

Glasgow Alliance
(A company limited by guarantee)

Charity Number: 28075 (Scotland)
Registered Number: 187599 (Scotland)

Report of the Trustees and Financial Statements

For the Year Ended 31 March 2001

Hardie Caldwell

CHARTERED ACCOUNTANTS

Glasgow



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Glasgow Alliance

Legal and Administrative Information For the Year Ended 31 March 2001

Trustees: Cllr James Coleman, Glasgow City Council
Cllr Archibald Graham, Glasgow City Council
James Andrews, Glasgow City Council
Stuart Gulliver, Scottish Enterprise Glasgow (resigned on 17 September 2000)
Ron Culley, Scottish Enterprise Glasgow (appointed on 18 September 2000)
Thomas O'Neill, Scottish Executive Glasgow (resigned on 27 April 2001)
Ewan Johnston, Scottish Homes
Rani Dhir, Scottish Homes
Professor Duncan MacIennan, Scottish Executive
Alastair Mackenzie, Scottish Executive (resigned on 20 October 2000)
Jim Mackinnon, Scottish Executive (appointed on 21 October 2000)
Helen Macneil, Glasgow Council for the Voluntary Sector
John Gallacher, Scottish Business in the Community
David Marshall MP

Executive Director / Secretary: Andrew Fyfe

Finance & Human Resources Sub Committee: James Andrews, Chairman
John Gallacher
Ewan Johnston
Ron Culley (appointed on 15 December 2000)
Helen Macneil (appointed on 15 December 2000)

Registered Office: 39 St Vincent Place
Glasgow
G1 2ER

Registered Number: 187599 (Scotland)

Charity Number: 28075 (Scotland)

Auditors: Hardie Caldwell
Chartered Accountants
Savoy Tower
77 Renfrew Street
Glasgow
G2 3BY

Bankers: Clydesdale Bank
30 St Vincent Place
Glasgow
G1 2HP

Solicitors: Burness,
242 West George Street
Glasgow
G2 4QY

Glasgow Alliance

Report of the Trustees For the Year Ended 31 March 2001

The trustees present their report with the financial statements of the charity for the year ended 31 March 2001.

Constitution

Glasgow Alliance is a company limited by guarantee and a recognised charity governed by its Memorandum and Articles of Association.

Directors and Trustees

The directors of the charitable company ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. As set out in the Articles of Association the trustees may be appointed and removed by the members of the charity. The number of trustees each member may appoint is as specified in the Articles of Association, subject to maximum number of 17, of whom a maximum of 4 shall be co-opted trustees. The co-opted trustees shall be appointed by the trustees.

The trustees during the year under review were:

Cllr James Coleman
Cllr Archibald Graham
James Andrews
Stuart Gulliver (resigned on 17/09/00)
Ron Culley (appointed on 18/09/00)
Thomas O'Neill (resigned on 27/04/01)
Ewan Johnston

Rani Dhir
Professor Duncan Maclellan
Alastair Mackenzie (resigned on 20/10/00)
Jim Mackinnon (appointed on 21/10/00)
Helen Macneil
John Gallacher
David Marshall MP

Objects of the Charity

The principal object of the charity is bringing together the public agencies, the private sector and the community and voluntary sectors in Glasgow, to work together to change the city for the better. Priority has been given to:

- 1 Following substantial consultation, reviewing the strategy for the regeneration of Glasgow agreed by the members of the company and communicating the Strategy widely.
- 2 Working with the members of the company and others to delivery the key strategic themes of the Strategy which are to create A Working Glasgow, A Learning Glasgow, A Vibrant Glasgow, A Healthy Glasgow and A Safe Glasgow.
- 3 Identifying clear actions which will deliver the strategy and monitor progress.
- 4 Supporting and developing Social Inclusion Partnerships in Glasgow (these Partnerships are tackling poverty and social exclusion and co-ordinating the implementation of local regeneration strategies) and
- 5 Maximising the resources from a range of sources to help to deliver the strategy for Glasgow and for the Social Inclusion Partnerships.

Financial results

The financial results are as set out in the attached financial statements. A surplus of £189,164, (2000: £260,238 restated) was realised in the year ended 31 March 2001. A full annual report will be presented to the Annual General Meeting of the company.

Glasgow Alliance

Report of the Trustees For the Year Ended 31 March 2001

Organisation

The board of trustees, who meet regularly administer the charity. A sub committee has been set up covering finance. An Executive Director has been appointed by the trustees to manage the day to day operations of the charity.

Related parties

The charity has a close relationship with Glasgow City Council, Scottish Homes, Scottish Enterprise Glasgow and the Scottish Executive, all of which provide funding to enable the charity to carry out its charitable objects and which nominate Trustees.

Statement of Trustees' Responsibilities

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to ensure that the financial statements comply with the Companies Act 1985. 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.

Auditors

Hardie Caldwell, were appointed as auditors during the year under review. A resolution will be proposed at the Annual General Meeting that Hardie Caldwell be re-appointed as auditors to the charity for the ensuing year.

On behalf of the Trustees



Andrew Fyfe
Secretary

Dated: 29 June 2001

Glasgow Alliance

Report of the Independent Auditors to the Members of Glasgow Alliance

We have audited the financial statements of Glasgow Alliance for the year ended 31 March 2001 on pages five to twelve. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of trustees and auditors

As described on page three the trustees are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Trustees is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the company is not disclosed.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

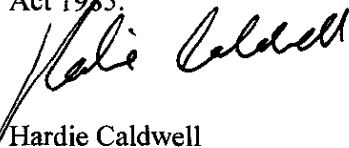
Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2001 and of its incoming resources and application of resources, including income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Hardie Caldwell
Registered Auditors
Chartered Accountants
Savoy Tower
77 Renfrew Street
Glasgow
G2 3BY

29 June 2001

Glasgow Alliance

Income and Expenditure Account (incorporating Statement of Financial Activities) For the Year Ended 31 March 2001

| | Unrestricted funds £ | Restricted funds £ | Total Funds 2001 £ | Restated Total Funds 2000 £ |
|---|----------------------------|--------------------------|-----------------------------|---|
| Incoming resources | | | | |
| Grants receivable | 1,132,789 | 2,525,152 | 3,657,941 | 2,362,577 |
| Less: deferred income | | | | |
| Bank interest receivable | 15,014 | - | 15,014 | 4,683 |
| Total incoming resources | <u>1,147,803</u> | <u>2,525,152</u> | <u>3,672,955</u> | <u>2,367,260</u> |
| Resources expended | | | | |
| Direct charitable expenditure | 809,580 | 2,154,790 | 2,964,370 | 1,862,729 |
| Fund raising, marketing and public relations | 86,096 | 70,905 | 157,001 | 121,111 |
| Management and administration | 362,420 | - | 362,420 | 123,182 |
| Total resources expended | <u>1,258,096</u> | <u>2,225,695</u> | <u>3,483,791</u> | <u>2,107,022</u> |
| Net incoming resources | (110,293) | 299,457 | 189,164 | 260,238 |
| Transfers | 33,853 | (33,853) | - | - |
| Net movements for year | <u>(76,440)</u> | <u>265,604</u> | <u>189,164</u> | <u>260,238</u> |
| Fund balance brought forward as at 1 April 2000 as previously stated | 73,930 | - | 73,930 | 146,077 |
| Prior year adjustment | 255,400 | 76,985 | 332,385 | - |
| Fund balance brought forward as at 1 April 2000 restated | <u>329,330</u> | <u>76,985</u> | <u>406,315</u> | <u>146,077</u> |
| Fund balance carried forward as at 31 March 2001 | <u>252,890</u> | <u>342,589</u> | <u>595,479</u> | <u>406,315</u> |

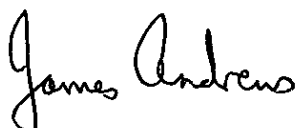
The notes form part of these financial statements.

Glasgow Alliance

Balance Sheet 31 March 2001

| | | 2001 | | Restated 2000 | |
|--|-------|------------------|----------------|------------------|----------------|
| | Notes | £ | £ | £ | £ |
| FIXED ASSETS: | | | | | |
| Tangible assets | 8 | | 420,669 | | 310,678 |
| Investments | 9 | | 100 | | 100 |
| | | | <u>420,769</u> | | <u>310,778</u> |
| CURRENT ASSETS: | | | | | |
| Debtors | 10 | 225,124 | | 224,238 | |
| Cash at bank | | <u>452,697</u> | | <u>80,694</u> | |
| | | <u>677,821</u> | | <u>304,932</u> | |
| CREDITORS: Amounts falling due within one year | 11 | <u>(503,111)</u> | | <u>(209,395)</u> | |
| NET CURRENT ASSETS: | | | <u>174,710</u> | | <u>95,537</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES: | | | <u>595,479</u> | | <u>406,315</u> |
| RESERVES: | | | | | |
| Unrestricted funds | 12 | | 252,890 | | 329,330 |
| Restricted funds | 13 | | <u>342,589</u> | | <u>76,985</u> |
| | | | <u>595,479</u> | | <u>406,315</u> |

The financial statements on pages 5 to 12 were approved by the trustees and signed on their behalf by:



J Andrews
Trustee

Dated: 29 June 2001

The notes form part of these financial statements.

Notes to the Financial Statements For the Year Ended 31 March 2001

1. Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards. The accounts are also set out to comply with Statement of Recommended Practice - Accounting by Charities, accordingly the Income and Expenditure Account is an adaption of the formats laid down in the Companies Act 1985 to recognise the special nature of the charity's activities and in order to give information in a manner beneficial to the members as provided for in the Companies Act 1985, Schedule 4 Part 1.

The principal accounting policies adopted in the preparation of the financial statements are as follows.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Grants

Grants, including grants for the purchase of fixed assets are recognised in full in the Statement of Financial Activities in the year in which they are receivable. Except when donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income the income is deferred and not included in incoming resources until the preconditions for use have been met.

Interest receivable

Interest is included when receivable by the charity.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis.

Pension costs

The company operates a defined contribution pension scheme, making contributions up to a maximum of 15% of remuneration. The assets of this scheme are held separately from those of the company in an independently administered fund. Some employees have opted to receive 10% into their personal pension plan.

Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|-------------------------|-------------------|
| Fit-out costs | 20% straight line |
| Furniture and equipment | 20% straight line |

Notes to the Financial Statements For the Year Ended 31 March 2001

1. Accounting policies (continued)

Fund accounting

Funds held by the charity are either:

- Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- Designated funds - these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.
- Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2. Legal Status of the Charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £5.

3. Staff costs

| | 2001 | 2000 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,125,612 | 904,145 |
| Social security costs | 87,167 | 53,848 |
| Other pension costs | 142,068 | 62,752 |
| | <u>1,354,847</u> | <u>1,020,745</u> |

The average monthly number of employees during the year was as follows:

| | 2001 | 2000 |
|----------------|-----------|-----------|
| | No. | No. |
| Administrative | <u>51</u> | <u>37</u> |

No fees or other emoluments were paid directly, or indirectly, to any member of the Board.

**Notes to the Financial Statements
For the Year Ended 31 March 2001****4. Movement in funds**

This is stated after charging:

| | 2001 | 2000 |
|--|---------------|---------------|
| | £ | £ |
| Depreciation - owned assets (see note 8) | 93,528 | 50,487 |
| Auditors' remuneration | 2,250 | 1,600 |
| Operating lease rentals | <u>60,426</u> | <u>29,180</u> |

No trustee was in receipt of emoluments or other benefits, including the reimbursement of expenses.

5. Interest receivable and similar income

| | 2001 | 2000 |
|------------------------|---------------|--------------|
| | £ | £ |
| Bank interest received | <u>15,014</u> | <u>4,683</u> |

6. Taxation

There is no liability to taxation as the company has obtained exemption under Section 505 of the Income and Corporation Taxes Act 1988 with effect from 7 July 1998. The Scottish charity number for the company is SC028075.

7. Prior year adjustments

The figures as at 31 March 2000 have been restated, following adjustments in respect of fundamental accounting errors.

The following gives an analysis of the adjusting entries:

Debtors as at 31 March 2000 were overstated by £124,002, resulting in an equivalent overstatement of income due to the incorrect determination of accrued income.

Creditors due within one year as at 31 March 2000 were understated by £37,066, due to the failure to properly identify liabilities existing as at that date.

Fund balances available as at 31 March 2000 were further mis-stated by £493,353, following incorrect allocation of unrestricted fund balances to accruals and deferred income. Of this £125,000 was mis-stated at 1 April 1999 and the opening reserves have been adjusted accordingly.

Expenditure as at 31 March 2000 was overstated as the payment to acquire the share capital of the subsidiary undertaking had not been identified.

Glasgow Alliance

Notes to the Financial Statements For the Year Ended 31 March 2001

8. Tangible fixed assets

| | Plant and Machinery, etc £ |
|------------------------|---|
| Cost: | |
| At 1 April 2000 | 376,646 |
| Additions | <u>203,519</u> |
| At 31 March 2001 | <u>580,165</u> |
| Depreciation: | |
| At 1 April 2000 | 65,968 |
| Charge for year | <u>93,528</u> |
| At 31 March 2001 | <u>159,496</u> |
| Net Book Value: | |
| At 31 March 2001 | <u>420,669</u> |
| At 31 March 2000 | <u>310,678</u> |

9. Investments

| | Investment in subsidiary undertaking £ |
|--------------------------------------|---|
| Cost | |
| As at 1 April 2000 and 31 March 2001 | <u>100</u> |

The charity is the sole member of Glasgow Key Fund, owning 100% of the 100 ordinary shares of £1 each in issue.

Glasgow Key Fund, is registered in Scotland and as of 1 June 2001 was granted recognition as a Scottish charity. The principal objectives of the company are the distribution of grants to enable the relieving of poverty among the residents of Glasgow.

Glasgow Key Fund reported a profit of £46,142 in respect of the year ended 31 December 2000 and had reserves of £46,242 at that date.

Consolidated financial statements are prepared in respect of the group.

**Notes to the Financial Statements
for the Year Ended 31 March 2001**

10. Debtors: amounts falling due within one year

| | 2001 | 2000 |
|----------------|----------------|----------------|
| | £ | £ |
| Accrued income | 189,163 | 217,069 |
| Prepayments | 35,961 | 7,169 |
| | <u>225,124</u> | <u>224,238</u> |

11. Creditors: amounts falling due within one year

| | 2001 | 2000 |
|---------------------------------------|----------------|----------------|
| | £ | £ |
| Bank overdraft | 100,332 | - |
| Other creditors | 402,779 | 176,314 |
| Other taxes and social security costs | - | 33,081 |
| | <u>503,111</u> | <u>209,395</u> |

12. Unrestricted funds

| | At 1 April 2000 | Released to General | Deficit for year | At 31 March 2001 |
|-----------------|----------------------------|--------------------------------|-----------------------------|-----------------------------|
| | £ | £ | £ | £ |
| General fund | 121,330 | 208,000 | (76,440) | 252,890 |
| Designated fund | 208,000 | (208,000) | - | - |
| | <u>329,330</u> | <u>-</u> | <u>(76,440)</u> | <u>252,890</u> |

The designated fund was set up to set aside funds for the capital expenditure to be incurred on the fit out of office premises re Careleavers. This fund was released in the year ended 31 March 2001, as funding for that project was successfully negotiated and received.

13. Restricted funds

| | At 1 April 2000 | Incoming resources | Outgoing resources (including transfers) | At 31 March 2001 |
|-------------------------------|----------------------------|-------------------------------|---|-----------------------------|
| | £ | £ | £ | £ |
| Social Inclusion Partnerships | - | 2,359,722 | (2,225,695) | 134,027 |
| Capital | 76,985 | 165,430 | (33,853) | 208,562 |
| | <u>76,985</u> | <u>2,525,152</u> | <u>(2,259,548)</u> | <u>342,589</u> |

Social Inclusion Partnerships Restricted Funds arise where monies granted for a particular partnership area, without specification as to timescale, have not been fully expended as at the year end and are carried forward to meet expenditure of the next accounting period.

Grants for the acquisition of capital items are treated as a restricted incoming resource in the year of receipt. A transfer is made to unrestricted funds in line with the depreciation charge on the assets acquired with such funds.

**Notes to the Financial Statements
for the Year Ended 31 March 2001**

14. Analysis of Net Assets between Funds

| | Tangible Fixed Assets £ | Investments £ | Net current assets £ | Total £ |
|-------------------------------|--|--------------------------|---|--------------------|
| Unrestricted funds | 212,107 | 100 | 40,683 | 252,890 |
| Restricted funds | | | | |
| Social Inclusion Partnerships | - | - | 134,027 | 134,027 |
| Capital | 208,562 | - | - | 208,562 |
| | <u>420,669</u> | <u>100</u> | <u>174,710</u> | <u>595,479</u> |

15. Other financial commitments

At 31 March 2001 the company had annual commitments under non cancellable operating leases as follows:

| | 2001 Property £ | 2001 Other £ | 2000 Property £ | 2000 Other £ |
|-------------------|--------------------------------|-----------------------------|--------------------------------|-----------------------------|
| Expiry date: | | | | |
| Within one year | 30,100 | - | - | - |
| Two to five years | 27,647 | 2,130 | 22,000 | 2,130 |
| Over five years | - | 1,598 | - | - |
| | <u>57,747</u> | <u>3,728</u> | <u>22,000</u> | <u>2,130</u> |

16. Trustees Interests

Due to the nature of the charity's operations and the composition of its Board of Trustees it is inevitable that transactions will take place with the companies or other organisations in which a Trustee may have an interest. All transactions involving companies or organisations in which a Trustee may have an interest are conducted at arms length and in accordance with normal project and programme rules. Trustees are not permitted to participate in discussions involving their related businesses.

The charity works in partnership with a number of public and other bodies with whom many joint projects may have been undertaken during the year. However as per above all these transactions are conducted at arm's length and as such are not disclosed herein.

17. Controlling party

No individual or company has a dominant influence over the company.