial Statements for the year ended 31 March 2019 have been prepared in accordance with the Accounting and Reporting by Charities : Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are designed to give a true and fair view of the financial performance and position of the Trust Fund and comparative figures for the previous financial year are provided. There are no significant departures from accounting standards other than that outlined specifically below.

The accounting concepts of “materiality” and “going concern” have been considered in the application of accounting policies. In this regard the materiality concept means that information is included where the information is of such significance as to justify its inclusion. The accounts have been prepared on a going concern basis. The going concern concept assumes that the Trustees will not significantly curtail the scale of the charities’ operations, however it is anticipated that the Observatory Fund will not continue indefinitely. This has no impact on the financial statements as the assets of the Fund comprise solely of the Observatory buildings which are independently valued.

The accounting concept of "accruals" is not relevant to these statements, which have been prepared on a receipts and payments basis.

The accounts have been prepared under the historic cost convention, other than changes resulting from the revaluation of certain categories of assets. The following accounting policies used in its preparation have been reviewed following the introduction of Financial Reporting Standard 18 “Accounting Policies” (FRS18).

Fund Accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanations of the nature and purpose of each fund is included in the notes to the financial statements.

The 2017-18 comparative figures have been brought forward unchanged.

INCOMING/OUTGOING RESOURCES

Recognition of incoming resources

All income is recognised and included in the Statement of Receipts and Payments (SoRP) when the money is actually received.

Recognition of expenditure

Expenditure is recognised and included in the Statement of Receipts and Payments (SoRP) when it is paid for.

Charitable Activities

Decisions regarding the way the Trust Funds' income is spent are taken by the Finance, Resources and Customer Services Policy Board, whose membership comprises 15 of the trustees of the Trust Fund.

Costs of Generating Funds

The cost of administering the Trust Fund including the audit fee is borne entirely by Renfrewshire Council.

Governance Costs

Governance costs, where applicable, include the:

- costs of the preparation and examination of statutory accounts;
- cost of any legal advice to trustees on governance or constitutional matters; and
- cost of administering grants.

ASSETS

The Fund includes the land and buildings of Coats Observatory, Paisley. The valuation is based on fair value, determined as the market value that would be paid for the asset in its current use. Valuations are provided by the Council Valuer who is MRICS qualified, and are updated as a minimum every five years. The Observatory building is being depreciated on a straight-line basis over 30 years.

2. ANALYSIS OF RECEIPTS/PAYMENTS

No income was received in the year.

3. TRUSTEES' REMUNERATION AND EXPENSES

Neither the trustees of the Trust Fund nor any associated person connected with them have received any remuneration for their services. Further, no directly incurred expenses were reimbursed to the trustees during the period (2017-18 nil).

4. RELATED PARTIES

During the period the Council also acted as the banker for the Trust Fund and all transactions, incoming and outgoing, are made via the Council's bank accounts. There are no outstanding balances due to or from Renfrewshire Council nor were there any cash transactions during 2018-19.