

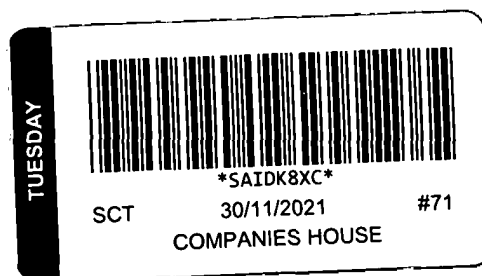
RIVERSIDE INVERCLYDE

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

COMPANY REGISTRATION NUMBER: SC304355

CHARITY NUMBER: SC037806



RIVERSIDE INVERCLYDE
OFFICERS AND ADVISORS

Directors:

James J Clocherty
Stephen A Frew
Gavin McDonagh
Andrew S McKenzie
Robert Mitchell
John W Ramage

Secretary:

Burness Paull LLP

Accountable Officer:

Stuart Jamieson

Registered office:

Suite E1, The East Wing
Custom House, Custom House Quay
Greenock
Renfrewshire
PA15 1EQ

Bankers:

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West End Branch
100 West Blackhall Street
Greenock
PA15 1XR

Lawyers:

Burness Paull LLP
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Glasgow
G2 7JL

Auditor:

Azets Audit Services
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8VF

RIVERSIDE INVERCLYDE

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RIVERSIDE INVERCLYDE

DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report (incorporating the strategic report) and the audited financial statements of the group for the year ended 31 March 2021.

Objectives and activities

Formally incorporated in 2006 Riverside Inverclyde (ri) is an Urban Regeneration Company limited by guarantee, with charitable status and two member organisations, Inverclyde Council and Scottish Enterprise. As a public/private partnership ri has been designed to secure the long term economic growth of Inverclyde.

Key priorities

Riverside Inverclyde in 2019, entered a New Operating Model reflecting the cessation of the Capital Regeneration Grants and the cessation of major Capital Projects which, Riverside Inverclyde had previously promoted.

It also provided the opportunity to review and reinforce the effective joint working between the Council's Regeneration team and ri, utilising a service level agreement, clarifying the respective roles of each organisation.

The key elements of the 2019 Plan remained consistent with those in the 2016-19 Plan, the six priorities being:

- **To grow and diversify the business base** through a concerted programme to attract new SME's, businesses and private sector investment to the area, grow existing firms, and increase the rates of business start-up and self-employment. This will include: realising the economic potential of key economic sectors (e.g. Marine engineering, business and financial services, and tourism & leisure) through a programme of specialist business advice; supporting businesses to maximise opportunities presented by the transition to a low carbon economy; and a focus on increasing the number of high value-added businesses in the area, through support to innovate, export, secure growth finance, and develop a highly skilled workforce.
- **To increase Inverclyde's capacity to accommodate particularly in the private sector** by developing and maintaining a mixed portfolio of high quality, value for money, regionally competitive business premises, capable of attracting and retaining a broad mix of industrial, commercial and service sector firms, with strong connections to the wider City Region economy.
- **To boost skill levels and reduce worklessness** by supporting local residents (including young people), to develop employability and vocational skills and link them with new job opportunities. This will also include; supporting local residents of all ages and backgrounds to develop their skills, especially higher level skills; and working with the business community to open up employment opportunities to people from all backgrounds, and ensure that employers pay at least the living wage.
- **To accelerate the regeneration of strategic employment sites and town centres** as the business, leisure, retail and housing markets return to growth.
- **To progress the renewal and economic regeneration of the most disadvantaged areas of Inverclyde** by working with local communities, alongside private and third sector partners, to design, develop and deliver regeneration activities.
- **To co-ordinate action and investment with our partners**, including government, national economic development bodies, City Region partners, communities, and the private sector, maximising joint impact on Inverclyde's economic development and regeneration.

RIVERSIDE INVERCLYDE
DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2021

Key priorities (cont'd)

The New Operating Model involved Inverclyde Council, providing the support to Riverside Inverclyde and Riverside Inverclyde Property Holdings Ltd, under Service Level Agreements; at greatly reduced costs.

In consequence, there are no staff employed directly by Riverside Inverclyde or Riverside Inverclyde Property Holdings Ltd.

The companies in consequence, generate higher levels of reserves and have sufficient resilience to move forward under the Service Level Agreements and in line with their reduced external funding.

Strategic report

Achievements and performance

The last three years have been successful for Riverside Inverclyde as we came to the end of the Inverclyde Economic Development and Regeneration Single Operating Plan (SOP) 2016-2019. We confirm that ri has met all of its targets and key performance indicators as part of the SOP. A revised operating model was agreed in June 2019.

With the cessation of major Capital Projects in line with the end of the 2016-19 Single Operating Plan and subsequent realignment to a revised Operating Model, ri had only one active project remaining as detailed below.

Port Glasgow Western Entrance Sculpture

In 2015-16, a contract was agreed with the sculptor, John McKenna, for the people's choice of public art for the western entrance to Port Glasgow, "The Shipbuilders of Port Glasgow".

The 11-metre high sculpture was due to be installed in 2017 at the flat-topped traffic island at the western entrance to the town on Greenock Road, however, following a review of progress, logistics and safety to deliver to this location, the Port Glasgow Town Centre Regeneration Forum agreed to relocate the sculpture to Coronation Park.

'The Shipbuilders of Port Glasgow' pays tribute to the working people of the Clyde who built great ships and sent them to all corners of the world. Cast in stainless steel the orientation of the two figures will allow people to see aspects of the sculpture from all angles.

The £500,000 piece of public art was originally set to be completed in June 2020, but with the delays caused by Covid-19, it is now set to be completed in late 2021 and installed at Coronation Park in Port Glasgow.

RIVERSIDE INVERCLYDE

DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

Achievements and performance (cont'd)

Property portfolio

As of July 2021, occupancy figures are as follows:

Office accommodation portfolio is 79% of square footage available is Let (Ben Lomond View 100%, Clyde View 95%, Custom House 71%, Gourrock Business Centre 92%, Ladyburn Business Centre 70%, Victoria House Offices 42%, Scarlow House 45% and Lyle House 0%).

The four standalone premises, (Café, Nursery and two Dental Practices) stand at 100% let.

Industrial estates stand at 96% of square footage available is Let (Kelburn Business Park 100%, Lynedoch Industrial Estate 95%, Drumfrochar Industrial Estate 90%, and Victoria House Workshops 93%).

A programme is in place for pre-planned maintenance on the property portfolio, and works have been identified to be undertaken in 2021-22 to protect, preserve and enhance the portfolio.

The Group continues to invest in the management, maintenance, and development of its property portfolio and, if funds became available, would consider expanding its portfolio by strategic acquisitions or additional property construction.

Riverside Business Park

The business park incorporates three large office buildings, a nursery, and a café, and occupies a prime location adjacent to the A8 and other transport links. Generating some £800k pa in rental and service charge income this park is the central focus for the portfolio. Occupancy levels of all properties (Ben Lomond View, Clyde View, Ladyburn Centre, Enchanted Forest Nursery, Cottage Café) remain at a good level with a park average of 93% occupied. This year, with most accommodation remaining occupied, the most significant letting was at Clyde View, with the lease of one of the suites on a 5-year term, bringing Clyde Views occupancy to 95% let.

Custom House, Greenock

The Custom House remains the flagship building in riph's property portfolio for attracting professional, aspirational growth companies to Inverclyde. The refurbished premises offers multi-occupancy office suites of various sizes, all to a high specification, ranging from 289 sqft. to 4,000 sqft.

Riph initially acquired an interest in the Custom House in January 2011, shortly after HM Custom & Excise vacated the historically and culturally significant building which was at that time in real danger of falling into a state of serious disrepair. Riph's phased works started in 2012 and were supported by total contributions of £649,332 from the Scottish Government's Regeneration Capital Grants Fund. Inverclyde based WH Kirkwood Ltd won the competitive tender for carrying out the fourth and final stage of the works.

The £5m transformation of Custom House, 13,789 sqft. (net internal area) remains attractive to tenants at 71% Let, with strong current interest in the 'Long Room' (4,000 sqft) currently being progressed.

Community use was designated into the refurbishment, and the Greenock Burns Club continue to occupy the Northern Entrance Vestibule with an exhibition of Robert Burns artefacts, open to the public and targeted at attracting the increasing number of visiting cruise ship passengers.

RIVERSIDE INVERCLYDE

DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

Kelburn Business Park, Port Glasgow

The construction of four shell unit blocks was completed in 2015, creating a modern business park of office and light industrial accommodation, capable of creating separate units of between 2,120 sqft. to 15,564 sqft.

Shell Block B was first to be fitted out in 2016, providing four separate 2,120 sqft units, each with office, toilet, and kitchen space. Interest was significant and tenants were secured upon conclusion of the works.

Following the success of Block B fitout, shell Blocks C & D were next to be fitted out providing seven separate units comprising a total of 17,394 sqft, and again all were let upon conclusion of the works.

The final shell Block A (15,462 sqft) was due to be sub divided and fitted out by riph when a tenant was secured who took lease of the whole Block and undertook their own internal fitout. The Park has remained at 100% occupied since.

Baker Street Food and Drink Hub

Riph was granted planning permission by Inverclyde Council for a food and drink incubator hub on land cleared at the corner of Baker Street and Drumfrochar Road Greenock. Development of the Hub has been challenging during the Covid period, however its now due to complete in Autumn.

The Hubs units range in size from 300 sqft. to 750 sqft. and will offer shared boardroom, breakout space, food storage and shower/changing facilities. The incubator will aim to facilitate growth for the businesses based at Baker Street, with the expectation for the companies to expand substantially before moving onto larger premises in Inverclyde, allowing a constant flow of new firms to develop.

Financial review

ri as a group operated within its development funding allocation and managed its operating costs in line with the targets agreed with its funders at the start of the year covering all of its operating costs from its own accumulated reserves. Project spend in the year on charitable activities of £246,969 (as detailed in Note 9) showed a significant decrease over the previous year (2020 - £962,521) with a number of large scale projects having been completed in the prior year or the start of the current year; with no new regeneration activities having been undertaken under the new operating model. Support costs are subject to ongoing review and were down on previous year as per Note 11 (2021 - £197,871, 2020 - £446,871). In the year ended 31 March 2021 net income (before other gains / losses) of £935,564 (2020 - £1,682,172) is reported. The net assets of the group have increased from £11,204,661 in 2020 to £12,406,756.

During the prior year, the company's obligations and liability associated with the pension scheme were assumed by Inverclyde Council under the new Operating Model. At the balance sheet date, the company's liability is £nil with the liability being written off through the Statement of Financial Activities in the prior year and recognised as other income.

RIVERSIDE INVERCLYDE

DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

Strategic report (cont'd)

Principal risks and uncertainties

Through regular reporting to the Board over the year, the directors have continually reviewed and assessed the major risks to which the company is considered to be exposed, and have taken action where necessary to mitigate those risks. A corporate risk register is maintained by Riverside Inverclyde and has been established in line with Scottish Government, Scottish Enterprise and Inverclyde Council best practice.

The principal risks are:

- Failure to deliver operating plan targets on time and within budget;
- The impact of Covid-19 on the entity and the wider economic implications on the urban regeneration projects;
- Inability to reshape the joint venture agreements to ensure that there are not any state aid implications for both private and public sector partners;
- Breach of Charity Law, VAT regulations or State Aid rules;
- Significant reduction in forecast property rental income due to bad debt, extended vacancy of key properties or slow occupancy of new properties; and
- Failure to ensure that the performance management arrangements take account of best practice reporting requirements expected from the external auditor and Audit Scotland resulting in adverse criticism.

A revised Operating Model was agreed by the Board in June 2019, which significantly reduces operating costs and responds to the reduced Capital Funding available for regeneration works.

The Senior Responsible Officer is responsible for:

- Reviewing the initial risk register to ensure that all significant risks have been captured and appropriate mitigating action put in place or planned;
- Ensuring that risks escalated from project level are recorded on the relevant risk register (programme, business unit, corporate) and appropriate mitigating action agreed to address these.

Reserves policy

The level of total unrestricted reserves as shown in the group balance sheet on page 15 is £12,295,326 (2020: £11,093,231). Of these unrestricted reserves, £9,188,219 (2020: £8,921,688) is held as designated reserves as explained in Note 3. The general unrestricted reserve of £3,107,107 (2020: £2,171,543) is held to fund ongoing development projects and has arisen in part due to timing of incoming funds. A proportion of this reserve is held to fund 6 months operating costs and anticipated end of life costs of the project. Restricted funding is £111,430 at the year end (2020: £111,430).

The Directors are of the opinion that the description of funds in note 3 to the financial statements represents a prudent approach to risk and commitments made.

RIVERSIDE INVERCLYDE

DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

Strategic report (cont'd)

Going concern

The directors have considered the recent economic impacts of Covid-19 and have prepared updated forecasts having assessed the current level of reserves, performance of the subsidiary company's property portfolio as well as taking into account current market conditions. These factors along with the adoption of the revised Operating Model and subsequent cost reductions associated mean the directors have a reasonable expectation that the group and company has adequate resources to continue in operation for the foreseeable future. Therefore, they continue to adopt the going concern basis in preparing these financial statements.

Plans for future periods

Following a review of regeneration services, the board agreed a revised Operating Model in June 2019. The revised Operating Model involved ri ceasing to employ people directly; instead Inverclyde Council supports ri through a Service Level Agreement. The changes significantly reduced operating costs and reflect the very significant reduction in funding available for regeneration activities.

Moving forward, Riverside Inverclyde and Riverside Inverclyde Property Holdings Ltd, are consolidating their reserves and financial position, with a view to setting a strategy for supporting Regeneration in 2021/22; through retained reserves. The board are also being mindful of the need to hold sufficient reserves to cover business risks; especially in the context of Covid-19.

Structure, governance and management

The board of directors are responsible for setting strategy and overseeing the overall operations of the charity. The Accountable Officer is responsible for the day to day operational matters.

Directors

The Directors who served the company during the year and since the year end date were as follows:

James J Clocherty
Stephen A Frew (appointed 31 August 2021)
Gavin McDonagh
Andrew S McKenzie
James A McQuade (resigned 31 August 2021)
Robert Mitchell
John W Ramage

Directors' appointment, induction and training

The appointment, removal and retirement of Directors is carried out as per Articles 36 to 53 of the Memorandum and Articles of Association. Newly appointed Directors meet individually with the Accountable Officer to be fully appraised of the current and future projects being undertaken by the company.

RIVERSIDE INVERCLYDE

DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

Remuneration of key management personnel

During the prior year, the group ceased to employ people directly under the new Operating Model. Inverclyde Council support the organisation through a Service Level Agreement.

Relationship between ri and riph

Riverside Inverclyde (Property Holdings) Limited (riph) is a private company limited by shares with the shares being 100% owned by ri. riph follows the same strategic objectives as its parent body and was established as the main delivery vehicle for commercial property projects within the Inverclyde operating area, particularly the acquisition and subsequent development of land and buildings for these purposes.

Reference and administrative details

The above details are contained within the officers and advisors section of the financial statements.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report (incorporating the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Charity and company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors have elected to prepare the financial statements in accordance with applicable law and 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). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the income and expenditure of the group and company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether the 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 group and company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RIVERSIDE INVERCLYDE

DIRECTORS' REPORT (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

Disclosure of information to the auditor

As far as each of the directors at the time the report is approved are aware:

- a) there is no relevant information of which the company's auditor is unaware; and
- b) the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of the information.

Auditor

Azets Audit Services will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

The Directors' Report, incorporating the Strategic Report, has been approved on behalf of by the Board by:



Gavin McDonagh
Director

23 November 2021

RIVERSIDE INVERCLYDE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS OF RIVERSIDE INVERCLYDE

FOR THE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of Riverside Inverclyde (the parent charitable company) and its subsidiary (the group) for the year ended 31 March 2021 which comprise the Consolidated and Parent Charitable Company Statement of Financial Activities (incorporating the Income and Expenditure Account), the Consolidated and Parent Charitable Company Balance Sheet, Consolidated and Parent Charitable Company Statement of Cash Flows and the 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 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 our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2021 and of the group's and parent charitable company's income and expenditure 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the groups' or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

RIVERSIDE INVERCLYDE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS OF RIVERSIDE INVERCLYDE

FOR THE YEAR ENDED 31 MARCH 2021

Other information (cont'd)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report (incorporating the Strategic Report) for the financial year for which the financial statements is prepared is consistent with the financial statements; and
- the Directors' Report (incorporating the Strategic Report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report (incorporating the Strategic Report).

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

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors (who are the directors for the purposes of company law and trustees for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent charitable company or to cease operations, or have no realistic alternative but to do so.

RIVERSIDE INVERCLYDE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS OF RIVERSIDE INVERCLYDE

FOR THE YEAR ENDED 31 MARCH 2021

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

Extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group and charitable company through discussions with management and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent charitable company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 4 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

RIVERSIDE INVERCLYDE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND DIRECTORS OF RIVERSIDE INVERCLYDE

FOR THE YEAR ENDED 31 MARCH 2021

Extent to which the audit was considered capable of detecting irregularities including fraud (cont.)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the group and charitable company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's directors, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the parent charitable company's members, as a body, and the parent charitable company's directors, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charitable company, the parent charitable company's members, as a body, and the parent charitable company's directors, as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Allison Gibson, Senior Statutory Auditor

For and on behalf of

Azets Audit Services, Statutory Auditor

Chartered Accountants

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Titanium 1

King's Inch Place

Renfrew

PA4 8WF

Date: 23 November 2021

RIVERSIDE INVERCLYDE

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**

FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:					
Charitable activities	6	330	48,768	49,098	1,481,246
Investments	7	1,795,853	-	1,795,853	1,751,975
Other income	22	-	-	-	186,000
Total income and endowments		1,796,183	48,768	1,844,951	3,419,221
Expenditure on:					
Raising funds	8	(662,418)	-	(662,418)	(774,528)
Charitable activities	9	(198,201)	(48,768)	(246,969)	(962,521)
Total expenditure		(860,619)	(48,768)	(909,387)	(1,737,049)
Net income before taxation and other gains/(losses)	12	935,564	-	935,564	1,682,172
Taxation	14	(243,571)	-	(243,571)	(261,447)
Unrealised gain/(loss) on revaluation of investment properties	16	510,102	-	510,102	(338,594)
Net movement in funds		1,202,095	-	1,202,095	1,082,131
Reconciliation of funds:					
Total funds brought forward	24	11,093,231	111,430	11,204,661	10,122,530
Total funds carried forward	24	12,295,326	111,430	12,406,756	11,204,661

The group has no recognised gains or losses other than the results for the current and previous year as set out above.

All of the activities of the group are classed as continuing.

The notes on pages 19 to 50 form part of these financial statements.

RIVERSIDE INVERCLYDE

**COMPANY STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**

FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:					
Charitable activities	6	330	48,768	49,098	1,463,517
Investments	7	710,882	-	710,882	639,269
Other income	22	-	-	-	186,000
Total income and endowments		711,212	48,768	759,980	2,288,786
Expenditure on:					
Charitable activities	9	(54,458)	(48,768)	(103,226)	(1,628,049)
Total expenditure		(54,458)	(48,768)	(103,226)	(1,628,049)
Net income before transfers	12	656,754	-	656,754	660,737
Transfers between funds	24	-	-	-	-
Net movement in funds		656,754	-	656,754	660,737
Reconciliation of funds:					
Total funds brought forward	24	1,324,851	105,448	1,430,299	769,562
Total funds carried forward	24	1,981,605	105,448	2,087,053	1,430,299

The company has no recognised gains or losses other than the results for the current and previous year as set out above.

All of the activities of the company are classed as continuing.

The notes on pages 19 to 50 form part of these financial statements.

RIVERSIDE INVERCLYDE
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	72,106	74,128
Investment property	16	12,247,100	11,419,370
Investments	17	-	-
		<u>12,319,206</u>	<u>11,493,498</u>
Current assets			
Debtors	18	491,736	254,586
Cash at bank and in hand	19	2,398,009	2,114,901
		<u>2,889,745</u>	<u>2,369,487</u>
Creditors: amounts falling due within one year	20	<u>(461,811)</u>	<u>(561,511)</u>
Net current assets		<u>2,427,934</u>	<u>1,807,976</u>
Total assets less current liabilities		<u>14,747,140</u>	<u>13,301,474</u>
Provision for liabilities	21	(2,340,384)	(2,096,813)
Net assets		<u>12,406,756</u>	<u>11,204,661</u>
Funds			
Unrestricted funds	24	3,107,107	2,171,543
Land and property reserve	24, 25	9,188,219	8,921,688
Total unrestricted funds	24	<u>12,295,326</u>	<u>11,093,231</u>
Restricted funds	24	<u>111,430</u>	<u>111,430</u>
	23, 24	<u>12,406,756</u>	<u>11,204,661</u>

The financial statements were authorised for issue by the Board on 23 November 2021 and are signed on its behalf by:


Gavin McDonagh
Director

Company registration number: SC304355
Charity number: SC037806

The notes on pages 19 to 50 form part of these financial statements.

RIVERSIDE INVERCLYDE
COMPANY BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	513	1,847
Investments	17	100	100
		<u>613</u>	<u>1,947</u>
Current assets			
Debtors	18	503,426	59,610
Cash at bank and in hand	19	1,689,486	1,592,922
		<u>2,192,912</u>	<u>1,652,532</u>
Creditors: amounts falling due within one year	20	(106,472)	(224,180)
Net current assets		<u>2,086,440</u>	<u>1,428,352</u>
Net assets		<u>2,087,053</u>	<u>1,430,299</u>
Funds			
Unrestricted funds	24	1,981,605	1,324,851
Restricted funds	24	105,448	105,448
	23, 24	<u>2,087,053</u>	<u>1,430,299</u>

The financial statements were authorised for issue by the Board on 23 November 2021 and are signed on its behalf by:



Gavin McDonagh
Director

Company registration number: SC304355
Charity number: SC037806

The notes on pages 19 to 50 form part of these financial statements.

RIVERSIDE INVERCLYDE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net income before taxation and other gains/(losses)		935,564	1,682,172
Interest received		(1,786)	(5,678)
Depreciation		13,572	14,735
Movement in debtors		(237,150)	1,359,121
Movement in creditors		(99,700)	(1,604,370)
Movement on defined benefit pension scheme		-	(186,000)
Net cash generated from operating activities		610,500	1,259,980
Cash flows from investing activities			
Interest received		1,786	5,678
Payment for investment properties		(327,398)	(978,594)
Payment for fixed assets		(1,780)	-
Net cash used in investing activities		(327,392)	(972,916)
Net Increase in cash and cash equivalents	33	283,108	287,064
Cash and cash equivalents at 1 April	19, 33	2,114,901	1,827,837
Cash and cash equivalents at 31 March	19, 33	2,398,009	2,114,901

The notes on pages 19 to 50 form part of these financial statements.

RIVERSIDE INVERCLYDE
COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net income		656,754	660,737
Interest received		(1,786)	(5,678)
Depreciation		1,334	1,889
Movement in debtors		(443,816)	1,674,831
Movement in creditors		(117,708)	(1,303,972)
Movement on defined benefit pension scheme		-	(186,000)
Net cash generated from operating activities		94,778	841,807
Cash flows from investing activities			
Interest received		1,786	5,678
Net cash generated from investing activities		1,786	5,678
Net increase in cash and cash equivalents	33	96,564	847,485
Cash and cash equivalents at 1 April	19, 33	1,592,922	745,437
Cash and cash equivalents at 31 March	19, 33	1,689,486	1,592,922

The notes on pages 19 to 50 form part of these financial statements.

RIVERSIDE INVERCLYDE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the group's transactions are denominated. The consolidated financial statements incorporate the accounts of Riverside Inverclyde and its subsidiary undertaking Riverside Inverclyde (Property Holdings) Limited made up to 31 March 2021.

Riverside Inverclyde is a charitable private company limited by guarantee incorporated in the United Kingdom and registered in Scotland under company number SC304355. Riverside Inverclyde has charitable status (Charity number: SC037806) and two member organisations, Inverclyde Council and Scottish Enterprise. As a public/private partnership Riverside Inverclyde and its subsidiary have been designed to secure the long term economic growth of Inverclyde. The member organisations' liability is limited to £1.

Riverside Inverclyde (Property Holdings) Limited is a private company limited by shares. The company is incorporated in the United Kingdom and is registered in Scotland under company number SC331360.

Details of the registered office can be found in the officers and advisors page of these financial statements.

2. Statement of compliance

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS102), the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)", the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006.

3. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to both years presented, in dealing with items which are considered material in relation to the group's financial statements unless otherwise stated.

Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention (modified to include the revaluation of investment property). The consolidated financial statements incorporate the accounts of Riverside Inverclyde and its subsidiary undertaking Riverside Inverclyde (Property Holdings) Limited made up to 31 March 2021. The results of the subsidiary are consolidated on a line by line basis.

Riverside Inverclyde meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transition value unless otherwise stated in the relevant accounting policy.

The preparation of consolidated financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires directors to exercise their judgement in the process of applying the accounting policies (see note 4).

RIVERSIDE INVERCLYDE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. Accounting policies (cont'd)

Going concern

The Business Outlook outlined within the Directors' Report reflects the revised Operating Model of the group with reduced employee costs and reflecting the very significant reduction in available funding. The directors are also regularly reviewing the impact of the current Covid-19 pandemic on the group and the future outlook. Having assessed the adjusted forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis in preparing these annual financial statements despite the uncertainty caused by the ongoing pandemic.

Income recognition

All income is included in the Statement of Financial Activities when the group and company is entitled to the income, it is probable that the income will be received and the amount can be measured reliably.

Donations

Donations are recognised and included in the Statement of Financial Activities when the group and company has control over the donation, any conditions associated with the donation have been met, the receipt of economic benefit is probable and the economic benefit can be measured reliably.

Grants

Grants are credited to the Statement of Financial Activities in the period that conditions for receipt have been complied with, the group and company is entitled to the grant, it is probable that the income will be received and the amount can be measured reliably.

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the group and company; this is normally upon notification of the interest payable by the bank.

Gift aid is recognised in the period in which it is received.

Rental income from operating leases is recognised in the Statement of Financial Activities on a straight-line basis over the term of the relevant lease.

Other income

Other income is recognised in the period in which it relates.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities based on activity levels.

Governance costs include those costs associated with meeting the constitutional requirements of the group and company, and include the audit fees and costs linked to the strategic management of the group and company.

RIVERSIDE INVERCLYDE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. Accounting policies (cont'd)

Pension costs

Riverside Inverclyde operated a defined benefit pension scheme for part of the prior year. The assets of the scheme were held separately from those of the group and company in an independently administered fund. Employer contributions to this scheme were charged to the Statement of Financial Activities and were included within staff costs. Movements in the overall position of the defined benefit pension scheme were included in the Statement of Financial Activities. During the prior year, the group and company's liability in respect of pension obligations was assumed by Inverclyde Council.

Current and deferred taxation

Riverside Inverclyde is a charity and is recognised as such by HM Revenue and Customs for taxation purposes. As a result there is no liability to taxation on any of the company's income.

Riverside Inverclyde (Property Holdings) Limited is a company and taxable profits are subject to corporation tax.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the group operates and generates income.

Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Tangible fixed assets

Tangible fixed assets are stated as historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at the following annual rates in order to write off the cost of each asset, less its estimated residual value, over its estimated useful economic life as follows:

Freehold property – 50 years straight line basis
Office equipment - 4 years straight line basis
Furniture and fittings - 4 years straight line basis
Other assets - 10 years straight line basis

A de-minimis level of £1,000 has been set, below which assets are written off to the Statement of Financial Activities in the year of purchase.

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at its fair value at the reporting date. Gains and losses arising from changes in the fair value of investment property are included in the Statement of Financial Activities for the period in which they arise.

RIVERSIDE INVERCLYDE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

3. Accounting policies (cont'd)

Investment property (cont'd)

An external independent valuer, having appropriate recognised professional qualifications and current experience of the location and type of property being valued, values the group's investment properties annually. Fair values are based on market values. Market values are the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing.

Valuations reflect the type of occupier and the general perception of their likely creditworthiness, the division of related costs between landlord and tenant, the incidence of rent reviews and anticipated revised rental levels, and the remaining economic life of the property.

Investments

Investments in subsidiaries and joint ventures are stated at cost less accumulated impairment losses.

Financial Instruments

The group and company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, and balances with related parties. Debt instruments (other than those wholly repayable or receivable within one year) are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

RIVERSIDE INVERCLYDE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. Accounting policies (cont'd)

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method less any impairment.

Cash and cash equivalents

Cash at bank and in hand includes cash and short term highly liquid deposits with a short maturity of twelve months or less from the date of opening of the deposit or similar account.

Creditors

Short term trade creditors are measured at the transaction price.

Provisions for liabilities

Provisions are made where an event has taken place that gives the group or company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Financial Activities in the year that the group or company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

Fund accounting

Unrestricted funds are funds which are available for use at the discretion of the directors in furtherance of the general objectives of the group and charity, and which have not been designated for other purposes.

The land and property reserve represents a designated reserve. The group obtains grant funding to fund the majority of its capital development works which are recognised as income in the Statement of Financial Activities when receivable. The cost of the works performed are capitalised within investment property as incurred. Unrealised gains or losses on revaluation of the assets are reflected in the Statement of Financial Activities. The reserve will be released to unrestricted reserves in the event of any of the assets being sold.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors.

4. Judgements in applying policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

RIVERSIDE INVERCLYDE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

4. Judgements in applying policies and key sources of estimation uncertainty (cont'd)

The directors are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied to the depreciation rates, the principles underlying the valuation of investment property assets and the bad debt provision. Depreciation rates are deemed appropriate for the class of asset. The principles underlying the valuation of investment property assets which have been determined by qualified valuers, have been reviewed by the directors and have been confirmed as reasonable. The bad debt provision has been deemed reasonable based on management's expectation of likely future receipt.

5. Comparative statement of financial activities (incorporating the Income and Expenditure Account)

Group	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Income and endowments from:			
Charitable activities	-	1,481,246	1,481,246
Investments	1,751,975	-	1,751,975
Other income	186,000	-	186,000
Total income and endowments	1,937,975	1,481,246	3,419,221
Expenditure on:			
Raising funds	(774,528)	-	(774,528)
Charitable activities	(462,355)	(500,166)	(962,521)
Total expenditure	(1,236,883)	(500,166)	(1,737,049)
Net income before taxation, other losses and transfers	701,092	981,080	1,682,172
Taxation	(261,447)	-	(261,447)
Transfers between funds	908,663	(908,663)	-
Unrealised loss on revaluation	(338,594)	-	(338,594)
Net movement in funds	1,009,714	72,417	1,082,131

RIVERSIDE INVERCLYDE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5. Comparative statement of financial activities (incorporating the Income and Expenditure Account) (cont'd)

Company	Unrestricted funds	Restricted funds	Total funds 2020
	£	£	£
Income and endowments from:			
Charitable activities	-	1,463,517	1,463,517
Investments	639,269	-	639,269
Other income	186,000	-	186,000
Total income and endowments	825,269	1,463,517	2,288,786
Expenditure on:			
Charitable activities	(227,883)	(1,400,166)	(1,628,049)
Total expenditure	(227,883)	(1,400,166)	(1,628,049)
Net income before transfers	597,386	63,351	660,737
Transfers between funds	(9,066)	9,066	-
Net movement in funds	588,320	72,417	660,737

	Unrestricted funds	Restricted funds	Total funds 2021
	£	£	£
6. Charitable activities income			
Group			
Greenock & Port Glasgow Town Centres	-	32,272	32,272
Town and Villages Environmental Improvements	-	16,496	16,496
Business Investment	330	-	330
	330	48,768	49,098

RIVERSIDE INVERCLYDE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total funds 2020</i>
	£	£	£
6. Charitable activities income (cont'd)			
Group			
Greenock & Port Glasgow Town Centres	-	175,909	175,909
Broomhill Regeneration	-	334,170	334,170
Greenock Ocean Terminal	-	523	523
Infrastructure and Placemaking	-	5,286	5,286
Town and Villages Environmental Improvements	-	42,629	42,629
Communications and Marketing	-	5,000	5,000
Baker St Enterprise Hub	-	917,729	917,729
	-	<u>1,481,246</u>	<u>1,481,246</u>

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total funds 2021</i>
	£	£	£
Company			
Greenock & Port Glasgow Town Centres	-	32,272	32,272
Town and Villages Environmental Improvements	-	16,496	16,496
Business Investment	330	-	330
	<u>330</u>	<u>48,768</u>	<u>49,098</u>

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total funds 2020</i>
	£	£	£
Company			
Greenock & Port Glasgow Town Centres	-	175,909	175,909
Broomhill Regeneration	-	334,170	334,170
Greenock Ocean Terminal	-	523	523
Infrastructure and Placemaking	-	5,286	5,286
Town and Villages Environmental Improvements	-	42,629	42,629
Communications and Marketing	-	5,000	5,000
Baker St Enterprise Hub	-	900,000	900,000
	-	<u>1,463,517</u>	<u>1,463,517</u>

RIVERSIDE INVERCLYDE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

	Total funds 2021 £	Total funds 2020 £
7. Investment income		
Group		
Bank interest receivable	1,786	5,678
Rent receivable	1,794,067	1,746,297
	1,795,853	1,751,975
	Total funds 2021 £	Total funds 2020 £
Company		
Bank interest receivable	1,786	5,678
Gift aid	709,096	633,591
	710,882	639,269

All investment income in 2020 and 2021 is unrestricted.

	Total funds 2021 £	Total funds 2020 £
8. Raising funds expenditure		
Group		
Property costs	662,418	774,528

All raising funds expenditure is included within unrestricted funds.

RIVERSIDE INVERCLYDE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

	Unrestricted funds £	Restricted funds £	Total funds 2021 £
9. Charitable activities expenditure			
Group			
Greenock & Port Glasgow Town Centres	-	32,272	32,272
Town and villages Environmental Improvements	-	16,496	16,496
Business Investment	330	-	330
Support costs (see note 11)	197,871	-	197,871
	<u>198,201</u>	<u>48,768</u>	<u>246,969</u>
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Total funds 2020 £</i>
Group			
Greenock & Port Glasgow Town Centres	-	161,465	161,465
Broomhill Regeneration	-	272,530	272,530
Greenock Ocean Terminal	-	523	523
Infrastructure and Placemaking	-	5,286	5,286
Town and villages Environmental Improvements	-	51,695	51,695
Communications and Marketing	-	8,667	8,667
Business Investment	15,484	-	15,484
Support costs (see note 11)	446,871	-	446,871
	<u>462,355</u>	<u>500,166</u>	<u>962,521</u>

RIVERSIDE INVERCLYDE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. Charitable activities expenditure (cont'd)	Unrestricted funds £	Restricted funds £	Total funds 2021 £
Company			
Greenock & Port Glasgow Town Centres	-	32,272	32,272
Town and villages Environmental Improvements	-	16,496	16,496
Business Investment	330	-	330
Support costs (see note 11)	54,128	-	54,128
	54,458	48,768	103,226
	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Company			
Greenock & Port Glasgow Town Centres	-	161,465	161,465
Broomhill Regeneration	-	272,530	272,530
Greenock Ocean Terminal	-	523	523
Infrastructure and Placemaking	-	5,286	5,286
Town and Villages Environmental Improvements	-	51,695	51,695
Communications and Marketing	-	8,667	8,667
Business Investment	15,484	-	15,484
RIPH	-	900,000	900,000
Support costs (see note 11)	212,399	-	212,399
	227,883	1,400,166	1,628,049

Group

All grants awarded by the group during 2021 and 2020 were to institutions. No grants were awarded to individuals (2020: *nil*).

Grants paid to institutions	Total funds 2021 £	Total funds 2020 £
Heritage Grant	-	5,000

RIVERSIDE INVERCLYDE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. Charitable activities expenditure (cont'd)

Company

All grants awarded by the company during 2021 and 2020 were to institutions. No grants were awarded to individuals (2020: *nil*).

	Total funds 2021 £	Total funds 2020 £
Grants paid to Institutions		
Riverside Inverclyde (Property Holdings) Limited	-	900,000
Heritage Grant	-	5,000
	<u>-</u>	<u>905,000</u>

	Total funds 2021 £	Total funds 2020 £
10. Governance costs		
Group		
Audit fees (note 11)	<u>20,375</u>	<u>15,882</u>
Company		
Audit fees (note 11)	<u>6,000</u>	<u>8,000</u>

All governance costs are included within unrestricted funds.

RIVERSIDE INVERCLYDE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

11. Support costs Group	Consultancy costs £	Legal and professional fees £	Administrative expenses £	Audit fees £	2021 Total £
Greenock & Port Glasgow Town Centres	1,995	1,635	113,038	13,392	130,060
Town and Villages Environmental Improvements	1,020	836	57,779	6,846	66,481
Business Investment	20	17	1,156	137	1,330
Total - group	3,035	2,488	171,973	20,375	197,871

Support costs have been allocated across activities based on spend levels incurred within these activity areas.

RIVERSIDE INVERCLYDE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

11. Support costs (continued)	Salaries	Consultancy	Legal and	Administrative	Audit fees	2020
Group	£	costs	professional	expenses	£	Total
	£	£	£	£	£	£
Greenock & Port Glasgow Town Centres	43,664	7,965	9,168	74,160	4,973	139,930
Broomhill Regeneration	73,696	13,442	15,474	125,171	8,394	236,177
Greenock Ocean Terminal	141	26	30	240	16	453
Infrastructure and Placemaking	1,429	261	300	2,428	163	4,581
Town and Villages Environmental Improvements	13,979	2,550	2,935	23,743	1,592	44,799
Communications and Marketing	2,344	428	492	3,981	267	7,512
Business Investment	4,187	764	879	7,112	477	13,419
Total - group	139,440	25,436	29,278	236,835	15,882	446,871

Support costs have been allocated across activities based on spend levels incurred within these activity areas.

RIVERSIDE INVERCLYDE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

11. Support costs Company	Consultancy costs £	Legal and professional fees £	Administrative expenses £	Audit fees £	2021 Total £
Greenock & Port Glasgow Town Centres Town and Villages Environmental Improvements	1,995	1,635	28,004	3,944	35,578
Business Investment	1,020	836	14,314	2,016	18,186
	20	17	287	40	364
Total	3,035	2,488	42,605	6,000	54,128

Support costs have been allocated across activities based on spend levels incurred within these activity areas.

RIVERSIDE INVERCLYDE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

11. Support costs (continued)	Salaries	Consultancy	Legal and	Administrative	Audit fees	2020
Company	£	costs	professional	expenses	£	Total
	£	£	fees	£	£	£
Greenock & Port Glasgow Town Centres	11,330	2,901	3,339	5,742	912	24,224
Broomhill Regeneration	19,123	4,897	5,637	9,693	1,540	40,890
Greenock Ocean Terminal	37	9	11	18	3	78
Infrastructure and Placemaking	371	95	109	189	30	794
Town and Villages Environmental Improvements	3,627	929	1,069	1,839	292	7,756
Communications and Marketing	608	156	179	308	49	1,300
Business Investment	1,087	278	320	550	88	2,323
Baker St Enterprise Hub	63,153	16,171	18,614	32,010	5,086	135,034
Total	99,336	25,436	29,278	50,349	8,000	212,399

Support costs have been allocated across activities based on spend levels incurred within these activity areas.

RIVERSIDE INVERCLYDE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
12. Net income		
Group		
Net income is stated after charging:-		
Depreciation	13,572	14,735
Auditor's remuneration		
- as auditor	20,375	15,882
- taxation services	950	1,591
	<u>2021</u>	<u>2020</u>
	£	£
Company		
Net income is stated after charging:-		
Depreciation	1,334	1,889
Auditor's remuneration		
- as auditor	6,000	8,000
	<u>2021</u>	<u>2020</u>
	£	£
13. Payroll costs		
Group		
Wages and salaries	-	111,326
Social security costs	-	11,532
Other pension costs	-	16,582
	<u>-</u>	<u>139,440</u>
	<u>2021</u>	<u>2020</u>
	No.	No.
Particulars of employees:-		
The average number of staff remunerated by the group during the financial year amounted to:-		
Full time	-	2

Key management personnel in the previous year consisted of the chief executive and the property manager. Key management received emoluments of £nil (2020: £43,347), employers NI payments of £nil (2020: £4,949) and pension contributions of £nil (2020: £10,972).

RIVERSIDE INVERCLYDE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

13. Payroll costs (cont'd)	2021	2020
	£	£
Company		
Wages and salaries	-	111,326
Social security costs	-	11,532
Other pension costs	-	16,582
	-	139,440
Charged to Riverside Inverclyde (Property Holdings) Limited	-	(40,104)
	-	99,336

Particulars of employees:-	2021	2020
	No.	No.

The average number of staff remunerated by the company during the financial year amounted to:-

Full time	-	1
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Key management personnel in the previous year consisted of the chief executive. Key management received emoluments of £nil (2020: £22,863), employers NI payments of £nil (2020: £2,750) and pension contributions of £nil (2020: £7,150).

Group and company

No Directors were in receipt of remuneration or reimbursement of expenses in the current or previous year.

14. Taxation

Group	2021	2020
	£	£
The tax charge for the year was as follows:-		
Deferred tax	243,571	261,447

RIVERSIDE INVERCLYDE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

14. Taxation (cont'd)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before taxation	1,499,321	1,317,445
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	284,871	250,315
Expenses not deductible for tax purposes	-	64,352
Income not taxable for tax purposes	(96,919)	(181,869)
Adjustments to brought forward values	(187,952)	(134,728)
Chargeable gains	243,571	47,452
Remeasurement of deferred tax rates	-	215,925
Total tax charge for year	243,571	261,447

15. Fixed assets	Freehold property £	Office equipment £	Furniture and fittings £	Other assets £	Total £
Group Cost					
As at 1 April 2020	50,630	48,322	2,050	75,000	176,002
Additions	-	1,780	-	-	1,780
Transfer from investment property	9,770	-	-	-	9,770
As at 31 March 2021	60,400	50,102	2,050	75,000	187,552
Depreciation					
As at 1 April 2020	4,052	44,297	1,025	52,500	101,874
Charge in the year	1,313	4,247	512	7,500	13,572
As at 31 March 2021	5,365	48,544	1,537	60,000	115,446
Net book value					
31 March 2021	55,035	1,558	513	15,000	72,106
31 March 2020	46,578	4,025	1,025	22,500	74,128

RIVERSIDE INVERCLYDE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

	Office equipment £	Furniture and fittings £	Total £
15. Fixed assets			
Company			
Cost			
As at 1 April 2020 and 31 March 2021	<u>7,388</u>	<u>2,050</u>	<u>9,438</u>
Depreciation			
As at 1 April 2020	6,566	1,025	7,591
Charge in the year	<u>822</u>	<u>512</u>	<u>1,334</u>
As at 31 March 2021	<u>7,388</u>	<u>1,537</u>	<u>8,925</u>
Net book value			
31 March 2021	<u>-</u>	<u>513</u>	<u>513</u>
31 March 2020	<u>822</u>	<u>1,025</u>	<u>1,847</u>
16. Investment property		2021	2020
		£	£
Group			
At 1 April 2020		11,419,370	10,779,370
Additions		327,398	978,594
Revaluations		510,102	(338,594)
Transfer to fixed assets		<u>(9,770)</u>	<u>-</u>
As at 31 March 2021		<u>12,247,100</u>	<u>11,419,370</u>

Land and property held for investment purposes by the company were independently revalued as at 31 March 2021 by Colin McCash MRICS of Cushman and Wakefield, on an open market value basis.

Due to the current Covid-19 pandemic the valuer included the following statement surrounding market conditions within their valuation report:

The outbreak of Novel Coronavirus (COVID-19), which was declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, continues to affect economies and real estate markets globally. Nevertheless, as at the valuation date, property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where enough market evidence exists upon which to base opinions of value. Accordingly – and for the avoidance of doubt – our valuation is not reported as being subject to 'material valuation uncertainty', as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

RIVERSIDE INVERCLYDE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

17. Investments

Group

Riverside Inverclyde (Property Holdings) Limited and Peel Land and Property (James Watt Dock) Limited have a joint venture arrangement in James Watt Dock LLP. The value of Riverside Inverclyde (Property Holdings) Limited's 50% investment is as follows:-

	2021 £	2020 £
Capital injection	5,000,000	5,000,000
Provision for write down in investment	(5,000,000)	(5,000,000)
	<u>-</u>	<u>-</u>

Following a revaluation of the investment properties of James Watt Dock LLP as at 31 March 2013, the directors resolved that, to reflect the reduction in the value of the investment, full provision should be made against the investment in the accounts of the company. The company also loaned James Watt Dock LLP £5,150,000. This balance is recognised as a debtor at amortised cost within note 18 to the financial statements and a full provision has been made against the debtor. The amortised cost at 31 March 2021 is £5,150,000 (2020: £4,925,390).

The LLP made a loss of £275,055 for the year ended 31 March 2021 (2020: £352,425) and has net assets attributable to members of £4,596,723 (2020: £4,429,443) at that date.

Company

The company formed Riverside Inverclyde (Property Holdings) Limited, a company incorporated in Scotland, on 24 September 2007 and subscribed to the £100 share capital. This company is used for property development. During the year ended 31 March 2021, the company generated income (including turnover and unrealised gain on revaluation) of £2,304,169 (2020: £2,664,026) and incurred expenditure (including administrative costs, unrealised loss on revaluation and taxation) of £1,048,419 (2020: £1,608,028). The profit after taxation was £1,255,750 (2020: £1,055,998). At the balance sheet date the company had assets of £13,462,864 (2020: £12,281,292), liabilities of £3,143,678 (2020: £2,508,760) and net assets of £10,319,186 (2020: £9,772,532). Riverside Inverclyde (Property Holdings) Limited's registered office is Suite E1, The East Wing, Custom House Quay, Greenock, Renfrewshire, PA15 1EQ.

RIVERSIDE INVERCLYDE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

18. Debtors	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Loan due from joint venture (note 17)	5,150,000	4,925,390	-	-
Less: provision (note 17)	(5,150,000)	(4,925,390)	-	-
	-	-	-	-
Trade debtors	122,465	116,870	-	-
Other debtors	61,889	59,104	-	-
Riverside Inverclyde (Property Holdings) Limited	-	-	441,973	-
VAT	16,010	15,971	12,685	12,646
Prepayments	4,068	5,884	-	-
Accrued income	287,304	56,757	48,768	46,964
	<u>491,736</u>	<u>254,586</u>	<u>503,426</u>	<u>59,610</u>

The balance due from Riverside Inverclyde Property Holdings Limited has arisen through normal trading transactions and is not a loan. The balance is subject to normal trading repayment terms.

The loan due from the joint venture was fully provided for in 2013.

The group trade debtors are shown net of the bad debt provision of £73,935 (2020: £48,945). Movement in the bad debt provision is included within charitable expenditure.

19. Cash and cash equivalents

Group	2021 £	2020 £
Cash at bank and in hand	<u>2,398,009</u>	<u>2,114,901</u>
Company	2021 £	2020 £
Cash at bank and in hand	<u>1,689,486</u>	<u>1,592,922</u>

RIVERSIDE INVERCLYDE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

20. Creditors: Amounts falling due within one year	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	79,548	162,889	(38)	9,118
Riverside Inverclyde (Property Holdings) Limited	-	-	-	68,634
Accruals	145,460	191,940	22,323	62,244
Deferred income	207,738	198,141	84,187	84,184
VAT	29,065	8,541	-	-
	<u>461,811</u>	<u>561,511</u>	<u>106,472</u>	<u>224,180</u>

The balance due to Riverside Inverclyde Property Holdings Limited in the prior year arose through normal trading transactions and was not a loan. The balance was subject to normal trading repayment terms.

21. Provisions for liabilities

Group	2021 £	2020 £
Deferred taxation	<u>2,340,384</u>	<u>2,096,813</u>

22. Pension scheme

Group and company

During the prior year, the group and company's obligation and liability associated with the pension scheme have been assumed by Inverclyde Council under the new Operating Model with effective date of transfer being 30 June 2019. At the balance sheet date, the group and company's liability is £nil with the liability been written out through the Statement of Financial Activities in the prior year and recognised as other income.

Until 30 June 2019, the group and company participated in the Strathclyde Pension Fund which is a statutory multi-employer defined benefit scheme. It is administered by Glasgow City Council in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998, as amended.

RIVERSIDE INVERCLYDE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

23. Analysis of net assets between funds

Group - 2021	Fixed assets £	Net current assets £	Provisions for liabilities £	Total 2021 £
Unrestricted funds	790,603	2,316,504	-	3,107,107
Land and property reserve	11,528,603	-	(2,340,384)	9,188,219
Restricted funds	-	111,430	-	111,430
	<u>12,319,206</u>	<u>2,427,934</u>	<u>(2,340,384)</u>	<u>12,406,756</u>
Group - 2020	Fixed assets £	Net current assets £	Provisions for liabilities £	Total 2020 £
Unrestricted funds	474,997	1,696,546	-	2,171,543
Land and property reserve	11,018,501	-	(2,096,813)	8,921,688
Restricted funds	-	111,430	-	111,430
	<u>11,493,498</u>	<u>1,807,976</u>	<u>(2,096,813)</u>	<u>11,204,661</u>
Company - 2021	Fixed assets £	Net current assets £	Provisions for liabilities £	Total 2021 £
Unrestricted funds	613	1,980,992	-	1,981,605
Restricted funds	-	105,448	-	105,448
	<u>613</u>	<u>2,086,440</u>	<u>-</u>	<u>2,087,053</u>
Company - 2020	Fixed assets £	Net current assets £	Provisions for liabilities £	Total 2020 £
Unrestricted funds	1,947	1,322,904	-	1,324,851
Restricted funds	-	105,448	-	105,448
	<u>1,947</u>	<u>1,428,352</u>	<u>-</u>	<u>1,430,299</u>

RIVERSIDE INVERCLYDE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

24. Funds

Group - 2021	As at 1 April 2020 £	Income and endowments £	Expenditure £	Other recognised gains £	Transfers £	As at 31 March 2021 £
Unrestricted funds						
General fund	2,171,543	1,796,183	(860,619)	-	-	3,107,107
Land and property reserve	8,921,688	-	-	266,531	-	9,188,219
	<u>11,093,231</u>	<u>1,796,183</u>	<u>(860,619)</u>	<u>266,531</u>	<u>-</u>	<u>12,295,326</u>
Restricted funds						
The Harbours/ Cathcart Street	1,360	-	-	-	-	1,360
Greenock and Port Glasgow	14,444	32,272	(32,272)	-	-	14,444
Broomhill	67,622	-	-	-	-	67,622
Towns and Villages Environmental Improvements	-	16,496	(16,496)	-	-	-
Communications and Marketing	28,004	-	-	-	-	28,004
	<u>111,430</u>	<u>48,768</u>	<u>(48,768)</u>	<u>-</u>	<u>-</u>	<u>111,430</u>
	<u>11,204,661</u>	<u>1,844,951</u>	<u>(909,387)</u>	<u>266,531</u>	<u>-</u>	<u>12,406,756</u>

RIVERSIDE INVERCLYDE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

24. Funds (cont'd)

Group - 2020	<i>As at 1 April 2019 £</i>	<i>Income and endowments £</i>	<i>Expenditure £</i>	<i>Other recognised losses £</i>	<i>Transfers £</i>	<i>As at 31 March 2020 £</i>
Unrestricted funds:						
General fund	1,665,517	1,751,975	(1,236,883)	-	(9,066)	2,171,543
Pension reserve	(186,000)	186,000	-	-	-	-
Land and property reserve	8,604,000	-	-	(600,041)	917,729	8,921,688
	<u>10,083,517</u>	<u>1,937,975</u>	<u>(1,236,883)</u>	<u>(600,041)</u>	<u>908,663</u>	<u>11,093,231</u>
Restricted funds:						
The Harbours/ Cathcart Street	1,360	-	-	-	-	1,360
Greenock and Port Glasgow	-	175,909	(161,465)	-	-	14,444
Broomhill	5,982	334,170	(272,530)	-	-	67,622
Towns and Villages Environmental Improvements	-	42,629	(51,695)	-	9,066	-
Infrastructure and Placemaking	-	5,286	(5,286)	-	-	-
Communications and Marketing	31,671	5,000	(8,667)	-	-	28,004
Greenock Ocean Terminal	-	523	(523)	-	-	-
Baker St Enterprise Hub	-	917,729	-	-	(917,729)	-
	<u>39,013</u>	<u>1,481,246</u>	<u>(500,166)</u>	<u>-</u>	<u>(908,663)</u>	<u>111,430</u>
	<u>10,122,530</u>	<u>3,419,221</u>	<u>(1,737,049)</u>	<u>(600,041)</u>	<u>-</u>	<u>11,204,661</u>

RIVERSIDE INVERCLYDE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

24. Funds (cont'd)

Company - 2021	As at 1 April 2020 £	Income and endowments £	Expenditure £	Transfers £	As at 31 March 2021 £
Unrestricted funds:					
General fund	<u>1,324,851</u>	<u>711,212</u>	<u>(54,458)</u>	<u>-</u>	<u>1,981,605</u>
Restricted funds:					
The Harbours/ Cathcart Street	1,360	-	-	-	1,360
Greenock and Port Glasgow	14,444	32,272	(32,272)	-	14,444
Broomhill	61,640	-	-	-	61,640
Towns and Villages Environmental Improvements	-	16,496	(16,496)	-	-
Communications and Marketing	28,004	-	-	-	28,004
	<u>105,448</u>	<u>48,768</u>	<u>(48,768)</u>	<u>-</u>	<u>105,448</u>
	<u>1,430,299</u>	<u>759,980</u>	<u>(103,226)</u>	<u>-</u>	<u>2,087,053</u>

RIVERSIDE INVERCLYDE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

24. Funds (cont'd)

Company - 2020	As at 1 April 2019 £	Income and endowments £	Expenditure £	Transfers £	As at 31 March 2020 £
Unrestricted funds:					
General fund	922,531	639,269	(227,883)	(9,066)	1,324,851
Pension reserve	(186,000)	186,000	-	-	-
	<u>736,531</u>	<u>825,269</u>	<u>(227,883)</u>	<u>(9,066)</u>	<u>1,324,851</u>
Restricted funds:					
The Harbours/ Cathcart Street	1,360	-	-	-	1,360
Greenock and Port Glasgow	-	175,909	(161,465)	-	14,444
Broomhill	-	334,170	(272,530)	-	61,640
Towns and Villages Environmental Improvements	-	42,629	(51,695)	9,066	-
Infrastructure and Placemaking	-	5,286	(5,286)	-	-
Communications and Marketing	31,671	5,000	(8,667)	-	28,004
Greenock Ocean Terminal	-	523	(523)	-	-
Baker St Enterprise Hub	-	900,000	(900,000)	-	-
	<u>33,031</u>	<u>1,463,517</u>	<u>(1,400,166)</u>	<u>9,066</u>	<u>105,448</u>
	<u>769,562</u>	<u>2,288,786</u>	<u>(1,628,049)</u>	<u>-</u>	<u>1,430,299</u>

The restricted funds may include numerous projects. When expenditure on a project exceeds the income received the difference is transferred to the general fund to bring that project fund to £nil.

A number of restricted funds receive income that is spent on capital expenditure. As the capital expenditure is incurred, a transfer is made between the restricted fund and the unrestricted fund for the amount of income spent.

The balances included within the restricted funds as at 31 March 2021 represent income received for the named projects that were unspent at the year end.

Name of Fund	Description, nature and purposes of the fund
General	Funds available for use at the discretion of the directors in furtherance of the general objectives of the charity and which have not been designated for other purposes.
Restricted	Funds which are to be used in accordance with specific restrictions imposed by donors.

RIVERSIDE INVERCLYDE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

25. Land and property reserve	2021	2020
	£	£
Group		
At 1 April 2020	8,921,688	8,604,000
Transfer from profit and loss account	266,531	317,688
At 31 March 2021	<u>9,188,219</u>	<u>8,921,688</u>
The value of the land and property reserve is made up of:		
Cartsburn/Cartsdyke site	250,000	250,000
Lynedoch Industrial Estate	1,800,000	1,590,000
Drumfrochar Road Estate	965,000	905,000
Victoria House Offices and Workshops	265,000	395,000
James Watt Dock site	355,000	355,000
Clydeview Building	1,825,000	1,780,000
Ben Lomond Building	1,880,000	2,095,000
Ladyburn Centre	680,000	570,000
Café at Riverside Business Park	80,000	80,000
Custom House, Greenock	1,000,000	985,000
Princes Street, Port Glasgow Development	170,000	170,000
Nursery at Riverside Business Park	460,000	495,000
Kelburn Industrial Estate, Port Glasgow	2,240,000	1,495,000
Scarlow Street, Port Glasgow	155,000	240,000
Gourock Municipal Buildings	12,500	15,000
William Street, Port Glasgow	25,000	50,000
Baker Street Enterprise Hub	145,000	-
Deferred tax	(2,340,384)	(2,096,813)
Assets not grant funded	(778,897)	(451,499)
Total held in reserve	<u>9,188,219</u>	<u>8,921,688</u>

26. Capital commitments

Group

Capital expenditure authorised by the directors and contracted for amounted to: £nil (2020: £0.28m).

Capital expenditure authorised by the directors but not contracted for amounted to: £nil (2020: £nil).

All capital expenditure contracted for will be met by grant funding.

Company

Capital expenditure authorised by the directors and contracted for amounted to: £nil (2020: £nil).

Capital expenditure authorised by the directors but not contracted for amounted to: £nil (2020: £nil).

All capital expenditure contracted for will be met by grant funding.

RIVERSIDE INVERCLYDE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

27. Commitments receivable under leases

Group

The future minimum lease rentals receivable under non-cancellable operating leases fall due as follows:

	2021 £	2020 £
Not later than one year	1,061,232	1,009,063
Later than one year and not later than 5 years	1,996,177	2,189,379
Later than 5 years	605,813	857,725
	<u>3,663,222</u>	<u>4,056,167</u>

Total contingent rents recognised as income during the year total £nil (2020: £nil).

The group grants leases of varying lengths based on type of property, tenant requirement and level of security requested taking into account the type of industry and stage of the tenants' business's development. At present one lease has an option for the tenant to purchase the property; that option would be available to the tenant only when the group is satisfied that the cumulative rental paid in respect of the property added to the independently assessed market value meets the Purchase Option Trigger Sum as defined in the Option to Purchase Offer.

28. Commitments payable under leases

Group

The future minimum lease rentals payable under non-cancellable operating leases fall due as follows:

	2021 £	2020 £
Not later than one year	12,500	12,500
Later than one year and not later than 5 years	50,000	50,000
Later than 5 years	132,342	145,342
	<u>194,842</u>	<u>207,842</u>

29. Contingent liabilities

The group has granted a standard security over Custom House in favour of Mapeley Steps Limited.

The group has granted a standard security over the subjects at East India and Victoria Harbour in favour of Peel Land Property (Greenock Harbour) Limited.

Riverside Inverclyde (Property Holdings) Limited has held successful mediation discussions with the contractor which carried out the works to prepare the self-build plots at Kilmacolm, but there remains a risk of appeal or further action by the contractor. Any additional sums agreed as payable by the company to the contractor in settlement of the contractor's claims for additional costs will be refundable to the company as per the terms of the agreement between Riverside Inverclyde and Inverclyde Council.

RIVERSIDE INVERCLYDE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

30. Controlling party

The company is not under the control of any outside parties.

31. Members' interests and legal status

The company is limited by guarantee and therefore does not have a share capital. The members of the company, whose liability is limited to £1, are Inverclyde Council and Scottish Enterprise.

32. Related party transactions

Group

During the year the group received restricted income of £49,098 (2020: £480,675) and rental income of £58,886 (2020: £29,480) from Inverclyde Council. As at 31 March 2021 there were other debtors of £61,889 (2020: £59,104), trade debtors of £1,652 (2020: £287), and accrued income amounts of £48,768 (2020: £46,964), due from Inverclyde Council. During the year the company made payments to Inverclyde Council totalling £105,961 (2020: £59,272) in respect of salaries and management charges. As at 31 March 2021 there were trade creditors of £3,604 (2020: £7,613) and accrued charges of £10,738 (2020: £nil) due to Inverclyde Council. The amounts outstanding are unsecured for cash settlement in accordance with usual business terms.

Riverside Inverclyde (Property Holdings) Ltd holds a 50% investment in James Watt Dock LLP. Transactions and balances with the LLP are shown in notes 17 and 18 to the financial statements. The amounts outstanding are unsecured for cash settlement in accordance with usual business terms.

Company

The company's board of directors includes local authority councillors. Due to the nature of the company's trade, there have been transactions with local authorities in the year. No director of the company has been able to use this position to their advantage in respect of these transactions.

Exemption has been taken from disclosing transactions with the subsidiary company on the basis that consolidated financial statements are publicly available.

The company has two member organisations, Inverclyde Council and Scottish Enterprise.

During the year the company received restricted income of £49,098 (2020: £462,946) from Inverclyde Council. As at 31 March 2021 there were accrued income amounts of £48,768 (2020: £46,964), due from Inverclyde Council. During the year the company made payments to Inverclyde Council totalling £30,064 (2020: £6,850) in respect of salary recharges. As at 31 March 2021 there were accrued charges of £2,579 (2020: £nil) due to Inverclyde Council. The amounts outstanding are unsecured for cash settlement in accordance with usual business terms.

There were no transactions during the current or prior year with Scottish Enterprise.

RIVERSIDE INVERCLYDE
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33. Analysis of changes in net funds and debt

Group	As at 1 April 2020 £	Cash flow £	As at 31 March 2021 £
Cash at bank and in hand	<u>2,114,901</u>	<u>283,108</u>	<u>2,398,009</u>

Company	As at 1 April 2020 £	Cash flow £	As at 31 March 2021 £
Cash at bank and in hand	<u>1,592,922</u>	<u>96,564</u>	<u>1,689,486</u>