

**STIRLING COUNCIL
COMMON GOOD FUND**

SCOTTISH CHARITY SC019363

REPORT OF THE COUNCIL

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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Report of the Charity Trustee for Year Ended 31 March 2017

Introduction

The Council, as Trustee presents the Annual Report together with the financial statements of the Stirling Council Common Good Fund for the year ended 31 March 2017.

The Common Good Fund is a recognised charity, Scottish Charities registration number SC 019363.

For accounting periods commencing on or after 1 January 2015, Charities in the UK and the Republic of Ireland must apply the Charities Statement of Recommended Practice (SORP): Financial Reporting Standard 102 (FRS 102) when preparing their accounts on an accruals basis. However, Charities that would qualify as a small company or fall within a small group had they been incorporated in company law, can opt to follow either FRS 102 or the Financial Reporting Standard for Smaller Entities (FRSSE).

The accounts of the Stirling Council Common Good Fund have been prepared on the basis of Financial Reporting Standard 102 (FRS 102).

Reference and Administrative Information

Charity Name

Stirling Council Common Good Fund

Charity Number

SC 019363

Correspondence Address

c/o Iain Strachan
Chief Governance Officer & Solicitor to the Council
Stirling Council
Viewforth
Stirling
FK8 2ET

Trustees

Stirling Council

Trust Officers

James Boyle
Chief Finance Officer
Stirling Council

Iain Strachan
Chief Governance Officer & Solicitor to the Council
Stirling Council

Bankers

The Royal Bank of Scotland PLC
2 Pitt Terrace
STIRLING
FK8 2EX

Independent Auditor

Audit Scotland
4th Floor
South Suite
The Athenaeum Building
8 Nelson Mandela Place
GLASGOW
G2 1BT

Structure, Governance and Management

Governance

The Common Good was transferred to Stirling Council in 1996, and is governed primarily by the Local Government (Scotland) Act 1994 which imposed the requirement that the Common Good could only be used for the benefit of the specific areas to which the Common Good had related prior to 1975, i.e. the former burghs of Stirling, Bridge of Allan, Callander and Dunblane.

Management

Management of the Common Good Fund rests with the Council as Trustee. Decisions in relation to the Common Good are taken on behalf of the Trustees by the Provost's Panel who have delegated authority via Stirling Council's scheme of delegation to authorise expenditure up to £10,000, with any decision on requests above this level being referred to the Council for approval.

The Trustee's Responsibilities for the Financial Statements

Charity law applicable in Scotland requires the Council, as Trustee, to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year.

In preparing these financial statements, the Council have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed the Charities Statement of Recommended Practice (SORP): Financial Reporting Standard 102 (FRS 102); and
- prepared the financial statements on the going concern basis.

The Council, as Trustee, is 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 Accounts (Scotland) Regulations 2006. 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.

In so far as the Council are aware:

- there is no relevant financial or other information of which the charity's independent examiner is unaware; and
- the Council have taken all steps that they ought to have taken to make themselves aware of any relevant financial or other information and to establish that the independent examiner is aware of that information.

Objectives

The Common Good Fund is not intended to benefit one individual, for instance by giving a person a grant or paving their driveway. Nor is it to be used as a means of paying for the carrying out of the Council's statutory duties. This is because the Common Good is regarded as separate from the Council's own assets and is, in effect, held in trust for the local communities covering the former burghs of Stirling, Bridge of Allan, Callander and Dunblane.

In disbursing Common Good funds, the Council has discretion as to what it considers appropriate, so long as it can demonstrate that doing so will bring some benefit to the specified areas or some or all of the inhabitants of those areas.

Achievements

Common Good Funds of £17,500 have been disbursed throughout the year to support organisations and projects. These disbursements comprise a grant of £7,000 to the Stirling Smith Art Gallery and Museum, a contribution of £8,000 towards the purchase of a piece of public art entitled 'Stirling Bridge', and a contribution of £2,500 towards the cost of a new Multi Use Games Area at Bridge of Allan Primary School.

Financial Review

The income of the Common Good Fund for the year comprises income received from the investment of funds in Stirling Council's Loans Fund and fixed term bonds with Lloyds TSB Corporate Banking, together with rental income received from the property at 65 King Street, Stirling. The 6 month fixed term bond with Lloyds Banking Group amounting to £641,000 matured on 15 March 2017, with a sum of £1,081,000 being immediately reinvested with Lloyds Banking Group for a 6 month term. Rental income of £15,500 was received from the property at 65 King Street, Stirling, together with £299 from the recovery of insurance costs.

In addition to £17,500 of disbursements during the year to support various organisations and projects (as noted above), the Common Good Fund also incurred costs of £1,193 maintaining the property at 65 King Street, Stirling and £217 on residual professional fees in relation to works to the Back Walk, Stirling.

Reserves Policy

The total accumulated reserves of the Common Good Fund are £1,265,090 as at 31st March 2017. The reserves of the individual Common Good Funds are held as a means of bringing benefit to the areas of Stirling, Bridge of Allan, Callander and Dunblane, or to some or all of the inhabitants of those areas.

The report was signed on behalf of the trustees on 31 August 2017.



Iain Strachan
Solicitor to the Council
Date: 31 August 2017

**Statement of Financial Activities
For The Year to 31 March 2017**

	Stirling £	Bridge of Allan £	Callander £	Dunblane £	2016/17 Total £	2015/16 Total £
Income from:						
<u>Investments:</u>						
Lloyds TSB Corporate Banking	(4,368)	(1,555)	(7)	(121)	(6,051)	(7,905)
Stirling Council Loans Fund	(254)	(939)	(3)	(87)	(1,283)	(1,555)
<u>Other:</u>						
Rents and Service Charges	(15,799)	-	-	-	(15,799)	(14,484)
Land Sale Compensation	-	-	-	-	-	(9,500)
Total Income	(20,421)	(2,494)	(10)	(208)	(23,133)	(33,444)
Expenditure on:						
<u>Charitable Activities:</u>						
Smith Art Gallery Grant	7,000	-	-	-	7,000	7,000
Funding for Public Art - Stirling Bridge	8,000	-	-	-	8,000	-
Bridge of Allan Community Council	-	2,500	-	-	2,500	1,500
Guardians of Scotland Grant	-	-	-	-	-	27,000
Black Boy Fountain Refurbishment	-	-	-	-	-	10,000
Works to Balk Walk, Stirling	-	-	-	-	-	7,397
Cowaness Hospital Maintenance Trust	-	-	-	-	-	16,500
Holy Rude Church Organ Appeal	-	-	-	-	-	9,500
Depreciation of Property (Note 2)	2,551	-	-	-	2,551	2,551
<u>Other:</u>						
Upkeep of Property	1,410	-	-	-	1,410	4,479
Total Expenditure	18,961	2,500	-	-	21,461	85,927
Net (Income) / Expenditure	(1,460)	6	(10)	(208)	(1,672)	52,483
Gain on Revaluation of Fixed Assets	-	-	-	-	-	(10,526)
Net Movement in Funds	(1,460)	6	(10)	(208)	(1,672)	41,957
Reconciliation of Funds:						
Net Movement in Funds	(1,460)	6	(10)	(208)	(1,672)	41,957
Total Funds Brought Forward	(820,447)	(405,758)	(1,694)	(35,519)	(1,263,418)	(1,305,375)
Total Funds Carried Forward	(821,907)	(405,752)	(1,704)	(35,727)	(1,265,090)	(1,263,418)

All funds are Restricted.

Balance Sheet as at 31 March 2017

	Note	2017		2016	
		£	£	£	£
Fixed Assets					
Land & Buildings	1		124,062		126,613
Community Assets	1		1		1
Heritage Assets	1		1		1
Total Fixed Assets	2		<u>124,064</u>		<u>126,615</u>
Current Assets					
Debtors & Prepayments	3		2,755		223
Investments:					
Lloyds Bank - Fixed Term Bond	4	1,081,000		641,000	
Stirling Council Loans Fund	4	<u>57,283</u>	1,138,283	<u>497,297</u>	1,138,297
Total Current Assets			<u>1,141,038</u>		<u>1,138,520</u>
Current Liabilities					
Creditors - Amounts falling due within 1 Year	5		12		1,717
Net Current Assets			<u>1,141,026</u>		<u>1,136,803</u>
Total Net Assets			<u>1,265,090</u>		<u>1,263,418</u>
The Accumulated Funds of the Charity:					
Revaluation Reserve			14,566		14,566
Stirling Common Good Fund			807,341		805,881
Bridge of Allan Common Good Fund			405,752		405,758
Callander Common Good Fund			1,704		1,694
Dunblane Common Good Fund			35,727		35,519
Total Accumulated Funds Carried Forward			<u>1,265,090</u>		<u>1,263,418</u>

The unaudited accounts were issued on 22 June 2017 and the audited accounts were authorised for issue on 31 August 2017.

Signed on behalf of the trustees on 31 August 2017.



James Boyle
Chief Finance Officer
Date: 31 August 2017



Iain Strachan
Chief Governance Officer & Solicitor to the Council
Date: 31 August 2017

Notes to the Financial Statements

1. Accounting Policies

General

The accounts have been prepared on an accruals basis in accordance with the Charities & Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006, using the accruals concept of accounting and in accordance with Financial Reporting Standard 102 (FRS 102).

Nature and Purpose of Funds

Restricted funds may only be used for specific purposes. Restrictions arise when specified by a donor or when funds are raised for specific purposes.

Fixed Assets

Fixed Assets comprise property and land consisting of offices at 65 King Street, Stirling, the Town Wall at Dumbarton Road, Stirling, open space at Castle Wynd, Stirling and Laighills Park, Dunblane.

The offices at 65 King Street, Stirling and the open space at Castle Wynd, Stirling have been classified as Land & Buildings Assets. The King Street offices have been broken down into five main asset components (land, fixtures, plant, roof and structure). The asset components (excluding land) are subject to annual depreciation on a straight-line basis over their useful life as estimated by the Stirling Council Valuer. The open space at Castle Wynd, Stirling represents a minor area of land and has been valued at £1.

Laighills Park, Dunblane has been classified as a Community Asset and has been valued at £1.

The Town Wall at Dumbarton Road, Stirling has been classified as a Heritage Asset and valued at £1 as it is considered impractical to obtain a valuation at a cost commensurate with the benefits to users of the financial statements, and that reliable cost or valuation information cannot be obtained.

Taxation

The Common Good Fund has charitable status for tax purposes.

2. Fixed Assets

The net book value of fixed assets as at 31 March 2017 is £124,064 after a depreciation charge for the year to 31 March 2017 of £2,551.

The offices at 65 King Street, Stirling were rented out during the year at a standard annual income of £15,500 excluding service charges.

Asset Cost, Valuation or Revalued Amount	Laighills Park	Town Wall	Castle Wynd	65 King Street, Stirling					Total Assets
				Land	Fixtures	Plant	Roof	Structure	
	£	£	£	£	£	£	£	£	£
Book Value at 1 April 2016	1	1	1	38,749	12,981	41,865	5,193	30,375	129,166
Book Value at 31 March 2017	1	1	1	38,749	12,981	41,865	5,193	30,375	129,166
Depreciation									
Depreciation 1 April 2016	-	-	-	-	519	1,396	130	506	2,551
Charge for Year	-	-	-	-	519	1,396	130	506	2,551
Depreciation 31 March 2017	-	-	-	-	1,038	2,792	260	1,012	5,102
Net Book Value									
As at 1 April 2016	1	1	1	38,749	12,462	40,469	5,063	29,869	126,615
As at 31 March 2017	1	1	1	38,749	11,943	39,073	4,933	29,363	124,064

3. Debtors and Prepayments

	31 March 2017	31 March 2016
	£	£
Interest Receivable on Short Term Investments	172	223
Rent Receivable - 65 King Street, Stirling	2,583	-
	<u>2,755</u>	<u>223</u>

4. Investments

	31 March 2017	31 March 2016
	£	£
Stirling Common Good - Temporary Investment (Lloyds)	670,000	640,000
Stirling Common Good - Temporary Investment (Stirling Council)	25,164	55,327
Bridge of Allan Common Good - Temporary Investment (Lloyds)	380,000	-
Bridge of Allan Common Good - Temporary Investment (Stirling Council)	25,689	405,758
Callander Common Good - Temporary Investment (Lloyds)	1,000	1,000
Callander Common Good - Temporary Investment (Stirling Council)	704	694
Dunblane Common Good - Temporary Investment (Lloyds)	30,000	-
Dunblane Common Good - Temporary Investment (Stirling Council)	5,726	35,518
	<u>1,138,283</u>	<u>1,138,297</u>

5. Sundry Creditors

	31 March 2017	31 March 2016
	£	£
Works to 65 King Street, Stirling	12	12
Works to Back Walk, Stirling	-	1,705
	<u>12</u>	<u>1,717</u>

6. Revenue Recognition

Interest income received on investments is recognised in the financial period in which it is earned.

Income received from rents and service charges is recognised in the financial statements in the financial period in which it is earned.

7. Related Party Disclosure

The Council, as trustee, has not charged the Common Good Fund for legal, financial or administrative services provided during 2016/17 (£Nil, 2015/16).

Neither the Council nor any person connected to them received remuneration from the Common Good Fund during the year.

As outlined in the Statement of Financial Activities, Stirling Council paid total interest of £1,283 in 2016/17 to the Common Good arising from the investment of funds in Stirling Council's Loans Fund (2015/16, £1,555).

8. Audit Fees

Although paid by Stirling Council, fees directly attributable to the Common Good Fund in respect of external audit services carried out by the appointed auditor amounted to £667 in 2016/17 (2015/16, £667).

Independent Auditor's Report

Independent auditor's report to the trustees of Stirling Council Common Good Fund and the Accounts Commission

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

Report on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of Stirling Council Common Good Fund for the year ended 31 March 2017 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2017 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of The Charities Accounts (Scotland) Regulations 2006.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK and Ireland (ISAs (UK&I)). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standards for Auditors, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements in accordance with applicable legal requirements and ISAs (UK&I) as required by the Code of Audit Practice approved by the Accounts Commission. Those standards require me to comply with the Financial Reporting Council's Ethical Standards for Auditors. 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 circumstances of the charity 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.

My objectives are to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK&I) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Other information in the statement of accounts

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

In connection with my audit of the financial statements in accordance with ISAs (UK&I), my responsibility is to read all the financial and non-financial information in the statement of accounts 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 me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Report on other requirements

Opinion on other prescribed matter

I am required by the Accounts Commission to express an opinion on the following matter. In my opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Charities SORP (FRS 102).

Matters on which I am required to report by exception

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

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.



Paul Craig CA
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT
31 August 2017

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