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|-------------------------|--|--------------------|------------------------|
| Report To: | Trustees of Council's Charities | Date: | 08 October 2015 |
| Report By: | Honorary Treasurer | Report No: | FIN/93/15/AP/CM |
| Contact Officer: | Jan Buchanan | Contact No: | 01475 712223 |
| Subject: | Trust Funds Annual Accounts 2014-2015 | | |

1.0 PURPOSE

- 1.1 The purpose of this report is to ask the trustees to review and approve the Annual Accounts for two trust funds that are not registered charities. The accounts of the McLeod Trust that is administered by Port Glasgow High School are also included for information.

2.0 SUMMARY

- 2.1 It is good practice for trustees to approve the Annual Accounts and sign and date the Trustees' Annual Report and Balance Sheet no later than 9 months after the financial year end. The financial statements have been compiled in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 (The CODE), the same basis as the Council. These trusts are not registered charities and accordingly do not require to be filed with an external agency.
- 2.2 The two trusts concerned are:
- o Birkmyre Trust
 - o Watt Institution Trust Fund
- 2.3 The independent examination of the accounts of the trusts has been completed by David Connell CPFA free of charge and his signed certificate is attached to each set of accounts. In both cases, the certificate confirms that the financial statements present fairly the finances of the trust for the period.
- 2.4 The financial statements of both trusts continue to be included within the annual Audited Accounts for Inverclyde Council under the Local Authority Accounts (Scotland) Regulations 2014.
- 2.5 The accounts of the McLeod Trust are also included for trustees' information. The independently examined financial statements for 2014-2015 have been approved at a meeting of the school's Senior Management Team (which was also the AGM of the trustees) and are attached for information.

3.0 RECOMMENDATION

- 3.1 It is recommended that the trustees:
- a) Review and approve the Annual Accounts for the two trust funds for the year ended 31 March 2015.
 - b) Note the accounts of the McLeod Trust for the year ended 31 March 2015.

Alan Puckrin
Honorary Treasurer

4.0 BACKGROUND

4.1 The Council has three miscellaneous trust funds. Two of these trusts, the Birkmyre Trust and the Watt Institution Trust, have the elected members of the Council as trustees.

4.2 The other trust fund is the McLeod Trust. The trustees are the Senior Management Team of Port Glasgow High School. The independently examined financial statements for 2014-2015 were approved at a meeting of the school's Senior Management Team on 18 September 2015 (which was also the AGM) and are attached for information.

5.0 IMPLICATIONS

5.1 Legal

None

5.2 Financial

| Cost Centre | Budget Heading | Budget Year | Proposed Spend this Report | Virement from | Other Comments |
|-------------|----------------|-------------|----------------------------|---------------|----------------|
| | | | None | - | None |
| | | | | | |
| | | | | | |

5.3 Human Resources

None.

5.4 Equalities

None.

6.0 CONSULTATIONS

6.1 None.

7.0 LIST OF BACKGROUND PAPERS

7.1 None.

Birkmyre Trust

Annual Report and Financial Statements 2014-2015



Year ended 31 March 2015

Inverclyde
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Birkmyre Trust Contents

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Adam Birkmyre (1848-1906) of Shallot, Kilmacolm was a generous benefactor to Kilmacolm and donated to them **Birkmyre Park**. He also paid for the reading room and the library in the village.

In 1889 he purchased land in the middle of the village to provide a public park for the inhabitants of the Parish of Kilmacolm for their “use, benefit, enjoyment and recreation”.

The following year after work to lay out footpaths, play areas for children and pitches for sports, Birkmyre Park was formally opened to the public. In addition to the parkland, four cottages on the land were donated.

The cottages were subsequently converted into what became known as the Pavilion. A feature of this building was the decoration of the Birkmyre name and family emblem on its end walls. The Pavilion served various purposes over the years including a children’s nursery and accommodation for the park keepers.

By the turn of the Millennium, and after over 100 years of service, the Pavilion was in need of renovation. Starting in 2005, capital improvements were made to the Pavilion and its surrounds by the local authority.

In 2009, with financial assistance from the council, a further programme of very extensive refurbishment to the Pavilion was successfully completed. The building now houses modern leisure facilities.

The trust for the Birkmyre Park was established under the trust disposition of Adam Birkmyre to the Parish of Kilmacolm in 1897.

As the successor local authority Inverclyde Council is the sole trustee. The Chief Financial Officer of Inverclyde Council in his capacity as the Section 95 Officer is responsible for making arrangements for the proper administration of the Council’s financial affairs and, as part of that responsibility, administers the trust and reports to Council.

Birkmyre Trust
Trustees' Annual Report
For the Year ended 31 March 2015

The trustees present their report together with the financial statements and the Independent Examiner's report for the year ended 31 March 2015.

Reference and Administrative Information

- Trust Name Birkmyre Trust
- Principal Offices C/o Inverclyde Council, Municipal Buildings,
Clyde Square, Greenock, PA15 1LY

Current Trustees

- Provost Robert Moran, Chair
- Councillor Ronnie Ahlfeld
- Councillor Martin Brennan
- Councillor Keith Brooks
- Councillor Math Campbell-Sturgess
- Councillor Jim Clocherty
- Councillor Gerry Dorrian
- Councillor Jim Grieve
- Councillor Vaughan Jones
- Councillor Terry Loughran
- Councillor Stephen McCabe
- Councillor James McColgan
- Councillor Michael McCormick
- Councillor Chris McEleny
- Councillor Joe McIlwee
- Councillor Jim MacLeod
- Councillor Innes Nelson
- Councillor Luciano Rebecchi
- Councillor Kenny Shepherd
- Councillor David Wilson

Other Trustees who served during the Year

- None

Honorary Secretary

- Role fulfilled by officers in Inverclyde Council's Legal and Property Services

Honorary Treasurer

- Role fulfilled by Alan Puckrin CPFA, Chief Financial Officer (Section 95 Officer)

Bankers

- All monies are held and managed by Inverclyde Council.

Independent Examiner

- David Connell CPFA, Greenock PA15 2QR

Structure, Governance and Management

Governing Document

The legal name of the charity is Birkmyre Trust. It is an unincorporated trust governed on the basis of the available evidence of its constitution. The trust was established in terms of a disposition granted by Adam Birkmyre on 1 November 1987 and recorded in 1908.

In this deed, he conveyed to himself and others, including the Parish Council of Kilmacolm, as trustees of the trust, an area of ground known as Birkmyre Park, four cottages known as the Park Cottages and some related areas of ground. After his death, Mr. Birkmyre's testamentary trustees conveyed further ground to the trustees of the trust in terms of two further dispositions recorded in 1908 and 1916 respectively. The terms of the trust have been amended by court approved *cy pres* schemes in 1995 and in 2005.

Appointment of Trustees

The councillors of Inverclyde Council are assumed as trustees on their appointment to the Council. Councillors receive training on the responsibilities of being a trustee and the accounts of the trust.

Organisational Structure

The trustees meet to consider applications for support and that sufficient funding is available. At a special annual meeting of the Council, trustees consider the income and expenditure levels during the financial year and that suitable arrangements are in place to manage the funds of the trust.

The trustees, in order to discharge their responsibilities, rely on the advice and expertise of the officers of Inverclyde Council. The Council provides all administrative support to the trust including financial, legal and secretarial support. The Council also administers the payments from the trust.

The Council makes a charge for these services as agreed by the trustees at the meeting of 4 October 2012. There are no other costs in connection with governance.

Related Parties

Trustees hold this position because they are elected councillors of Inverclyde Council. Inverclyde Council provides support services to the trust.

Risk Management

The Council has assessed the major risks to which the charity is exposed, in particular those related to its operation and finances, and is satisfied that the systems are in place to mitigate the exposure to the major risk.

Management of Funds and Investment Policy

The trustees rely upon the expertise of officers of Inverclyde Council to manage the investments to ensure the maximum return at least risk to the trust. In this way, the income stream for the future benefit of the charity is protected while allowing income for the current year's expenditure.

The funds of the trust are deposited with Inverclyde Council and receive interest at the average market rate for the short-term borrowing. The interest received from Inverclyde Council is shown in the Income and Expenditure Statement.

Object and Activities

Object

Its purpose is
"the said park . . shall be kept open and free (except as mentioned) every day Sundays and holidays included for the use, benefit, enjoyment and recreation of the public for all time coming.

The area of the park so far as not occupied by walks, trees, buildings and other fixtures shall be devoted to the purpose of games and the inhabitants of

the Parish of Kilmacolm shall have the sole use of the said area for that purpose”

The end of the financial year is 31 March 2015.

Activities

The trust meets the costs of the Park and its buildings not otherwise defrayed by the Council and receives income from chargeable activities. The balance of funds is invested with the Council.

Performance and Achievements

Performance

The current membership base of the leisure centre operated by Inverclyde Leisure in the refurbished pavilion is growing every year. It is currently sitting with 503 members. This is a record number of members. The gym has around 35,000 visits per year excluding the café. This is an average of around 675 visits per week.

Achievements

Every September, the Kilmacolm Running Festival is held and is now a regular fixture on our participants’ running calendar. This event continues to grow year on year.

The day consists of a Toddle Waddle round the park for children, a 3k race, a 10k race and also a half Marathon event. This annual event, held in September, attracted a record number of entries in 2014 with 800 young and old taking part. And the leisure centre’s management aims to surpass this next year with the aid of an up-to-date entry system, chip timing and the reputation of being a fantastic family day out.

The facilities in Birkmyre Park host many other outdoor sports and activities such as Birkmyre Rugby Club, cricket and cross-country events.

The leisure trust runs a host of outdoor leisure activities in the Park on behalf of the local authority such as the MUGA (Multi Use Games Area) for football, tennis and basketball, and the putting green, all of which are very well used.

Looking ahead, 2015 will see more investment in the leisure centre with enhanced indoor facilities in the gym and fitness suite. This will be of great benefit to the local community and visitors and is eagerly anticipated by members and staff alike.

All of these facilities coupled with a motivated and professional workforce means that the Birkmyre Park continues to be a well-established hub of the Kilmacolm community - with the on-site café catering for various social gatherings too.

Financial Review

Income and Expenditure for the Year ended 31 March 2015

The Income and Expenditure Statement on page 8 provides an analysis for the trust of the income and expenditure for the twelve months from 1 April 2014 to 31 March 2015.

The trust incurred expenditure of £9,214 covering insurance (£763), loan interest (£5,050), governance costs (£500) and an annual depreciation charge (£2,901). Income of £19,120 was received; £14,707 from rents, £3,923 from pitch hires and £490 from interest on short-term deposits with Inverclyde Council.

The aggregate surplus of £9,906 was added to the reserves brought forward: £12,807 was added to the Usable Revenue Reserves and £2,901 was taken from the Unusable Revaluation Reserve.

Assets and Liabilities at 31 March 2015

The balance sheet on page 9 provides an analysis for the trust of the assets and liabilities as at 31 March 2015.

The reserves of the trust are £1,119,402. Usable revenue reserves are £114,019 and the unusable revaluation reserve stands at £1,005,383.

The net book value after depreciation of the land and buildings held by the trust is £1,144,668. Inverclyde Council holds cash of £92,992 on behalf of the trust. The trust has borrowings for capital investment of £118,258 advanced by Inverclyde Council of which £8,496 is repayable in the next financial year.

Reserves Policy

The trust has been in existence for some time and the trustees consider that its reserves are sufficient.

The trust has always maintained a healthy balance of revenue reserves and as such there had been to-date no requirement to adopt a formal reserves policy. The free reserves at the financial year-end were £114,019.

Future Plans

The Birkmyre Trust will continue to work in partnership with the local authority to support the continued operation of the parkland and buildings in the Park.

Conclusion

The trust's income exceeded expenditure during the reporting period and the surplus of £9,906 has been added to the reserves brought forward, £12,807 added to the usable revenue reserves less £2,901 taken from the unusable revaluation reserve.

The trustees look forward with some confidence. The trust has a healthy balance of £114,019 of usable revenue reserves. Funding is in place for the future with income from rents and pitch hires. Most importantly, the buildings

have recently been extensively refurbished and now house modern nursery and leisure facilities to serve the local community.

Approved by the trustees on Eighth October, Two Thousand and Fifteen and signed on behalf of all trustees.

Provost Robert Moran

Chair of the trustees

This Trustees' Report is also counter-signed by the Chief Financial Officer of Inverclyde Council in his capacity as the Honorary Treasurer.

Alan Puckrin CPFA

Honorary Treasurer

Independent Examiner's Report to the Trustees of the Birkmyre Trust

I report on the accounts of the charity for the year ended 31 March 2015 which are set out on pages 8 to 12.

Respective Responsibilities of Trustees and Examiner

The trustees are responsible for the preparation of the accounts in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union, and interpreted and adopted by the Code of Practice on local authority accounting in the United Kingdom 2014/15 (The CODE). The Chief Financial Officer of Inverclyde Council in his capacity as the Section 95 Officer is responsible for making arrangements for the proper administration of the Council's financial affairs and, as part of that responsibility, administers the trusts and reports to trustees. On the advice of the Honorary Treasurer, the trustees have determined that an independent examination be conducted. My responsibility is to examine the accounts as requested and to state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination includes a review of the accounting records kept by the trust and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

In the course of my examination, no matter has come to my attention which gives me reasonable cause to believe that in any material aspect the requirements:

- To keep accounting records, and
- To prepare accounts which accord with the accounting records have not been met, or
- To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

David Connell CPFA
59 Shankland Road
Greenock
PA15 2QR
09 October 2015

Birkmyre Trust
Income and Expenditure Statement
for the Year ended 31 March 2015
(including Movement in Reserves Statement)

This statement shows the cost of the operations of the trust in accordance with accounting standards. It shows the movement in the year on the two reserves held by the Trust; usable reserves that can be applied to fund expenditure, and unusable reserves, the unrealised gains on the revaluation of the trust's land and buildings.

| Total 2013-2014 | | Note | Usable Reserves: Revenue | Unusable Reserves: Revaluation | Total 2014-2015 |
|--------------------|--|------|--------------------------------|--------------------------------------|--------------------|
| £ | | | £ | £ | £ |
| 763 | Insurance Costs | 3 | 763 | | 763 |
| 2,000 | Property Repairs | | 0 | | 0 |
| 500 | Governance Costs | 4 | 500 | | 500 |
| 2,900 | Annual Depreciation Charge | 5 | 2,901 | | 2,901 |
| 6,163 | Gross Expenditure | | 4,164 | 0 | 4,164 |
| (1,933) | Hire of Pitches | | (3,923) | | (3,923) |
| (2,617) | Rental for Nursery School | | (2,707) | | (2,707) |
| (12,000) | Rental for Leisure Centre | 3 | (12,000) | | (12,000) |
| (16,550) | Gross Income | | (18,630) | (0) | (18,630) |
| (10,387) | Cost of Services | | (14,466) | 0 | (14,466) |
| | Financing and Investment Income and Expenditure | | | | |
| 5,229 | Interest Paid | 3 | 5,050 | | 5,050 |
| (452) | Interest Received | 3 | (490) | | (490) |
| 4,777 | | | 4,560 | 0 | 4,560 |
| (5,610) | (Surplus) or Deficit on the Provision of Services | | (9,906) | 0 | (9,906) |
| | Other Income and Expenditure | | | | |
| 0) | Unrealised gains on revaluation of land and buildings | 5 | 0 | 0 | 0 |
| (5,610) | Net (Increase) or Decrease before Transfers | | (9,906) | 0 | (9,906) |
| 0 | Transfers between Reserves | 5 | (2,901) | 2,901 | 0 |
| (5,610) | (Increase) or Decrease in the Year | | (12,807) | 2,901 | (9,906) |
| (1,103,886) | Balance at 1 April | | (101,212) | (1,008,284) | (1,109,496) |
| (1,109,496) | Balance at 31 March Carried Forward | | (114,019) | (1,005,383) | (1,119,402) |

The Birkmyre Trust has no recognised gains or losses other than the results for the year as set out above. All of the activities of the fund are classed as continuing. The notes on pages 10 to 12 form part of these financial statements.

Birkmyre Trust

Balance Sheet as at 31 March 2015

The balance sheet is a snapshot of the value at the reporting date of the assets and liabilities recognised by the trust. The net assets of the trust (assets less liabilities) are matched by the reserves held by the trust. Reserves are reported in two categories. The first category of reserves is usable reserves i.e. those reserves that the Trust may use to provide services. The second category of reserves is those that the trust is not able to use to provide services. This category of reserves holds unrealised gains or losses where the amounts would only become available to provide services if the underlying assets are sold.

| 31 March 2014 | | Notes | 31 March 2015 |
|--|--------------------------------|--|------------------|
| £ | | | £ |
| | Non-current Assets | | |
| 1,147,569 | Property, Plant and Equipment | 5 | 1,144,668 |
| | Current Assets | | |
| 88,326 | Cash and Cash Equivalents | 6 | 92,992 |
| | Current Liabilities | | |
| (8,141) | Short-term Borrowing | 7 | (8,496) |
| | Long-term Liabilities | | |
| (118,258) | Long-term Borrowing | 7 | (109,762) |
| 1,109,496 | Net Assets | | 1,119,402 |
| | Reserves | | |
| 101,212 | Usable Reserves: Revenue | | 114,019 |
| 1,008,284 | Unusable Reserves: Revaluation | | 1,005,383 |
| 1,109,496 | Total Reserves | | 1,119,402 |
| <p>The notes on pages 10 to 12 form part of these accounts. Approved by the trustees on 08 October 2015 and signed on their behalf by:</p> | | | |
| <p>Provost Robert Moran Chair of the trustees</p> | | <p>Alan Puckrin CPFA Honorary Treasurer</p> | |

Birkmyre Trust

Notes to the Accounts

Note 1 Accounting Policies

Basis of Preparation

The financial statements have been compiled in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 (The CODE). The CODE is based on International Financial Reporting Standards with interpretation appropriate to the public sector. The principal policies adopted in the preparation of the financial statements are set out below.

Incoming Resources

All incoming resources are included in the Income and Expenditure Account when the trust is entitled to the income. All incoming resources are applied to usable reserves funds. Interest is included when receivable.

Resources Expended

All expenditure is included in the Income and Expenditure Statement on an accruals basis and is recognised when there is a legal or constructive obligation to pay.

Charges to Revenue for Non-current Assets

Depreciation, revaluation and impairment losses are charged to record the cost of holding fixed assets during the year.

Depreciation is charged on a straight-line basis over the useful life of the assets, assessed as 15 years for the recent refurbishment work to the Pavilion building and 10 years for the improvements to the nursery school area. No depreciation is charged in the year of acquisition; a full year's depreciation is charged in the year of disposal.

Cash and Cash Equivalents

Cash is represented by deposits with the Council repayable immediately. The trust has no cash equivalents.

Borrowing

The amounts presented on the balance sheet are the outstanding principal repayable plus any accrued interest. The interest chargeable to the Comprehensive Income and Expenditure Statement is the amount payable for the year.

Property, Plant and Equipment

Assets that have physical substance and are held for use in the supply of services, for rental to others or for administrative purposes and that are expected to be used for more than one financial year are classified as Property Plant and Equipment.

Assets are included at fair value (that would be paid for the asset in its existing use) and are revalued sufficiently regularly to ensure their carrying value is not materially different from their fair value at the year-end (but as minimum every five years) by external independent professional valuers.

Increases in valuation are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Reserves

The Trust has two reserve funds. The Usable Reserves (Revenue) is a fund available to support services at the discretion of Trustees.

The Unusable Reserves (Revaluation) holds unrealised gains or losses where the amounts would only become available to provide services if the underlying assets are sold.

Comparative Figures and Taxation

Figures for 2013-2014 are shown as appropriate for purposes of comparison. Irrecoverable tax is included in the expense or income to which it refers.

Note 2 Staff Numbers and Costs

The Birkmyre Trust has no staff. All support functions are provided by Inverclyde Council.

Note 3 Related Party Disclosures

During the year, Inverclyde Council recharged insurance premiums of £763 to the trust (2013-2014 £763). Interest of £490 was received from, and interest of £5,050 was paid to, the local authority (2013-2014 £452 and £5,229).

As at 31 March 2015, Inverclyde Council held £92,992 for the trust (2014 £88,326). The trust owed £118,258 to Inverclyde Council (2014 £126,399).

The trust received a rental of £12,000 (2013-2014 £12,000) from the local authority leisure company as independently determined by the District Valuer. The leisure company is responsible for all running and maintenance costs under the lease.

Note 4 Governance Costs

Inverclyde Council provides management services to the trust at £500 (2013-2014 £500). The independent examination has been conducted on a “no-charge” basis and accordingly no accrual has been made for the examiner’s fees.

Note 5 Analysis of Property Plant and Equipment

The figure in the balance sheet reflects the depreciated existing use value of the parkland, and its buildings – the Pavilion, nursery school, garage and public convenience.

| 2013-2014 | | Buildings | 2014-2015 Community Assets | Total |
|------------------------------------|---|----------------|----------------------------------|------------------|
| £ | | £ | £ | £ |
| Valuation | | | | |
| 1,297,093 | 1 April 2014 | 130,885 | 1,166,208 | 1,297,093 |
| 0 | Additions in year | 0 | 0 | 0 |
| 0 | Disposals in year | 0 | 0 | 0 |
| 0 | Revaluations adjustments | 0 | 0 | 0 |
| 1,297,093 | At 31 March 2015 | 130,885 | 1,166,208 | 1,297,093 |
| Depreciation and Impairment | | | | |
| 146,624 | At 1 April 2014 | 130,885 | 18,639 | 149,524 |
| 2,900 | Depreciation charge for the year (see note) | 0 | 2,901 | 2,900 |
| 0 | Impairment losses | 0 | 0 | 0 |
| 149,524 | At 31 March 2015 | 130,885 | 21,540 | 152,424 |
| 1,147,569 | Balance Sheet as at 31 March 2015 | 0 | 1,144,668 | 1,144,669 |

Transfer between Reserves: The annual depreciation charge in the above table relates entirely to unrealised gains from increases in valuation and is written out of the Unusable Reserves (Revaluation). This is achieved by a transfer between usable and unusable reserves that is shown on the Movement in Reserves Statement.

Note 6 Cash and Cash Equivalents

The Council acts as the banker for the trust and all transactions incoming and outgoing are made via the Council's accounts. The balance is repayable on demand. Interest is paid on balances.

| 2013-2014 | | 2014-2015 | |
|---------------|---|-----------|---------------|
| £ | | £ | £ |
| 87,616 | Balance at 1 April 2014 | | 88,326 |
| | Net Cash Inflow from Operating Activities | | |
| 10,387 | Net surplus/(deficit) on the cost of services | 14,466 | |
| 2,900 | Adjustments for non-cash movements | 2,901 | 17,367 |
| | Net Cash Outflow from Investing Activities | | |
| (0) | Expenditure on property, plant & equipment | (0) | |
| 452 | Interest received | 490 | 490 |
| | Net Cash Inflow from Financing Activities | | |
| 0 | Receipts of long-term borrowing | 0 | |
| (7,800) | Repayment of long-term borrowing | (8,141) | |
| (5,229) | Interest paid on borrowing | (5,050) | |
| | | | (13,191) |
| 88,326 | Balance at 31 March 2015 | | 92,992 |

Note 7 Borrowing

The trust has secured long-term borrowing to fund capital investment on the buildings. The borrowing was undertaken in the two financial years 2011 and 2012 and is repayable over a period of 15 years.

| 2014 | | 2015 | |
|----------------|-----------------------------------|------|----------------|
| £ | | £ | |
| | Amounts due within 12 Months | | |
| 7,800 | At 1 April 2014 | | 8,141 |
| 0 | New Borrowings | | 0 |
| 8,141 | Transfer from Debt over 12 Months | | 8,496 |
| (7,800) | Repayments to Inverclyde Council | | (8,141) |
| 8,141 | Balance at 31 March 2015 | | 8,496 |
| | Amounts due over 12 Months | | |
| 126,399 | At 1 April 2014 | | 118,258 |
| 0 | New Borrowings | | 0 |
| (8,141) | Transfer to Debt under 12 Months | | (8,496) |
| (0) | Repayments to Inverclyde Council | | (0) |
| 118,258 | Balance at 31 March 2015 | | 109,762 |

Note 8 Payments to Trustees

No trustees or any person related to a trustee was remunerated during the year, nor was there any requirement for any expenses to be paid.



Inverclyde
council

Finance Services, Municipal Buildings, Greenock PA15 1LY
Tel: 01475 712090 Fax: 01475 712202 www.inverclyde.gov.uk

Watt Institution Trust Fund

Annual Report and Financial Statements 2014-2015



Year ended 31 March 2015

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Watt Institution Trust Fund Contents

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Greenock Corporation took over responsibility for running the Watt Library, McLean Museum, Art Gallery and Watt Hall (known collectively as the Watt Institution) from the Watt Trust in 1973.

In July 1984, the existing trustees of three bodies - the Committee of Management of the Greenock Library; the Committee of Management of the Watt Hall and Museum and Greenock Art Gallery; and the James McLean Trust - were discharged from their relative trust obligations and the whole trust estate was invested in the former Inverclyde District Council.

The Court of Session, at that time, declared a Scheme of Administration for the future management and use of the assets and funds invested in the trust and all of the land and buildings and moveable assets transferred to the Council at that time.

The Council is responsible for holding the land and buildings in trust as a memorial to the late James Watt LLD and to use it as a library, museum and hall for the benefit of the inhabitants of Greenock.

Additionally, the Council is to hold and apply the whole of the moveable property the investments from time to time

representing the same and the income thereof in trust for the maintenance, preservation, repair, improvement and furnishing of the land and buildings and of the fixtures and fittings and for the provision, safekeeping and repair of suitable books and objects for the Library and Museum.

The Watt Institution Trust Fund has its own funds which are to be used for similar purposes and any expenditure from this Fund must meet the conditions listed above.

As the successor local authority Inverclyde Council is the sole trustee. The Chief Financial Officer of Inverclyde Council in his capacity as the Section 95 Officer is responsible for making arrangements for the proper administration of the Council’s financial affairs and, as part of that responsibility, administers the trust and reports to Council.

Watt Institution Trust Fund
Trustees' Annual Report
For the Year ended 31 March 2015

The trustees present their report together with the financial statements and the Independent Examiner's report for the year ended 31 March 2015.

Current Trustees

- Provost Robert Moran, Chair
- Councillor Ronnie Ahlfeld
- Councillor Martin Brennan
- Councillor Keith Brooks
- Councillor Math Campbell-Sturgess
- Councillor Jim Clocherty
- Councillor Gerry Dorrian
- Councillor Jim Grieve
- Councillor Vaughan Jones
- Councillor Terry Loughran
- Councillor Stephen McCabe
- Councillor James McColgan
- Councillor Michael McCormick
- Councillor Chris McEleny
- Councillor Joe McIlwee
- Councillor Jim MacLeod
- Councillor Innes Nelson
- Councillor Luciano Rebecchi
- Councillor Kenny Shepherd
- Councillor David Wilson

Other Trustees who served during the Year

- None

Honorary Secretary

- Role fulfilled by officers in Inverclyde Council's Legal and Property Services

Honorary Treasurer

- Role fulfilled by Alan Puckrin CPFA, Chief Financial Officer (Section 95 Officer).

Bankers

- All monies are held and managed by Inverclyde Council.

Independent Examiner

- David Connell CPFA, Greenock PA15 2QR

Structure, Governance and Management

Structure

The name of the trust is the Watt Institution Trust Fund. The trust is an unincorporated trust governed on the basis of the available evidence of its constitution. The trust in its current form was established under a court approved *cy pres* scheme in July 1984.

Appointment of Trustees

The councillors of Inverclyde Council are assumed as trustees on their appointment to the Council. Councillors receive training on the responsibilities of being a trustee and the accounts of the trust.

Organisational Structure

The trustees meet to consider applications for support and that sufficient funding is available. At a special annual meeting of the Council, trustees consider the income and expenditure levels during the financial year and that suitable arrangements are in place to manage the funds of the trust.

The trustees, in order to discharge their responsibilities, rely on the advice and expertise of the officers of Inverclyde Council. The Council provides all administrative support to the trust including financial, legal and secretarial support. The Council also administers the payments from the trust.

The Council makes a charge for these services as agreed by the trustees at the meeting of 4 October 2012. There are no other costs in connection with governance.

Related Parties

Trustees hold this position because they are elected councillors of Inverclyde Council. Inverclyde Council provides support services to the trust.

Management of Funds and Investment Policy

The trustees rely upon the expertise of officers of Inverclyde Council to manage the investments to ensure the maximum return at least risk to the trust.

The funds of the trust are deposited with Inverclyde Council and receive interest at the average market rate for the short-term borrowing. The interest received from Inverclyde Council is shown in the Comprehensive Income and Expenditure Statement.

Objects and Activities

Objects

Its purpose is to hold and apply the investments and income thereof for the maintenance, preservation, repair, improvement and furnishing of the land and buildings and of the fixtures and fittings and for the provision, safekeeping and repair of suitable books and objects for the Library and Museum.

Activities

The trust meets the costs of the Watt Institution not otherwise defrayed by the Council and invests the balance of funds with the Council.

Performance and Achievements

In line with policy adopted by the Council and the terms of the trust, the Watt Institution Trust Fund supported the continued operation of the museum, art gallery and library in the Watt Institution in partnership with the local authority.

Performance

During the year there were:

- 40,105 visitors in person to the McLean Museum and Art Gallery;
- 72,943 visitors to/usages of the McLean Museum and Art Gallery, including web sessions; and
- 1,178 people attended meetings in the Watt Hall.

Achievements

Seven exhibitions were mounted in the Watt Hall as follows. *Dress Codes – Wealth, Power and Beauty*, 15 April to 31 May; *Creative Coursework*, 6 to 12 June; *Are Ye' Askin'?* in conjunction with RIG Arts, 14 June to 26 July; *Inverclyde's Great War 1914-1918*, 9 August to 18 October; *The Greenock Art Club Annual Exhibition*, 3 to 15 November; *Absent Voices*, 22 November to 24 December; and *The Inverclyde Schools Showcase – Art and Design*, 14 to 28 February.

Current services provided within the Watt Complex continue to be under review with the intention of Inverclyde Council submitting a further application to the Heritage Lottery Fund for consideration for the renovation of the building complex and the future improvement of the service.

A major exhibition commemorating World War I, *Inverclyde's Great War 1914-1918*, was held in the Museum in the summer of 2014 and attracted an audience of over 11,000 visitors. The exhibition and the setting up of a commemorative website along with other activities have been generously supported by a grant of £51,300 from the Heritage Lottery Fund. The application for grant was made by Inverclyde Council and the costs of these activities and the website were fully met by Inverclyde Council. The McLean's WW1 project has received extensive publicity via press coverage and radio and television interviews.

The McLean Museum and Art Gallery in collaboration with the National Museums of Scotland and three other local authority partners complete a two-year project for young people aged 16-24 called *Scotland Creates! – A Sense of Place*. The history and wares of the Clyde Pottery of Greenock (1816 – 1905) from the McLean's collection featured in a display at the National Museum of Scotland in Edinburgh in May 2014. The

funding assistance of the Esmée Fairbairn Foundation and Creative Scotland for the project is gratefully acknowledged. Young musicians from Live Music Now, a partner organisation gave concerts at the Museum at Christmas.

As a legacy event from the Scotland creates project, six *Steampunk* workshops and a showcase event with young and old participants were organised by visual artist Annie MacKay and musician Yvonne Lyon and took place in January and February 2015.

Donations of two major art works *Greenock* by James Watt and *Breton Landscape* by William Scott were received. The former was presented by the artist and the later by Robert and James Scott, sons of the artist.

The Museum's collections online website now features over 6,700 items from its diverse collections, including WW1 posters and archival records. The online website was prepared with financial assistance from Museums Galleries Scotland, which is gratefully received.

Curator Val Boa attended meetings of the Public Catalogue Foundation steering group for venture called *Art Detective* which gives enquirers an opportunity to access the expertise of fine art experts in various specialisms via a website.

A number of art works were loaned to temporary exhibitions: four paintings by Frank Henry Mason were borrowed by Hartlepool Art Gallery, *The Bridge and Schiehallion* by the Scottish Colourist J.D. Ferguson was loaned to Perth Museum and Art Gallery and two works by Margaret Wright *The Strutted Close* and *Families on the Pier* were loaned to the *Glasgow Girls 1920 – 1960* Exhibition in Kircudbright.

Work placements included Abbie Thorne, Museums and Galleries Scotland Intern,

Gabrielle Heffernan an Egyptologist and Future Curator studying at the British Museum; Alicia McNeill, a graduate student at Glasgow University studying for a Masters in Museum Studies with a Costume and a Textiles speciality, and Modern Apprentice Lauren Renfrew studying Customer Service. A number of volunteers also assisted the work of the Museum and the Archives during the year.

571 people attended a family Fun Day in May as part of the Festival of Museums, with the support of Museums Galleries Scotland.

The Watt Library was awarded almost £20,000 in September 2014 by the Scottish Library and Information Council (SLIC) for an exciting schools project entitled *All Aboard* that allowed pupils from St. Mary's Primary School Greenock to create their own app on the theme of emigration to explore their local history.

A redesigned *James Watt* leaflet in the series of Famous People of Inverclyde and *Tracing Your Family Tree in Inverclyde* leaflet was also updated.

11 loans of handling boxes were made to Inverclyde schools and care homes. The Museum also participated in *Doors Open Day* for Inverclyde.

Meetings held in the Watt Hall included the annual lecture programmes of the Greenock Philosophical Society, a celebration of the Centenary of the Inverclyde Music Festival, a *Roots of Empathy* project session for babies and a celebration for International Women's Day. The Hall was also utilised for Education meetings, Council training meetings and wedding ceremonies.

Financial Review

Income and Expenditure for the Year ended 31 March 2015

The Income and Expenditure Statement on page 9 provides an analysis for the

trust of the income and expenditure for the twelve months from 1 April 2014 to 31 March 2015.

The trust spent £15,795 on supplies and services - a contribution of £14,168 by the trust to Inverclyde Council towards the costs of a part-time archivist, and £1,627 on archival quality acid free boxes and file jackets, toner for microreaders and microfilming. £500 was incurred on governance costs. Income of £601 was received from interest on short-term deposits with Inverclyde Council.

The deficit of £15,694 was deducted from the reserves of £133,348 brought forward.

Assets and Liabilities at 31 March 2015

The balance sheet on page 10 provides an analysis for the trust of the assets and liabilities as at 31 March 2015.

The reserves of the trust are £117,694 and are all held by Inverclyde Council.

Reserves Policy

The trust has been in existence for some time and the trustees consider that its reserves are sufficient.

The trust has always maintained a healthy balance of Revenue Reserves and as such there had been to-date no requirement to adopt a formal reserves policy. The free reserves at the financial year-end were £117,654.

Future Plans

The Watt Institution Trust Fund will continue to work in partnership with the local authority to support the operations of the museum, art gallery and library in the Watt Institution.

Conclusion

The trust's expenditure exceeded income during the reporting period and the deficit of £15,694 has been drawn down from the reserves brought forward.

The Watt Institution Trust Fund has a healthy balance of £117,654 of Revenue Reserves. A bid for Heritage Lottery funding is being considered and if approved will considerably assist the extensive refurbishment planned by the local authority to provide modern facilities for the library, art gallery and museum.

Approved by the trustees on Eighth October, Two Thousand and Fifteen and signed on behalf of all trustees.

Provost Robert Moran
Chair of the Trustees

This Trustees' Report is also counter-signed by the Chief Financial Officer of Inverclyde Council in his capacity as the Honorary Treasurer.

Alan Puckrin CPFA
Honorary Treasurer

Independent Examiner's Report to the Trustees of the Watt Institution Trust Fund

I report on the accounts of the charity for the year ended 31 March 2015 which are set out on pages 9 to 12.

Respective Responsibilities of Trustees and Examiner

The trustees are responsible for the preparation of the accounts in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and interpreted and adopted by the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 (The CODE). The Chief Financial Officer of Inverclyde Council in his capacity as the Section 95 Officer is responsible for making arrangements for the proper administration of the Council's financial affairs and, as part of that responsibility, administers the trusts and reports to trustees. On the advice of the Honorary Treasurer, the trustees have determined that an independent examination be conducted. My responsibility is to examine the accounts as requested and to state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination includes a review of the accounting records kept by the trust and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

In the course of my examination, no matter has come to my attention which gives me reasonable cause to believe that in any material aspect the requirements:

- To keep accounting records, and
- To prepare accounts which accord with the accounting records have not been met, or
- To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed:

David Connell CPFA
59 Shankland Road
Greenock
PA15 2QR
09 October 2015

Watt Institution Trust Fund
Income and Expenditure Statement
for the Year ended 31 March 2015
(incorporating Movement in Reserves Statement)

This statement shows the costs of the operations of the trust in accordance with accounting standards. It shows the movement in the year on the reserves held by the trust that can be applied to fund expenditure.

| Usable Reserves : Revenue 2013-2014 | Note | Usable Reserves: Revenue 2014-2015 |
|--|------|---|
| £ | | £ |
| 16,189 | | 16,295 |
| 15,689 | 5 | 15,795 |
| 500 | 6 | 500 |
| (0) | | (0) |
| 16,189 | | 16,295 |
| (683) | | (601) |
| 0 | | 0 |
| (683) | 2 | (601) |
| (15,506) | | (15,694) |
| 0 | | 0 |
| (15,506) | | (15,694) |
| (148,854) | | (133,348) |
| (133,348) | | (117,654) |
| <p>The Watt Institution Trust Fund has no recognised gains or losses other than the results for the year as set out above. All of the activities of the fund are classed as continuing. The notes on pages 11 to 12 form part of these financial statements.</p> | | |

Watt Institution Trust Fund Balance Sheet as at 31 March 2015

The Balance Sheet is a snapshot of the value at the reporting date of the assets and liabilities recognised by the trust. The net assets of the trust (assets less liabilities) are matched by the reserves held by the trust. These usable reserves are available to the trustees to provide services.

| 31 March 2014 | | Notes | 31 March 2015 |
|---|---------------------------|--|----------------|
| £ | | | £ |
| | Current Assets | | |
| 133,348 | Cash and Cash Equivalents | 7 | 117,654 |
| 133,348 | Net Assets | | 117,654 |
| | Reserves | | |
| 133,348 | Usable Reserves: Revenue | | 117,654 |
| 133,348 | Total Reserves | | 117,654 |
| <p>The notes on pages 11 to 12 form part of these accounts. Approved by the trustees on 8 October 2015 and signed on their behalf by:</p> | | | |
| <p>Provost Robert Moran Chair of the trustees</p> | | <p>Alan Puckrin CPFA Honorary Treasurer</p> | |

Watt Institution Trust Fund

Notes to the Accounts

Note 1 Accounting Policies

Basis of Preparation

The financial statements have been compiled in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 (The CODE). The CODE is based on International Financial Reporting Standards with interpretation appropriate to the public sector. The principal policies adopted in the preparation of the financial statements are set out below.

Incoming Resources

All incoming resources are included in the Income and Expenditure Statement when the trust is entitled to the income. All incoming resources are applied to usable reserves funds. Interest is included when receivable.

Resources Expended

All expenditure is included in the Income and Expenditure Statement on an accruals basis and is recognised when there is a legal or constructive obligation to pay.

Cash and Cash Equivalents

Cash is represented by deposits with the Council repayable on demand. The trust has no cash equivalents.

Reserves

The trust has a single reserve fund. The Usable Reserves (Revenue) is a fund available to support services at the discretion of Trustees.

Comparative Figures

Figures for 2013-2014 are shown as appropriate for purposes of comparison.

Note 2 Related Party Disclosures

Interest of £601 was received from the local authority (2013-2014 £683). As at 31 March 2015, Inverclyde Council held £117,654 for the trust (2014 £133,348).

As part of the management arrangements of the Scheme of Administration, Inverclyde Council remains responsible for all costs and any income relating to the Watt Institution and is entitled to the unrestricted use of its assets.

Under accounting standards and the associated guidance, arrangements that convey the right to use an asset require to be accounted for as a lease even where they do not have the legal form of a lease. The local authority has assumed the risks and rewards of ownership and the arrangements have the substance of a finance lease. The Watt Institution and its collections require to be disclosed on the balance sheet of the local authority and accordingly are not included in the trust fund's accounts. The holding value of these assets in the Council's Annual Accounts is £3.5 million (2014 £2.4 million) for the buildings and £17.8 million (2014 £18.1 million) for its collections of heritage assets.

The Watt Institution Trust Fund has a notional investment in the lease-type arrangement, made up of the minimum lease payments expected to be received over the remaining term and the residual value anticipated for the assets when the arrangement comes to an end.

The value of the lease debtor and the investment is not considered significant because the arrangements under the Scheme of Administration are expected to remain in place for the foreseeable future.

Note 3 Staff Numbers and Costs

The trust does not employ any staff (see note 5).

Note 4 Payments to Trustees

No trustee or any connected person was remunerated during the year, nor was there any requirement for any expenses to be paid.

Note 5 Supplies and Services

A contribution of £14,168 was made by the trust to Inverclyde Council towards the cost of one part-time worker (2013-2014 £12,711). £1,627 was incurred on archival quality acid free boxes and other archival preservation materials (2013-2014 £2,978).

Note 6 Governance Costs

Inverclyde Council provides management services to the trust at a fee of £500 (2013-2014 £500). The independent examination has been conducted on a "no-charge" basis and accordingly no accrual has been made for the examiner's fees.

Note 7 Cash and Cash Equivalents

The Council acts as the banker for the trust and all transactions incoming and outgoing are made via the Council's accounts. The balance is repayable on demand. Interest is paid on balances.

| 2013-2014 | | 2014-2015 | |
|----------------|---|-----------|----------------|
| £ | | £ | £ |
| 148,854 | Balance at 1 April 2014 | | 133,348 |
| | Net Cash (Outflow) from Operating Activities | | |
| (16,189) | Net surplus/(deficit) on the cost of services | (16,295) | |
| 0 | Adjustments for non-cash movements | 0 | (16,295) |
| | Net Cash Inflow from Investing Activities | | |
| 683 | Interest Received | | 601 |
| 0 | Net Cash Inflow from Financing Activities | | 0 |
| 133,348 | Balance at 31 March 2015 | | 117,654 |



Inverclyde
council

Finance Services, Municipal Buildings, Greenock PA15 1LY
Tel: 01475 712090 Fax: 01475 712202 www.inverclyde.gov.uk

McLeod Trust

Annual Report and Financial Statements 2014-2015



Year ended 31 March 2015



McLeod Trust Contents

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The McLeod Trust was established by two donations from Mr George F. McLeod of Wyomissing, Berks County, Pennsylvania United States, a former pupil of Port Glasgow High School, to provide scholarships for further education to pupils of Port Glasgow High School from disadvantaged backgrounds or from families of no history of further education.

contacting the Head Teacher at McLeod Trust, Port Glasgow High School, Port Glasgow Community Campus, Kilmacolm Road, Port Glasgow PA14 6PP, Tel: 01475-715200 or e-mail: information@portglasgow.inverclyde.sch.uk.

The trust fund was established under a Deed of Trust in 2003. The trust provides for financial and other assistance and support to assist with the costs of further education.

The major part of the trust funds are invested in UK stocks and shares and managed by a firm of stockbrokers and investment managers under a discretionary agreement. Interest and dividend income is used to provide three and four year scholarships to former pupils to assist with the costs of their further education.

Normally, four or five awards are made each year. Awards were made to four people in September 2014.

The Trustees are the Head and Depute Head Teacher and the Finance Officer of the school plus a chaplain of the school.

If you wish to apply for financial assistance, or you are aware of a person who may wish to apply for financial assistance, then application forms can be obtained by



McLeod Trust
Trustees Annual Report
For the Year ended 31 March 2015

The Trustees present their report together with the financial statements and the Independent Examiners' report for the year ended 31 March 2015.

Reference and Administrative Information

- Trust Name McLeod Trust
- Principal Office Port Glasgow High School, Port Glasgow Community Campus, Kilmacolm Road, Port Glasgow PA14 6PP.

Current Trustees

- Alan Dick
- Fiona Craig
- Isabelle McKillop
- Andrew McLean

Other Trustees who served during the Year

- None

Chair

- Alan Dick

Honorary Secretary

- Role fulfilled by Fiona Craig

Honorary Treasurer

- Role fulfilled by Isabelle McKillop

Stockbrokers and Investment Managers

- Speirs and Jeffrey, 28-36 Renfield Street Glasgow G2 1NA

Bankers

- Bank of Scotland, 25 John Wood Street Port Glasgow PA14 5HX (School Funds)

Independent Examiner

- David Connell CPFA, Greenock PA15 2QR

On behalf of the Trustees, I am pleased to present the 2015 Annual Report for the McLeod Trust.



We have been able to use the funds at our disposal to make awards to assist four of our students who have gone on to further education where they will have the opportunity to maximise their undoubted potential to the benefit of themselves and our community.

Structure, Governance and Management Governing Document

The McLeod Trust is an unincorporated trust governed on the basis its constitution in the Deed of Trust of May 2003.

Appointment of Trustees

The trust deeds provide for up to five trustees. Three of the Trustees are assumed on their appointment to one of the designated posts in the Trust Deeds – the Head Teacher, a nominated member of the Senior Management Team and the Finance Officer. The Trust Deeds provide for the appointment of up to two other persons and these appointments are decided by the Trustees. There is no set term of office.

Organisational Structure

At a special annual meeting, Trustees consider the income and expenditure levels during the financial year and ensure that expenditure remains within available resources and to maintain reasonable levels of reserves.

The School and Inverclyde Council provide support services to the trust. Neither the

School nor Inverclyde Council makes any charge to the Trust. There are no other costs in connection with governance.

Related Parties

Three of the trustees hold this position because they are senior teaching or administrative support staff of the school.

Risk Management

The Trustees have assessed the major risks to which the trust is exposed, in particular those related to its operation and finances, and are satisfied that systems are in place to mitigate the exposure to the major risks.

Management of Funds and Investment Policy

The Trustees have appointed a firm of external stockbrokers and investment managers to manage the capital funds of the trust. These funds are invested in bonds and shares. Under accounting standards, these investments are disclosed at market value (and not the historic cost value).

The Trustees conducted a periodic review of the trust's exposure to financial risk in November 2012, with assistance from the investment managers, and confirmed the investment approach as low risk/cautious with the primary objectives of capital growth and income for awards. In this way, the capital and income stream for the future benefit of the trust is protected. The investment gains and losses in the financial year are shown in the Income and Expenditure Statement.

The revenue funds of the trust are deposited with the school funds, with the investment managers as income cash balances and with Inverclyde Council as on-call deposits. Cash deposits with the stockbrokers receive bank interest. The deposits with Inverclyde Council receive interest at the average market rate for the Council's short-term borrowing.

Objects and Activities

Its purpose is “for the relief of poverty, suffering and stress and the advancement of education by providing further assistance for the University education of former pupils of Port Glasgow High School . . . who by reason of poverty, could not otherwise attain the benefit of a University education.”

Activities

The Trust makes educational scholarships in accordance with its purposes to former pupils of the school and invests its funds with the primary objectives of capital growth and income for awards.

The trust deeds provide a number of powers to trustees, key of which are:

- “to advance funds to former pupils of Port Glasgow High school to assist in the furtherance of their university education, the terms, extent and provision of such assistance to be determined by my Trustees in their sole discretion, subject always to the terms of the Trust. Generally, the Trustees should provide annual advances of funds, each installment being dependent upon written confirmation from the appropriate university of the successful completion of all assessments from the previous year of study.”
- “to invest any funds which are not immediately required for the administration of the Trust or for the Trust’s activities, in such investments as may be considered appropriate (and to dispose of and vary such investments)

Achievements and Performance

In line with policy adopted by the Council and the terms of the trust, the McLeod Trust made awards to four former pupils of the school to assist with the costs of their University education. These covered a diverse range of courses of study

including philosophy, law, primary education, and chemistry.

Financial Review

Income and Expenditure for the Year ended 31 March 2015

The Income and Expenditure Statement on page 8 provides an analysis for the trust of the income and expenditure for the twelve months from 1 April 2014 to 31 March 2015.

Revenue Reserves: The trust made awards totalling £2,800 and incurred investment management fees of £210. On the income side, the trust received £3,120 from interest and dividends.

The surplus of £110 was added to the revenue reserves of £5,007 brought forward.

Capital Reserves: Investment gains of £2,126 were made and were added to the capital reserves of £68,551 brought forward.

Assets and Liabilities at 31 March 2015

The Balance Sheet on page 9 provides an analysis for the trust of the assets and liabilities as at 31 March 2015.

The total reserves of the trust are £75,794; £5,117 held in Revenue Reserves and £70,677 in Capital Reserves.

The Capital Reserves are invested in bonds and shares using an external firm of stockbrokers and investment managers. The Trust bears all market risks and rewards.

The Revenue Reserves of the trust are deposited with the school funds, with the investment managers as income cash balances and with Inverclyde Council as on-call deposits.

Reserves Policy

The Trust has a two reserve funds, both available to support the objectives of the trust. The Revenue Reserves is a fund available to make awards. The Capital Reserves are for capital growth and to provide for income. Both reserves may be used at the discretion of Trustees.

The trust has been in existence for some time and the Trustees consider that its reserves are sufficient. The free reserves at the financial year-end were £75,794.

Future Plans

The McLeod Trust will continue to provide scholarships in accordance with the terms of the trust.

Conclusion

We have been able to use the funds at our disposal to make significant awards to five students in the current year during challenging economic conditions while protecting our reserves to safeguard funding for the future.

Net incoming resources exceeded awards during the reporting period and the surplus of £110 has been added to the reserves brought forward.

The trust has a healthy balance of £75,794 of reserves for the future benefit of students of Port Glasgow High School.

Approved by the Trustees on Eighteenth September, Two Thousand and Fifteen and signed on behalf of all Trustees.

Alan Dick

Chair of the Trustees

Independent Examiner's Report to the Trustees of McLeod Trust

I report on the accounts of the charity for the year ended 31 March 2014 which are set out on pages 8 to 11.

Respective Responsibilities of Trustees and Examiner

The trustees are responsible for the preparation of the accounts in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and interpreted and adopted by The Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 (The CODE). On the advice of the Chief Financial Officer of Inverclyde Council, the trustees have determined that an independent examination be conducted. My responsibility is to examine the accounts as requested and to state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination includes a review of the accounting records kept by the trust and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

In the course of my examination, no matter has come to my attention which gives me reasonable cause to believe that in any material aspect the requirements:

- To keep accounting records, and
- To prepare accounts which accord with the accounting records have not been met, or
- To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

David Connell
59 Shankland Road
Greenock
PA15 2QR
18 September 2015

McLeod Trust
Income and Expenditure Statement
for the Year ended 31 March 2015
(incorporating Movement in Reserves Statement)

This statement shows the cost of the operations of the Trust in accordance with accounting standards. It shows the movement in the year on the two reserves held by the Trust; the Revenue Reserves that provide the funding of awards and the Capital Reserves that are for capital growth and to provide for income.

| Total 2013-2014 | | Note | Revenue Reserves | Capital Reserves | Total 2014-2015 |
|---|--|------|---------------------|---------------------|--------------------|
| £ | | | £ | £ | £ |
| 3,300 | Awards | 4 | 2,800 | 0 | 2,800 |
| 3,300 | Gross expenditure | | 2,800 | 0 | 2,800 |
| 0 | Gross income | | 0 | 0 | 0 |
| 3,300 | Cost of services | | 2,800 | 0 | 2,800 |
| | Financing and investment income and expenditure | | | | |
| (423) | Interest received | 6 | (418) | | (418) |
| (2,042) | Dividends received | | (2,702) | | (2,702) |
| 225 | Investment management fees | | 210 | 00 | 210 |
| (2,240) | | | (2,910) | 00 | (2,910) |
| 1,060 | (Surplus) or deficit on the provision of services | | (110) | 00 | (110) |
| 0 | Transfers between reserves | | (0) | 0 | 0 |
| 1,497 | Other income and expenditure (Gains) and losses on investments | 7 | (0) | (2,126) | (2,126) |
| 2,557 | (Increase) or decrease in the year | | (110) | (2,126) | (2,236) |
| (76,115) | Balance at 1 April | | (5,007) | (68,551) | (73,558) |
| (73,558) | Balance at 31 March carried forward | | (5,117) | (70,677) | (75,794) |
| <p>The McLeod Trust has no recognised gains or losses other than the results for the year as set out above. All of the activities of the fund are classed as continuing. The notes on pages 10 to 11 form part of these financial statements.</p> | | | | | |

McLeod Trust
Balance Sheet as at 31 March 2015

The Balance Sheet is a snapshot of the value at the reporting date of the assets and liabilities recognised by the Trust. The net assets of the trust (assets less liabilities) are matched by the reserves held by the Trust. These usable reserves are available to the trustees to provide awards or for capital growth.

| 31 March 2014 | Notes | 31 March 2015 |
|--|-----------------------|---------------|
| £ | | £ |
| | | |
| | | |
| | | |
| | | |
| | | |
| 68,551 | 7 | 70,677 |
| | | |
| | | |
| | | |
| 5,007 | 9 | 5,117 |
| 73,558 | Net assets | 75,794 |
| | | |
| | | |
| | | |
| 5,007 | | 5,117 |
| 68,551 | | 70,677 |
| 73,558 | Total reserves | 75,794 |
| <p>The notes on pages 10 to 11 form part of these accounts. Approved by the Trustees on 00 September 2015 and signed on their behalf by:</p> | | |
| <p>Alan Dick Chair of the Trustees</p> | | |

McLeod Trust

Notes to the Accounts

Note 1 Accounting Policies

Basis of Preparation

The financial statements have been compiled in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 (The CODE). The CODE is based on International Financial Reporting Standards with interpretation appropriate to the public sector. The principal policies adopted in the preparation of the financial statements are set out below.

The figures in the Accounts have been prepared from the transactions and balances held for the Trust in the financial records in the School Funds, the corporate financial systems of Inverclyde Council and the nominee statements of the stockbrokers.

Incoming Resources

All incoming resources are included in the Income and Expenditure Statement when the Trust is entitled to the income. All incoming resources are applied to usable reserves funds. Dividends and Interest are included when receivable.

Resources Expended

All expenditure is included in the Income and Expenditure Statement on an accruals basis and is recognised when there is a legal or constructive obligation to pay.

Investments

Stocks and shares held by the trust are measured and carried at fair value i.e. quoted market price. The capital cash balances held by the Stockbrokers are for capital growth and are classified as part of long-term investments.

Changes in holding value are recognised in other comprehensive income and expenditure and the gain or loss is taken to the Capital Reserves.

Cash and Cash Equivalents

Cash is represented by the aggregate of earmarked balances within school funds, income cash balances held by the stockbrokers on behalf of the trust and deposits with the Council. All cash is payable on demand and the Trust has no cash equivalents.

Reserves

The Trust has a two reserve funds, both available to support the objectives of the trust. The Revenue Reserves is a fund available to make awards. The Capital Reserves are for capital growth and to provide for income. Both reserves may be used at the discretion of Trustees.

Comparative Figures and Taxation

Figures for 2013-2014 are shown as appropriate for purposes of comparison. Irrecoverable tax is included in the income or expense to which it relates.

Note 2 Staff Numbers and Costs

The McLeod Trust has no staff. All support functions are provided by the School or by Inverclyde Council.

Note 3 Payments to Trustees

No remuneration or expenses were paid during the year to any Trustees or person connected to a Trustee.

Note 4 Awards

Awards were made in the year to five former pupils for three or four year scholarships to assist with the costs of further education.

Note 5 Governance Costs

Port Glasgow High School and Inverclyde Council provide administrative services to the Trust at no charge. The independent examination has been conducted on a "no-charge" basis and accordingly no accrual has been made for the examiner's fees.

Note 6 Related Party Disclosures

Interest of £14 was received from the local authority (2013-2014 £5). As at 31 March 2015, Inverclyde Council owed the Trust £2,480 (2014 £3,372). The School Funds held £715 (2014 £62).

Note 7 Long-term Investments

The McLeod Trust has investments managed under a discretionary agreement by a firm of stockbrokers and investment managers. The investments are held in UK Government Bonds and UK and global equities. The market values at the year-end were as follows:

| 2014 £ | | 2015 £ | % |
|----------------|--|---------------|--------------|
| | Portfolio | | |
| 31,730 | UK Equities | 33,643 | 47.6 |
| 17,840 | Equity Funds, UK and Global | 18,034 | 25.5 |
| 9,198 | UK Government Bonds | 9,189 | 13.0 |
| 8,333 | Unit Trust, Fixed Interest | 8,361 | 11.8 |
| 1,450 | Capital Cash Balance with Stockbrokers | 1,450 | 2.1 |
| 68,551 | Balance at 31 March 2015 | 70,677 | 100.0 |
| (1,497) | Gains and (losses) on investments | 2,126) | |

Note 8 Cash and Cash Equivalents

The McLeod Trust has earmarked balances within school funds, income cash balances held by the investment managers on behalf of the trust and deposits with Inverclyde Council. The change in the year is as follows:

| 2013-2014 £ | | 2014-2015 £ | £ |
|----------------|---|----------------|----------------|
| 3,052 | Balance at 1 April 2014 | | 5,007 |
| 1,062 | Short-term Deposits with Inverclyde Council | 3,367 | |
| 1,985 | Income Cash Balances with Stockbrokers | 1,578 | |
| 5 | Earmarked Balances in School Funds | 62 | |
| (3,300) | Net Cash (Outflow) from Operating Activities | | (2,800) |
| (3,300) | Cost of Services | (2,800) | |
| 5,255 | Net Cash Inflow from Investing Activities | | 2,910 |
| 3,000 | Capital Receipt from Stockbroker | 0 | |
| 2,465 | Interest and Dividends Received | 3,120 | |
| (210) | Investment Managers Fees | (210) | |
| 0 | Net Cash Inflow from Financing Activities | | 0 |
| 5,007 | Balance at 31 March 2015 | | 5,117 |
| 3,367 | Short-term Deposits with Inverclyde Council | 2,480 | |
| 1,578 | Income Cash Balances with Investment Managers | 1,922 | |
| 62 | Earmarked Balances in School Funds | 715 | |



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