

**INVERCLYDE COMMUNITY DEVELOPMENT TRUST**

Directors Report and Accounts  
For the year ended 31st March 2016

**HENDERSON & COMPANY**  
CHARTERED ACCOUNTANTS  
73 UNION STREET  
GREENOCK

# INVERCLYDE COMMUNITY DEVELOPMENT TRUST

## Directors



## Secretary

## Registered Office

Westburn Centre  
175 Dalrymple Street  
Greenock  
PA15 1JZ

## Auditors

Henderson & Company,  
Chartered Accountants,  
73 Union Street,  
Greenock  
PA16 8BG

## Bankers

Bank of Scotland  
The Cross  
Paisley  
PA1 1DD

## Solicitors

Burness Paull Solicitors  
242 West George Street  
Glasgow  
G2 4QY

**INVERCLYDE COMMUNITY DEVELOPMENT TRUST  
(A Registered Charity)**

**CHAIRMAN'S REPORT**

Welcome to our Annual Review of the Trust and the presentation of our Annual Accounts.

The overall situation for Third Sector Organisations in both Scotland and the U.K. in general, continues to worsen with funding becoming more difficult to secure.

Therefore there has been a greater emphasis on "self-generated" income rather than depending on grants and contracts.

The Trust has increased its earnings at Newark Enterprises by making and selling not just craft items but large planters and bin stores and our partnership with River Clyde Homes has contributed substantially to these earnings.

Additionally, we secured a new programme "Food to Fork" which is about growing food and delivering training and education on cooking skills.

The overall mission of the Trust remains the same "To create training and employment opportunities for local people"

To do this, we continue to develop new funding opportunities and to partner with other local Organisations.

Inverclyde Council and the Community Health Care Partnership continue to be our biggest funders.

Inverclyde Council's Future Jobs Programme continues to allow us to work with a range of other Organisations such as River Clyde Homes to "lever in" additional funding through Big Lottery and People and Communities Fund.

Our thanks this year to all our supporters:

Inverclyde Council  
Inverclyde Council's Economic Regeneration Service  
Inverclyde Council's Community Learning and Development  
Inverclyde Community Health Care Partnership  
Job Centre Plus  
Development Trust Association (Scotland)  
Locality (UK)  
Heritage Lottery Fund  
Big Lottery  
Craigend Resource Centre  
Auchmountain Resource Centre  
West College Scotland  
Branchton Community Centre

Inverclyde Alliance  
Riverside Inverclyde  
River Clyde Homes  
Skills Development Scotland  
Volunteer Development Scotland  
CVS Inverclyde  
Financial Fitness  
Stepwell Consultancy  
Community Enterprise in Scotland(CEIS)  
Youth Connections  
Voluntary Action Scotland  
The Beacon Arts Centre

Finally, I should like to thank my colleagues on the Board of the Trust and all the staff and volunteers for all their work and support throughout the year.

**INVERCLYDE COMMUNITY DEVELOPMENT TRUST**  
**(A Registered Charity)**

**TRUSTEES REPORT**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2016. The legal and administrative information on page one forms part of this report.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, 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.

**THE MISSION OF INVERCLYDE COMMUNITY DEVELOPMENT TRUST (THE TRUST) IS:**

- To contribute to the overall economic development of Inverclyde by providing or creating jobs for people from disadvantaged groups and areas.
- To provide a framework for local people to enhance their existing skills and enter a learning pathway which increases their potential for economic activity and/or the improvement of their quality of life.
- To remove obstacles to individuals and groups accessing training and employment.
- To provide a range of services within the community and to other community groups.

The Trust continues to seek to achieve its mission through a series of operational objectives:

**OBJECTIVE 1**

To address the problem of economic and social exclusion facing local people in Inverclyde through the provision of community support services, and employment training services.

**OBJECTIVE 2**

To provide employment, volunteering and training opportunities for local people within the delivery of community based services.

**OBJECTIVE 3**

To develop sustainable community based services through a range of income generation and business services.

**OBJECTIVE 4**

To develop the community infrastructure and provide facilities for local organisations and service users.

**OBJECTIVE 5**

To achieve meaningful local and social regeneration by providing ways to access and celebrate local heritage

**Operational Developments**

Throughout the year, we have continued to improve our “quality measures”.

In March 2016, we were awarded:

- Gold Standard – Investors in Young People
- We completed an “Inspection” by Education Scotland looking at our wider impacts in the Community

Work has been on-going recruiting 5 new Board Members who will join the Board after the AGM in November 2016.

Additionally, /

Additionally, support has been obtained from Development Trust Association Scotland (DTAS) for the recruitment of a new C.E.O. before June 2017.

There have been difficulties with the delivery of the new Care Contract and like many other Organisations, the Trust is struggling to deliver this contract. Consideration is being given to terminating this contract with a loss of 13 jobs after 26 years of delivering care.

As usual, we have provided a summary of our activity for the year but none of this really reflects the major impacts that the Trust has on the wider community.

**The following bullet points provide an indication of our successes for the period: 1<sup>st</sup> April 2015 until 31<sup>st</sup> of March 2016:**

### **Employability Services**

- 1,081 people registered with the core employability service
- 412 people secured employment
- 360 people achieved 1 or more basic skills qualification
- 294 people achieved a qualification, e.g. SVQ in Social Care
- 103 people achieved an industry recognised qualification
- 130 employers worked with the Trust Employer Engagement Team
- 42 Recruitment Campaigns were held by the Trust
- 35 Apprenticeships were filled by Employability clients
- 110 young people secured a post with the Future Jobs Programme
- These are some of the companies that Future Jobs Posts were held with:
  - The Trust
  - Ardgowan Hospice
  - Stepwell
  - Inverclyde Council
  - Mind Mosaic
  - Inverclyde Leisure
  - Alzheimer Scotland
  - Morton Community Trust
  - Youth Connections

### **John Wood Street**

- 7,788 People came into John Wood Street for a variety of services
- Assisted 55 Community Groups, Voluntary Groups and Statutory Groups in the Centre
- 1,853 People accessed Employability Services in John Wood Street
- 174 People accessed Addiction Services (Moving On, Community Drugs Team, RCA Trust)
- 1,776 People attended Elderly Care Group Meetings (Knitting Group, Older People's Group, and Alzheimer's Friendly Group etc.)
- 541 People accessed Housing services ( Link Housing and Riverclyde Homes)
- 251 People accessed Advice and Information Services (Inverclyde Advocacy, Financial Fitness, Inverclyde Council Advice Services)
- 105 People accessed English Lessons through the Afghan Ladies Group and Community Learning Development (CLD)
- 419 People accessed Literacy and Numeracy skills support through CLD sessions
- 389 People accessed training through external training groups: e.g. Your Voice/iPad training, Action for Children Parenting Course etc.
- 246 People accessed internal training: e.g. Volunteer Befriending, ISEE Scotland, PX2 etc.

### **Volunteer Inverclyde/**

### **Volunteer Inverclyde**

- 83 Befriending Relationships supported
- 409 People registered as volunteers
- 6 schools recognising Youth Volunteering
- 29 People attended ISEE Scotland Courses
- 28 people attended Befriending Training Courses
- 60 Organisations were supported with Volunteering Development
- 137 volunteers attended training and events through the Gie's Peace Programme

### **Trust Care Services**

- 16,802 hours of care were delivered to clients during the year
- 2,184 deliveries of shopping were delivered to an average 42 clients across Inverclyde

### **Heritage Inverclyde**

- 452 people engaged with the project through events/exhibitions
- A total of 801 pupils were engaged in a variety of programmes
- 3,538 hours of volunteering were engaged across the programmes
- 22 volunteers were recruited from the wider community of Inverclyde to research and design a book on the history of the Inverclyde area.
- A group of 14 local women were recruited to participate in the production of a box of illustrated fact cards on the history of local women.
- 4 Local Secondary Schools participated in Oral History Training
- 700 primary 4 pupils participated in the interactive walk along the Heritage Trail.
- 25 young people volunteered for the Sounds Write Music Project
- Big Band Dance was held at Greenock Town Hall as part of VE Day celebrations and a number of elderly people from across Inverclyde attended the event

### **Newark Products/ Port Glasgow Business and Training Centre**

- 12 Trainees from Enable were employed in Newark Products
- 46 Trainees have been working on a number of sites including:
  - Belville Community Garden
  - Angus Road Port Glasgow
  - Mallard Bowl Greenock
  - Lynedoch Street Greenock
- Contracts have been secured with:
  - Highclere Castle (Downton Abbey)
  - North York Moors Park
  - Inverawe Smokery
  - Tobermory Fish Company
  - Scotcrest
  - Ardgowan Distillery

### **Economic Impacts**

- 83 Staff Employed
- £2.2 million was spent on wages/salaries locally

### **Governance/**

**Governance**

The Trust is a representative type Organisation with its Directors being nominated by:

- Community Councils
- Local Community Forums
- Voluntary Sector Organisations
- Co-operation from interested parties

In addition, the Local Authority nominates 3 elected members.

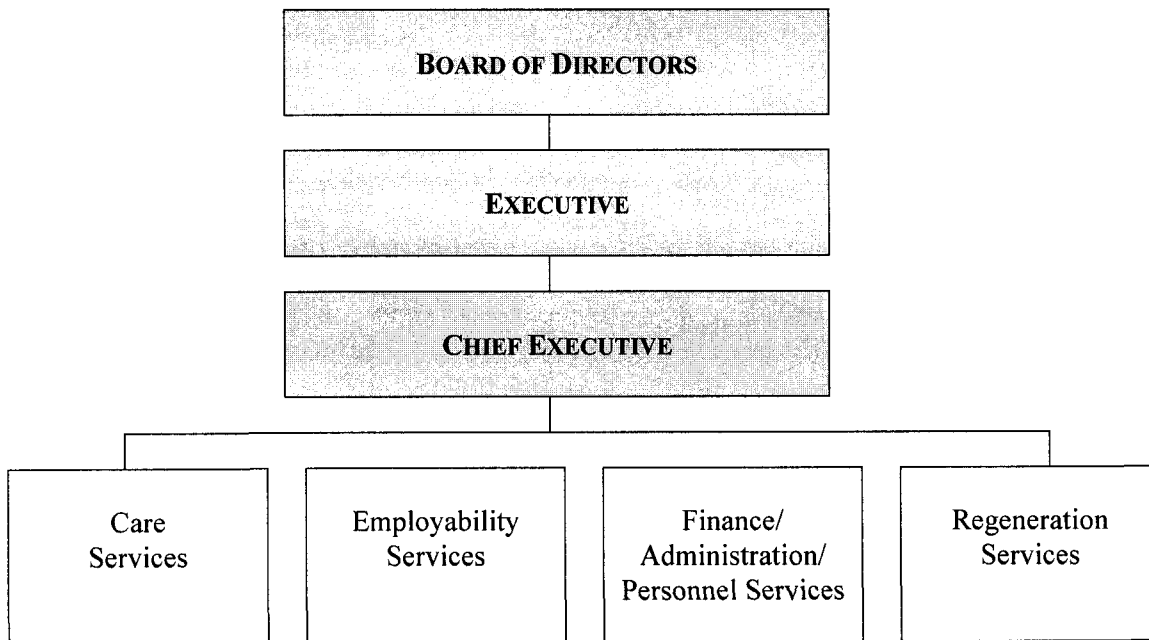
The Board can also co-opt additional Members to represent specific interests or new initiatives which are relevant to the work of the Trust.

Local Authority Officers may also attend Board meetings, if required to give information or advice on specific areas.

Members of the Board are Directors of the Company. At the Annual General Meeting, the Chairman, Vice Chairman and Company Secretary are elected for a period.

The Board has overall responsibility for the strategic management of the Trust and its related activities. Day to day operation of the Trust is delegated to the Chief Executive.

**Organisational Structure**



**The Future**

In January 2017, the Trust will have been in existence for 30 years and will have created a little bit of history. We are currently compiling a report showing some of the milestones and also a summary of the funding secured for Inverclyde during the first 30 years

**Results –**

This year the Trust ended the year with a surplus of £244,296 (2015 - £74,404). The surplus for the year can be split between a surplus on unrestricted activities of £39,668 and a surplus of £204,628 on restricted funds.

**Reserves Policy/**

## **Reserves Policy**

### **Reserves are important for:**

- Contingency Planning
- Fulfilment of legal and moral commitments (e.g. outstanding service delivery or redundancy)

### **Our policy for reserves is required to demonstrate:**

- Transparency and accountability to funders
- Sound financial management
- Justification of the amount of reserves

### **The Board of the Trust have set reserves at a level which requires:**

- Reserves to be maintained at a level which ensures the continuity of the Trust's core activities during a period of unforeseen difficulty.
- The required level of reserves to be held in a readily realisable form.

The calculation of the required level of reserves is an integral part of the Trust's planning, budgeting and forecasting cycle.

### **Reserves are divided into the following categories:**

#### **1. Restricted Reserves**

Restricted revenue reserves represents funds received from funders in advance of delivery of services. These reserves may be partly or wholly repayable if the Trust does not comply with the grant giver's conditions. These restricted revenue reserves are therefore not available to the Trustees for unrestricted purposes.

#### **2. Designated Reserves**

Designated reserves represents funds being held for a specific purpose decided by the Trust but which could be used for another purpose.

Funds employed stand at £1,665,335 (2015 - £1,421,039) of which £579,885 (2015 - £375,257) are of a restricted nature. The Trustees in considering their ongoing commitments have designated in total £1,085,450 (2015 - £1,045,782) as detailed in the notes to the financial statements.

## **Risk Management**

The Trustees have, with support from senior staff, adopted a structured approach to risk management and incorporated risk management into its management practices. A regular review of the risks facing the organisation, the risk mitigation possible, the impact and likelihood will be carried out on a regular basis. A regular report will be made to the Board.

The company is not a risk averse organisation. It recognises that to stay in the forefront of representing the sector and developing services, risky activities need to be undertaken. The overall level of risk accepted may, if the risks materialise, lead to significant change and disruption in the organisation but should not place the organisation as a whole in jeopardy.

The level of risk acceptable is considered against the benefit to the sector. High risk activities with little direct benefit to the sector are not to be undertaken even if there is a possibility of significant amounts of income generation.

The management Board is the ultimate governing body of the company and is responsible for internal financial controls. The system of controls aims to give the Board reasonable (but not total) assurance that issues are identified as they arise and are dealt with appropriately in an effective, timely manner. The three main objectives of the control system are:

- To ensure that the company continues to maintain proper accounting records;
- To safeguard the organisation's assets from unauthorised disposal or use; and
- To ensure the integrity and reliability of financial and operational information used for decision-making within the organisation and for external publication.

The/



The Company's internal controls include:

- A strategic plan and an annual budget approved by the Trustees.
- Regular consideration by the Trustees of financial results, variance from budgets, non-financial and performance indicators.
- Delegation of authority and segregation of duties.
- Identification and management of risks.

### **Pensions**

The company participates in a defined contribution pension scheme with Scottish Equitable via Stewart Asset Management Group. During the accounting period, the company paid contributions at the rate of 3-6% for all pensionable posts. Member contributions are at the discretion of each individual member.

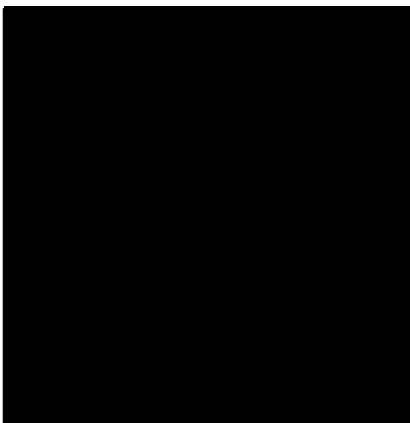
### **Legal and Administrative Information**

Inverclyde Community Development Trust (ICDT) is a Scottish Charity, Recognition Number SC007212. It is a private company limited by guarantee with no share capital, registration number SC116334. The operation of ICDT is governed by its Memorandum and Articles of Association.

### **Directors and Trustees**

The directors of the charitable company are its trustees for the purposes of charity law and throughout the report are collectively referred to as the trustees.

The Trustees who have held office during the year were as follows:-



### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also directors of Inverclyde Community Development Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

The/

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

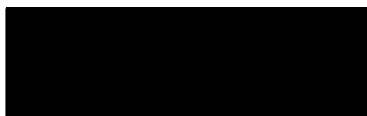
So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Auditors**

The auditors, Henderson & Company, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

BY ORDER OF THE BOARD



Westburn Centre  
175 Dalrymple Street  
Greenock  
PA15 1JZ

4 November 2016

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF INVERCLYDE COMMUNITY DEVELOPMENT TRUST**

We have audited the financial statements of Inverclyde Community Development Trust for the year ended 31st March 2016 on pages 12 to 20. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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, and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charitable company and its members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective Responsibilities of Trustees and Auditors**

As explained more fully in the Trustees Annual Report, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

### **Scope of the Audit of the Financial Statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on Financial Statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Opinion on Other Matter Prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters./**

**Matters on Which we are Required to Report by Exception**

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

- 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 trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees Annual Report.



For and on behalf of Henderson & Company  
Statutory Auditor and Chartered Accountants  
73 Union Street, Greenock, PA16 8BG

4 November 2016

**INVERCLYDE COMMUNITY DEVELOPMENT TRUST**  
**COMPANY NO – SC116334**  
**INCOME AND EXPENDITURE ACCOUNT (INCLUDING STATEMENT OF FINANCIAL**  
**ACTIVITIES) FOR THE YEAR ENDED 31ST MARCH 2016**

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2016	<i>Total Funds 2015</i>
		£	£	£	£
<b>Incoming Resources</b>					
Activities for Generating Funds	2	50,994	-	50,994	60,120
Incoming Resources from Charitable Activities					
Community Support and Development	3	132,591	3,536,350	3,668,941	3,359,642
		<hr/>	<hr/>	<hr/>	<hr/>
Total Incoming Resources Available		183,585	3,536,350	3,719,935	3,419,762
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Resources Expended</b>					
Cost of Generating Funds	4	47,950	-	47,950	71,412
Charitable Activities	5				
Community Support and Development		72,011	3,331,722	3,403,733	3,245,782
Interest Paid		5,814	-	5,814	6,541
Governance Costs		18,142	-	18,142	21,623
		<hr/>	<hr/>	<hr/>	<hr/>
Total Resources Expended		143,917	3,331,722	3,475,639	3,345,358
		<hr/>	<hr/>	<hr/>	<hr/>
Net Income in Excess of Expenditure in Year	8	39,668	204,628	244,296	74,404
Balance Brought Forward		1,045,782	375,257	1,421,039	1,346,635
		<hr/>	<hr/>	<hr/>	<hr/>
Balance Carried Forward		1,085,450	579,885	1,665,335	1,421,039
		<hr/>	<hr/>	<hr/>	<hr/>

**INVERCLYDE COMMUNITY DEVELOPMENT TRUST**  
**COMPANY NO – SC116334**  
**BALANCE SHEET AS AT 31ST MARCH 2016**

	<b>2016</b>	<b>2015</b>	<b>Note</b>
	<b>£</b>	<b>£</b>	
<b>FIXED ASSETS</b>			
Tangible Assets	1,029,948	1,051,540	10
<b>CURRENT ASSETS</b>			
Debtors	474,326	362,855	11
Cash at Bank	558,852	562,932	
	1,033,178	925,787	
<b>CREDITORS:</b>			
Amounts falling due within one year	288,634	428,152	12
<b>NET CURRENT ASSETS</b>	744,544	497,635	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	1,774,492	1,549,175	
<b>CREDITORS:</b>			
Amounts falling due after more than one year	109,157	128,136	13
	1,665,335	1,421,039	
<b>RESERVES</b>			
Restricted Funds	579,885	375,257	17
<b>Unrestricted Funds</b>			
Revaluation Reserve	85,000	85,000	18
Capital Reserve	944,948	966,540	18
General Funds	55,502	(5,758)	19
	1,665,335	1,421,039	

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

These financial statements were approved by the Board of Directors on 4 November 2016 and were signed on its behalf by:

D. MUIRHEAD  
*Director*

**INVERCLYDE COMMUNITY DEVELOPMENT TRUST  
CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016**

	<b>2016</b>	<b>2015</b>	<b>Note</b>
	<b>£</b>	<b>£</b>	
Net Cash Inflow from Ordinary Activities	18,714	119,113	20
<b>Returns on Investment and Servicing of Finance</b>			
Interest Received	-	-	
Interest Paid	(5,814)	(6,541)	
<b>Cash outflow from Returns on Investment and Servicing of Finance</b>	(5,814)	(6,541)	
<b>Capital Expenditure and Financial Investment</b>			
Purchase of Tangible Fixed Assets	-	(9,680)	
Disposal Proceeds Tangible Fixed Assets	-	-	
<b>Cash outflow from Capital Expenditure and Financial Investment</b>	-	(9,680)	
<b>Net Cash Inflow before use of liquid Resources and Financing</b>	12,900	102,892	
<b>Financing</b>			
Bank Loan Repaid	(16,980)	(16,252)	
<b>(Decrease)/Increase in Cash</b>	(4,080)	86,640	

**INVERCLYDE COMMUNITY DEVELOPMENT TRUST  
NOTES TO THE ACCOUNTS AS AT 31ST MARCH 2016**

**1. ACCOUNTING POLICIES**

**(a) Accounting Convention**

The financial statements of the charitable company have been prepared in accordance with the Charities SORP (FRSSE) "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 (the FRSSE) (effective 1 January 2015)", the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of land and buildings which is included at market value.

**(b) Incoming Resources – Grants Receivable and Other Income**

It is the company's policy to take all grants to the income and expenditure account (including statement of financial activities) in the year to which they relate. Where as part of the grant conditions the donor has imposed restrictions on the expenditure of resources which amount to pre-conditions for use any grant received over and above the level of expenditure is deferred. If no such restrictions are imposed then the income is recognised in full and if the grant is of a restricted nature and the level of expenditure is not equal to the grant the balance is transferred to a restricted fund.

Where grants are received specifically to provide for a fixed asset the income is recognised in the income and expenditure account (including statement of financial activities) in the year of receipt. An amount equal to the grant is transferred to a restricted fund which is then reduced over the useful economic life in line with the depreciation charged.

The company charges for services as part of its charitable activities and income is recognised on a receivable basis. Such income is included as other income.

**(c) Resources Expended**

Resources expended are included in the income and expenditure account (including statement of financial activities) on an accruals basis. Where costs cannot be directly attributed to activities they have been allocated on a basis consistent with use of the resources.

Grant expenditure is recognised once the offer of the grant has been accepted by the recipient.

**(d) Depreciation**

Depreciation is provided at rates calculated to write off the cost, less residual value, of each asset over its expected useful life as follows:

Port Glasgow Refurbishment	5%	straight line
Fixtures and Fittings	20%	reducing balance
Motor Vehicles	25%	reducing balance
Plant & Machinery	10%	straight line

Land and buildings are revalued annually with the surplus or deficit on book value being transferred to the revaluation reserve. No depreciation charge is provided on land and buildings as any charge would be immaterial because the estimated residual value is not materially different from the carrying amount. This treatment is contrary to the Companies Act 2006 but the directors believe it is necessary to give a true and fair view. If this departure from the Act had not been made the surplus for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot be reasonably quantified because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

**(e) Stocks**

Stocks are stated at the lower of cost and net realisable value.

**(f)/**



**(f) Pension Costs**

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the income and expenditure account (including statement of financial activities).

**(g) Leasing and Hire Purchase**

Assets obtained under hire purchase and finance lease contracts are capitalised in the Balance Sheet and are depreciated over their useful lives. The interest element of payments is charged to the income and expenditure account (including statement of financial activities) over the period of the agreements.

Rentals paid under operating leases are charged against income as incurred annually over the lease term.

**(h) Funds**

General funds are unrestricted funds which are available for use at the discretion of the directors in furtherance of the general objectives of the charity and which have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the directors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors.

**2. ACTIVITIES FOR GENERATING FUNDS**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds</b>	<b>Total Funds</b>
			<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Rental and Services Income	28,406	-	28,406	34,797
Café Sales	12,271	-	12,271	14,686
Financial Services	10,317	-	10,317	10,637
	<u>50,994</u>	<u>-</u>	<u>50,994</u>	<u>60,120</u>

**3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds</b>	<b>Total Funds</b>
			<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Community Support and Development</b>				
Inverclyde Council - Employability Funding	-	2,751,390	2,751,390	2,576,157
Inverclyde Community Health Care Partnership	-	349,450	349,450	329,751
Heritage Lottery Fund	-	120,570	120,570	-
The Big Lottery	-	38,006	38,006	66,629
Creative Scotland	-	32,820	32,820	30,000
Voluntary Action Fund	-	45,182	45,182	61,112
Scottish Government Interface	-	76,900	76,900	76,480
River Clyde Homes	-	122,032	122,032	-
Other Grants and Income	132,591	-	132,591	219,513
	<u>132,591</u>	<u>3,536,350</u>	<u>3,668,941</u>	<u>3,359,642</u>

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#### 4. COST OF GENERATING FUNDS

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2016</b>	<b>Total Funds 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Rental Costs	32,523	-	32,523	41,723
Café	14,802	-	14,802	29,066
Other Services	625	-	625	623
	<u>47,950</u>	<u>-</u>	<u>47,950</u>	<u>71,412</u>

#### 5. RESOURCES EXPENDED – CHARITABLE ACTIVITIES

	<b>Activities Undertaken</b>	<b>Support Costs</b>	<b>Total 2016</b>	<b>Total 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Community Support and Development	3,026,628	377,105	3,403,733	3,245,782

#### 6. SUPPORT COST ALLOCATION

	<b>Total 2016</b>	<b>Total 2015</b>
	<b>£</b>	<b>£</b>
Accommodation	186,015	188,587
Finance	23,735	26,387
Core	167,355	137,420
	<u>377,105</u>	<u>352,394</u>

#### 7. STAFF COSTS

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Wages and Salaries	2,223,995	2,070,534
Social Security Costs	120,271	122,960
Pension Costs	97,666	85,934
	<u>2,441,932</u>	<u>2,279,428</u>

The average number employees during the year was 168 (2015 – 154). No employee received remuneration in excess of £60,000 during the year ended 31 March 2016 (2015 - one employee received between £60,000 and £70,000 and the company also made payments totalling £3,896 to a defined contribution pension scheme on behalf of that employee).

No remuneration was received by Directors (2015 - £Nil). Directors were reimbursed a total of £Nil (2015 - £Nil) for expenses incurred in the performance of their duties.

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## 8. INCOME IN EXCESS OF EXPENDITURE

	2016	2015
	£	£
Income in excess of expenditure is stated after charging:-		
Auditors Remuneration:	10,950	10,950
Depreciation - Owned Assets	21,592	20,797
Operating Lease Rentals - Property	30,000	30,000
- Equipment	1,079	-

## 9. TAXATION

No liability to corporation tax will arise on the results as the company is a registered charity for taxation purposes.

## 10. TANGIBLE FIXED ASSETS

	Total	Property	Fixtures & Fittings	Plant & Machinery	Motor Vehicles
	£	£	£	£	£
<b>Cost or Valuation</b>					
As at 1 April 2015	1,258,274	925,000	125,730	185,514	22,030
Additions in Year	-	-	-	-	-
Disposals in Year	-	-	-	-	-
As at 31 March 2016	1,258,274	925,000	125,730	185,514	22,030
<b>Depreciation</b>					
As at 1 April 2015	206,734	-	97,591	96,646	12,497
Charge for the Year	21,592	-	4,393	14,811	2,388
On Disposals in Year	-	-	-	-	-
As at 31 March 2016	228,326	-	101,984	111,457	14,885
<b>Net Book Value</b>					
As at 31 March 2016	1,029,948	925,000	23,746	74,057	7,145
As at 31 March 2015	1,051,540	925,000	28,139	88,868	9,533

The company's properties were revalued by Allied Surveyors Scotland PLC on 8th October 2013, on an open market basis. In their opinion the value at this time was £925,000. The directors consider that this valuation represents a reasonable basis upon which to assess the value of the properties at 31 March 2016.

The historical cost of the company's properties is £1,302,390 (2015 - £1,302,390).

## 11. DEBTORS

	2016	2015
	£	£
Trade Debtors	427,155	302,441
Prepayments	47,171	60,414
	<u>474,326</u>	<u>362,855</u>

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**12. CREDITORS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year:-		
Bank Loan	17,000	15,000
Trade Creditors	64,412	45,544
Social Security and other Taxes	40,487	35,992
Accruals	51,917	50,449
Other Creditors	114,818	281,167
	<u>288,634</u>	<u>428,152</u>

**13. CREDITORS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Amounts falling due in more than one year:-		
Bank Loan	109,156	128,136

**14. SECURITIES**

The bank have a first ranking standard security over two of the company's properties in Greenock. Secured debts included within creditors at 31 March 2016 totalled £126,156 (2015 - £143,136).

**15. OTHER FINANCIAL COMMITMENTS**

At 31st March 2016 the company had annual commitments under operating leases as set out below:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Property Leases which expire:		
Within 1 year	-	-
In years 2 – 5	30,000	30,000
In over 5 years	-	-
Other Leases which expire:		
Within 1 year	-	-
In years 2 – 5	1,019	-
In over 5 years	-	-

**16. CAPITAL AND OTHER COMMITMENTS**

	<b>2016</b>	<b>2015</b>
Contracted for but not provided for in the accounts	Nil	Nil
Authorised by the Directors but not contracted for	Nil	Nil

**17. RESTRICTED FUNDS**

<b>Project Funds</b>	<b>Total 2016</b>	<b>Total 2015</b>
	<b>£</b>	<b>£</b>
Balance at 31 March 2015	375,257	226,415
Surplus for the Year	204,628	148,842
Balance at 31 March 2016	<u>579,885</u>	<u>375,257</u>

Project funds represent a balance of income unexpended at the year end on restricted grants.

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## 18. CAPITAL AND REVALUATION RESERVES

	<b>Capital Reserve</b>	<b>Revaluation Reserve</b>
	<b>£</b>	<b>£</b>
Balance at 31 March 2015	966,540	85,000
Transfer to General Funds in Year	(21,592)	-
	<hr/>	<hr/>
Balance at 31 March 2016	944,948	85,000
	<hr/>	<hr/>

The above are designated funds which have been created to represent the reserves that are not available for other activities since they represent the net book value of the tangible fixed assets.

## 19. GENERAL FUNDS

	<b>£</b>
Balance at 31 March 2015	(5,758)
Surplus for the Year	39,668
Transfer from Capital Reserve	21,592
	<hr/>
Balance at 31 March 2016	55,502
	<hr/>

The board of directors have designated all of the general funds of the company for the sustainability and development of the business.

## 20. RECONCILIATION OF INCOME IN EXCESS OF EXPENDITURE TO NET CASH INFLOW FROM ORDINARY ACTIVITIES

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Income in Excess of Expenditure	244,296	74,404
Depreciation Charges	21,592	20,797
Interest Paid	5,814	6,541
(Increase)/Decrease in Debtors	(111,471)	56,682
Decrease in Creditors	(141,517)	(39,311)
	<hr/>	<hr/>
	18,714	119,113
	<hr/>	<hr/>

## 21. RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET FUNDS

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
(Decrease)/Increase in Cash	(4,080)	86,640
Cash Inflow from Financing	16,980	16,252
	<hr/>	<hr/>
Change in Net Funds Resulting from Cashflows	12,900	102,892
Net Funds at Start of Year	419,796	316,904
	<hr/>	<hr/>
Net Funds at End of Year	432,696	419,796
	<hr/>	<hr/>

## 22. ANALYSIS OF NET FUNDS

	<b>At 1st April 2015</b>	<b>Cashflow</b>	<b>Non-Cash Charges</b>	<b>At 31st March 2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash at Bank	562,932	(4,080)	-	558,852
Bank Loan	(143,136)	16,980	-	(126,156)
	<hr/>	<hr/>	<hr/>	<hr/>
	419,796	12,900	-	432,696
	<hr/>	<hr/>	<hr/>	<hr/>