

Charity number: SC021328

Oban Common Good Fund
Trustees' report and financial statements
for the year ended 31 March 2012

Oban Common Good Fund

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Oban Common Good Fund

Legal and administrative information

Charity number	SC021328	
Business address	Argyll & Bute Council Area Office Lorn House Albany Street Oban PA34 4AW	
Trustees	Councillor Fred Hall Councillor Elaine Robertson Councillor Iain Angus MacDonald Councillor Alistair MacDougall Councillor Duncan MacIntyre Councillor Mary Jean Devon Councillor Neil MacKay	Appointed May 2012 Appointed May 2012 Appointed May 2012 Appointed May 2012 Resigned May 2012 Resigned May 2012 Resigned May 2012
Secretary	Shirley MacLeod, Area Governance Manager	
Accountants	R A Clement Associates Chartered Accountants 5 Argyll Square Oban Argyll PA34 4AZ	
Investment Advisors	Barclays Wealth Aurora Building 120 Bothwell Street Glasgow G2 7JT	

Oban Common Good Fund

Report of the trustees for the year ended 31 March 2012

The trustees present their report and the financial statements for the year ended 31 March 2012. The trustees who served during the year and up to the date of this report are set out on page 1.

Structure, governance and management

Legal and Administrative Status

The Oban Common Good Fund is regulated by the Local Government Scotland Act 1973. It is registered as a charity in Scotland, and is recognised as a charity for taxation purposes by HM Revenue & Customs.

Recruitment and appointment of Management Committee

The management committee now consists of four councillors who represent the two wards of Oban.

The councillors are charity trustees for the purposes of charity law and are replaced by their successors during each local government election.

Trustee induction and training

Most councillors are already familiar with the work of the charity and attend an introductory meeting with those councillors who continue as trustees to introduce the most recent work of the charity and to introduce current objectives and plans.

Organisational Structure

The trustees meet on a quarterly basis to review grant applications and monitor the fund's financial position. The trustees use an agreed distribution policy in order to determine the approval and level of grant assistance made available to the applicant. Approval for grants over £5,000 requires the agreement of all trustees.

The trustees delegate day-to-day responsibility for the running of the fund to the secretary and fund administrators. The fund administrators are appointed following a tendering process and the current administrators are R A Clement Associates, Chartered Accountants.

Risk Management

The trustees have assessed the major risks to which the charity is exposed, and in particular those related to the finance of the fund, and are satisfied that systems are in place to mitigate exposure to the major risks.

Objectives and activities

The fund consists of a Revenue Account and a Capital Account, with the Capital Account being held in perpetuity with no distribution permitted therefrom without the prior consent of Argyll & Bute Council as parent body.

The Revenue Account represents income available for distribution and the Capital invested in perpetuity derives an annual investment income which is available for distribution annually once associated fund costs have been accounted for.

The objectives are to administer the fund having regard to the interests of the inhabitants of the town of Oban. A comprehensive distribution policy provides a framework for grant distributions.

Achievements and performance

The Fund agreed the distribution of £53,723 in grants as detailed at Note 3 on page of the financial statements, of which £17,999 were paid out after the year end. Projects supported covered a wide spectrum of community activity in Oban arts, sports, economic development and cultural heritage. In the current climate of severe public finance constraints the Trustees recognise that there will be substantial pressures placed on the Fund in terms of the number of applications, which must be balanced against the income to the Fund, which is subject to the vagaries of the stock market. In terms of this latter issue the Trustees would wish to express their gratitude to the Fund's Investment Brokers for their diligence.

Oban Common Good Fund

Report of the trustees for the year ended 31 March 2012

Financial review

Investment policy

An independent stockbroker, Barclays Wealth, manages the portfolio of invested revenue and capital funds. Any excess funds in the commercial current account are invested on a regular basis using a mirrored deposit account.

Reserves policy

The Oban Common Good Fund invests the capital account in perpetuity in order to generate investment income to distribute annually. The balance of undistributed funds in any year is maintained in a revenue account. This can be used to increase the capital account value where the return from the capital account investments shows signs of diminishing in real term value due to the economic climate.

Stated including the revaluation reserve, the restricted (Investment/Capital) Funds amount to £840,909 and the unrestricted (Income/Revenue) Funds amount to £285,949 at 31 March 2012.

In conjunction with Barclays Wealth, the portfolio has been split between Capital and Revenue and furthermore by narrower and wider investments from 31st March 2010.

The investments were shown at market value at 31st March 2009, though the Revenue Account balance was effectively stated at original cost and the balance shown as Capital until such time that the portfolio could be further allocated.

The basis of the allocation has been as follows. All narrower range investments are held in the Capital fund; the wider range of investments were allocated pro-rata based on the original cost figures at 31st March 2002 of the Revenue and Capital funds after first taking account of the capital narrower range investments.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year which give a true and fair view of charity and of the incoming resources and application of resources of the charity for that year. In preparing these financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

Oban Common Good Fund

Report of the trustees for the year ended 31 March 2012

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, and the Local Government Scotland Act 1973. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Andy Newiss of R A Clement Associates was deemed to be reappointed as independent examiner and the trustees recommend that Andy Newiss remains in office until further notice.

On behalf of the board

**Shirley MacLeod, Area Governance Manager
Secretary**

Oban Common Good Fund

Independent examiner's report to the trustees on the unaudited financial statements of Oban Common Good Fund.

I report on the accounts for the year ended 31 March 2012 set out on pages 2 to 13.

This report is made to the charity's Trustees, in accordance with the terms of my engagement. My work has been undertaken to enable me to prepare the financial statements on behalf of the charity's Trustees and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees, as a body, for my work or this report.

Respective responsibilities of trustees and independent examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 (the Act) and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of Independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity 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:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep proper accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulationshave not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

.....
Andy Newiss
ACCA
Independent examiner

Of R A Clement Associates
5 Argyll Square
Oban
Argyll
PA34 4AZ

Oban Common Good Fund

Statement of financial activities

For the year ended 31 March 2012

	Notes	Revenue funds £	Capital funds £	2012 Total £	2011 Total £
Incoming resources					
Incoming resources from generating funds:					
Voluntary income		-	-	-	3,750
Investment income	2	46,842	-	46,842	41,712
Total incoming resources		<u>46,842</u>	<u>-</u>	<u>46,842</u>	<u>45,462</u>
Resources expended					
Costs of generating funds:					
Investment management costs		721	-	721	587
Charitable activities		58,403	-	58,403	33,121
Governance costs	4	15	-	15	16
Total resources expended		<u>59,139</u>	<u>-</u>	<u>59,139</u>	<u>33,724</u>
Net incoming/(outgoing) resources before transfers					
		(12,297)	-	(12,297)	11,738
Transfer between funds		<u>(11,326)</u>	<u>11,326</u>	<u>-</u>	<u>-</u>
Net incoming/(outgoing) resources before other recognised gains and losses		<u>(23,623)</u>	<u>11,326</u>	<u>(12,297)</u>	<u>11,738</u>
Other recognised gains and losses					
Movement on Revaluation of investment assets					
		-	39,197	39,197	(27,097)
Realised Gains/(Losses) on investment assets		<u>(31,033)</u>	<u>-</u>	<u>(31,033)</u>	<u>30,256</u>
Net movement in funds		<u>(54,656)</u>	<u>50,523</u>	<u>(4,133)</u>	<u>41,994</u>
Total funds brought forward		<u>340,605</u>	<u>790,386</u>	<u>1,130,991</u>	<u>1,088,997</u>
Total funds carried forward		<u>285,949</u>	<u>840,909</u>	<u>1,126,858</u>	<u>1,130,991</u>

The notes on pages 8 to 13 form an integral part of these financial statements.

Oban Common Good Fund

Balance sheet as at 31 March 2012

	Notes	£	2012 £	£	2011 £
Fixed assets					
Investments - wider & narrower range	6		1,090,881		1,082,957
Oban Livestock preference shares			<u>20,000</u>		<u>20,000</u>
			1,110,881		1,102,957
Current assets					
Debtors	7	324		324	
Cash at bank and in hand		<u>34,212</u>		<u>28,270</u>	
		34,536		28,594	
Creditors: amounts falling due within one year	8	<u>(18,559)</u>		<u>(560)</u>	
Net current assets			<u>15,977</u>		<u>28,034</u>
Net assets			<u>1,126,858</u>		<u>1,130,991</u>
Funds					
Capital funds (including revaluation reserve)			840,909		790,386
Unrestricted revenue funds (including revaluation reserve)			285,949		340,605
Total funds			<u>1,126,858</u>		<u>1,130,991</u>

The financial statements were approved by the trustees on

and signed on their behalf by

Councillor Fred Hall
Trustee

The notes on pages 8 to 13 form an integral part of these financial statements.

Oban Common Good Fund

Notes to financial statements for the year ended 31 March 2012

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

1.1. Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Charities Accounts (Scotland) Regulations 2006, the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005) and the Charities and Trustee Investment (Scotland) Act 2005.

1.2. Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable.

Income from investments is included in the year in which it is receivable.

1.3. Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

1.4. Investments

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the statement of financial activities.

A firm of investment managers advise on the investment of the charity's portfolio.

Oban Common Good Fund

Notes to financial statements for the year ended 31 March 2012

2. Investment income

	Unrestricted funds £	2012 Total £	2011 Total £
Income from UK listed investments	46,806	46,806	41,674
Bank interest receivable	36	36	38
	<u>46,842</u>	<u>46,842</u>	<u>41,712</u>

3. Costs of charitable activities - by activity

	Grant funding activities £	Support costs £	2012 Total £	2011 Total £
Grants Awarded	<u>53,723</u>	<u>4,680</u>	<u>58,403</u>	<u>33,121</u>
	<u>53,723</u>	<u>4,680</u>	<u>58,403</u>	<u>33,121</u>
St Columba's Cathedral		300		
Lorn & Oban Healthy Options		5,000		
Lorn Drama Festival		500		
West Highland Yachting Week - Sponsorship		10,000		
Soroba Community Enterprise Ltd		5,000		
Oban Gaelic Choir - Mod 2011		500		
Oban Sea Cadets		900		
Friends of Oban Hospice		1,463		
Helensburgh Trophy Centre - various		587		
Catherine McCaig Trust - Caledonian Hotel		130		
Edith MacInnes School of Dance		500		
Impact World Tour - Scotland		1,591		
Argyll & Bute Rape Crisis Centre		1,508		
Train Derailment		180		
Glencruitten Golf Club		5,000		
Oban & Lorne RFC		565		
Oban Saints Football Club		500		
Highland & Islands Music and Dance Festival (incl 2012)		3,000		
West Highland Yachting Week - for 2012		5,000		
Bid4Oban		6,500		
Oban War & Peace Museum		4,999		
		<u>53,723</u>		

Oban Common Good Fund

Notes to financial statements for the year ended 31 March 2012

4. Governance costs

	Unrestricted funds £	2012 Total £	2011 Total £
Other charges	15	15	16
	<u>15</u>	<u>15</u>	<u>16</u>

5. Employees

Employment costs

No salaries or wages have been paid to employees, including the trustees, during the year.

No trustee received any remuneration, benefits in kind or reimbursement of expenses during the year.

Oban Common Good Fund

Notes to financial statements for the year ended 31 March 2012

6. Fixed asset investments

	Narrow range investments £	Cash held as part of investment portfolio £	Wider range & other investments £	Total £
Valuation				
At 1 April 2011	255,481	43,333	804,143	1,102,957
Additions	54,334	109,636	30,657	194,627
Disposals	(30,179)	(132,058)	(63,663)	(225,900)
Revaluations	472	-	38,725	39,197
At 31 March 2012	<u>280,108</u>	<u>20,911</u>	<u>809,862</u>	<u>1,110,881</u>
Historical cost as at 31 March 2012	<u>278,905</u>	<u>20,911</u>	<u>535,521</u>	<u>835,337</u>

All fixed asset investments are held within the United Kingdom.

Oban Common Good Fund

Notes to financial statements for the year ended 31 March 2012

7. Debtors

	2012 £	2011 £
Other debtors	324	324

8. Creditors: amounts falling due within one year

	2012 £	2011 £
Other creditors	17,999	-
Accruals and deferred income	560	560
	<u>18,559</u>	<u>560</u>

9. Analysis of net assets between funds

	Revenue Unrestricted funds £	Capital Restricted funds £	Total funds £
Fund balances at 31 March 2012 as represented by:			
Investment assets	269,972	840,909	1,110,881
Current assets	34,536	-	34,536
Current liabilities	(18,559)	-	(18,559)
	<u>285,949</u>	<u>840,909</u>	<u>1,126,858</u>

10. Unrestricted funds

	At 1 April 2011 £	Incoming resources £	Outgoing resources £	Transfers £	Gains and losses £	At 31 March 2012 £
Revenue Funds	<u>340,605</u>	<u>46,842</u>	<u>(59,139)</u>	<u>(11,326)</u>	<u>(31,033)</u>	<u>285,949</u>

11. Restricted funds

	At 1 April 2011 £	Transfers £	Gains and losses £	At 31 March 2012 £
Investment Funds	<u>790,386</u>	<u>11,326</u>	<u>39,197</u>	<u>840,909</u>

Oban Common Good Fund

Notes to financial statements for the year ended 31 March 2012

12. General commitments

The Oban Common Good Fund has committed itself to a grant of £5,000 per year for a period of three years to Soroba Community Enterprise Ltd. The year to 31 March 2012 is year 2 of three.

The Trustees had also approved grants to the following organisations which had not yet requested a draw down of funds as at 31 March 2012

The Argyllshire Gathering	Up to £5,000
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13. Contingent assets

A contingent asset exists at 31 March 2012 relating to the Oban and Lorn Community Enterprise of approximately £2ml. The asset relates to the Atlantis Leisure facility, which at the end of its lease from the council could be gifted to the Oban Common Good Fund.