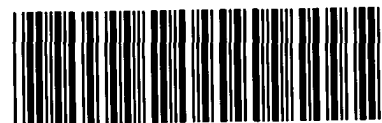

Report of the Director and Financial Statements

Port Glasgow
Training Initiative

Year End 31st March 2019

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Contents of Financial Statements

For the Year End 31 March 2019

Company Information	Page 2
Report of the Director	.....	Page 3
Statement of Financial Activities	.....	Page 5
Balance Sheet	.....	Page 6
Notes to the Financial Statements	.....	Page 8
Independents Examiner's Report	.....	Page 14

Company Information

For the Year End 31 March 2019

Director	DH Smith
Secretary	DH Smith
Registered Office	1 Bouverie Street Port Glasgow Inverclyde PA14 5PG
Registered Number	SC030177 (Scotland)
Accountants	Rennie Smith & Co Chartered Accountants 64 Murray Place Stirling. FK8 2BX

Report of the Director

For the Year End 31 March 2019

The Director presents his report with the financial statements of the company for the year ended 31st March 2019.

Principal Activity

The principal activity of the company in the year under review was that of the relief of poverty and distress by establishing, providing and assisting in the provision of industrial training and re-training facilities to unemployed persons living in the area of Port Glasgow and Greenock.

To let affordable housing for vulnerable people who may not otherwise be able to secure a tenancy and to assist vulnerable young people with tenancy related matters.

Director

The Sole Director who has held office during the year remains Mr DH Smith. In addition, the Trustees who held office during the year were Allen Paton; Cornelius Deveney and Samuel Sweeney. We have sought to appoint further Trustees; however, we have been unable to do so.

Objectives of the Charity

The main objectives of the Charity are to assist, educate and train local people disadvantaged by unemployment and the resultant poverty of living in a socially deprived area and in the provision of affordable housing to those in receipt of social benefits.

Our services to vulnerable persons in the local community are many and varied as some persons merely require the provision of affordable housing whilst others lack the necessary skills to run a household.

Our objectives include literacy, numeracy, communications, problem solving, basic DIY where the Charity has the free use of two local properties for training in these skills, as well as home skills, horticulture, with a training & safety course on 2.7 tonnes 360° excavator and 4x4 dumper skills.

Organisation

The Board of Management consists of one Director and three Trustees. Mr Smith continues to be in charge of the day to day running of the Charity, fully supported by the Trustees and volunteers.

Funding Sources

The Charity has not sought external funding, and is reliant upon the generosity, goodwill and resources that have been made available to the Charity by the Director.

Reserves Policy

As the Charity has never sought external funding the reserves are limited and generally retained within the Charity in an unrestricted reserve fund to meet unexpected items of expenditure. It is not anticipated that there will be any major item of expenditure within the next 12 months.

Investment Policy

In view of the limited resources available to the Charity and the uncertainty in the current economic climate all the reserves are held in an account at The Bank of Scotland, Port Glasgow.

PORT GLASGOW TRAINING INITIATIVE

Risk Management

The Director and Trustees consider that the greatest risks to the Charity are a lack of awareness of their aims, and the Charity's reliance on the generosity of the Director for its funding. It is the aim of the Director and Trustees to raise the profile of the Charity within the community.

With this in mind progress remains on our agenda, enabling us to realise our aims in the years ahead, and it is hoped that we can continue to raise awareness of these aims and gain support from the local community.

Once again though, we continue to see limited progress during our 19th year, however, the Director is confident that more progress towards our aims can be made. It is Mr Smith's intention to take a step back from his other work commitments allowing more time to concentrate his efforts upon the Charity.

The Director is also the Charity's main benefactor; however, he does not consider that this arrangement provides any personal financial gain, and he does not consider it to be in conflict with his other business interests.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On Behalf of the Board

DH Smith, Director

Date

[Handwritten signature]
10TH DEC 2019

Statement of Financial Activities

For the Year End 31st March 2019

Income & Expenditure	Restricted Funds £	Unrestricted Funds £	2019 Total £	2018 Total £
Income and endowments from				
Grants and donations	0	6,642.78	6,642.78	8,689
Other trading activities	0	10,851.17	10,851.17	0
Other	0	108,469.00	108,469.00	0
Total Income	0	125,962.95	125,962.95	8689
Expenditure				
Charitable Expenditure				
Fund raising	0	0	0	0
Charitable activities	0	130,626.78	130,626.78	27,831
Other	0	0	0	0
Total Expenditure	0	130,626.78	130,626.78	27,831
Net Income (Expenditure) For Year	0	(4,663.83)	(4,663.83)	(19,142)
Balance Brought Forward	0	(7,416.04)	(7,416.04)	11,726
Balance Carried Forward	0	(12,079.87)	(12,079.87)	(7416)

Balance Sheet

For the Year End 31st March 2019

	2019 £	2018 £
Fixed Assets		
Investment Properties	0	31
Current Assets		
Other Debtors	4,256.17	0
Cash at Bank	8209.21	8287
Cash in Hand	111.17	111
Total	12,576.55	8398
Creditors		
Amounts Falling Due Within One Year	500	500
Net Current Assets	12,076.55	7898
Total Assets Less Current Liabilities	12,076.55	7929
Amounts Falling Due after One Year	24,156.42	15,345
Net Liabilities	(12,079.87)	(7,416.04)
Accumulated Funds		
Unrestricted Funds	12,076.55	7929
Restricted Funds	0	0.00
Amounts Falling Due after One Year	(24,156.42)	(15,345)
Total	(12,079.87)	(7416)

PORT GLASGOW TRAINING INITIATIVE

The Company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st March 2019.

The members have not required the Company to obtain an audit of the financial statements for the year ended 31st March 2019 in accordance with Section 476 of the Companies Act 2006.

The Director acknowledges his responsibility for

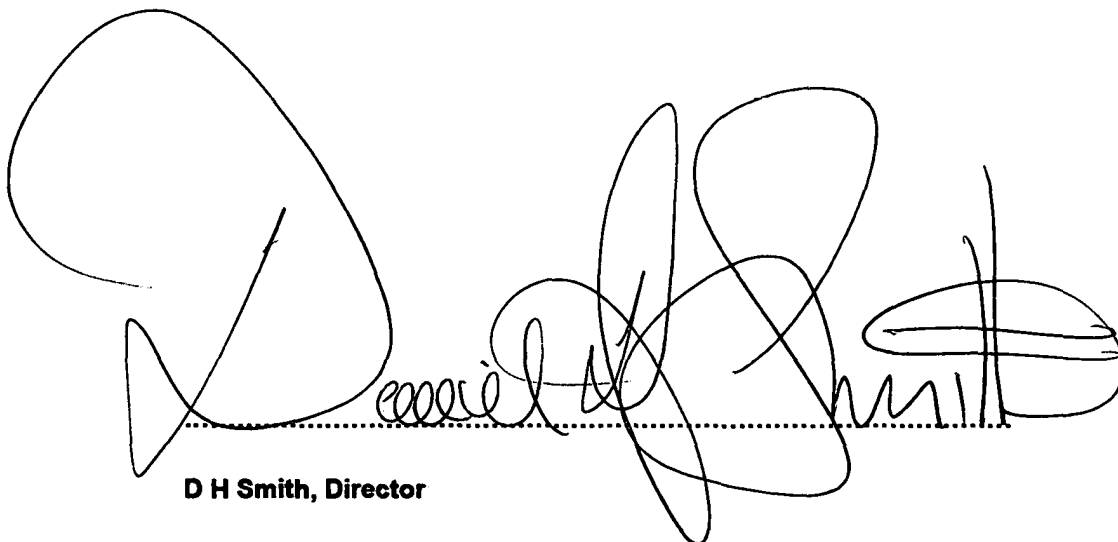
- a) Ensuring that the Company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006, and
- b) Preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

These financial statements have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standards 102 and as required by the Charities Account (Scotland) Regulations 2006 using the accruals concept of accounting. The Statements of Recommended Practice (SORP) - "Accounting and Reporting by Charities" has also been followed.

The financial statements were approved by the Director dated

..... 10 - 12 - 2019

And were signed on its behalf by

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned above a dotted line.

D H Smith, Director

Notes to Financial Statements

For the Year End 31 March 2019

1. STATUTORY INFORMATION & ACCOUNTING POLICIES

Statutory Information

Port Glasgow Training Initiative is a private company, limited by guarantee, registered in Scotland. The company's registration number and registered office address can be found on the Company Information page.

Basis of Preparing the Financial Statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention and in accordance with the Charities Accounts (Scotland) Regulations 2006.

Critical Accounting Judgements & Key Sources of Estimation Uncertainty

In preparing the financial statements the Director have made the following judgements: -
Investment properties

As mentioned in the report the litigation dispute with Inverclyde Council has now been settled and proceeds and costs involved have been provided in the accounts. No additional recovery has been anticipated or provided in respect of the third party landlord case mentioned in the notes to the accounts.

Financial Instruments

Financial instruments and equity instruments are classified according to the substance of the contractual arrangement entered into. The equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all its financial liabilities.

When the contractual obligations of the financial instruments are equivalent to a similar debt instrument those financial instruments are classified as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Incoming Resources

Recognition of incoming resources: -

These are included in the Statement of Financial Activities (SoFA) when

- The Charity becomes entitled to the resources
- The Trustees are virtually certain they will receive the resources, and
- The monetary value can be measured with sufficient reliability.

Incoming Resources with Related Expenditure

PORT GLASGOW TRAINING INITIATIVE

When incoming resources have related expenditure (as with fund raising or contract income) the incoming resources and related expenditure are reported gross in the SoFA.

Grants & Donations

Grants and donations are only included in the SoFA when the Charity has unconditional entitlement to the resources.

Tax Reclaims on Donations & Gifts

Tax reclaims are included in the SoFA at the same time as the gift to which they relate.

Contractual Income & Performance Related Grants

This is only included in the SoFA once the related grant or service has been delivered.

Gifts in Kind

Gifts in kind are accounted for at a reasonable estimate in their value to the Charity or the amount actually realised. Gifts in kind for sale or distribution are included in the accounts as gift only when sold or distributed by the Charity. Gifts in kind for use by the Charity are included in the SoFA as incoming resources when received.

Resources Expended

Liability recognition - Liabilities are recognised as soon as there is a legal or constructive obligation committing the Charity to pay out resources.

Government Costs

Include costs of the preparation and examination of the statutory accounts, the costs of Trustee meetings and cost of any legal advice to Trustees on governance or constitutional matters.

Grants with Performance Conditions

Where the Charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specified service or output.

Grants Payable without Performance Conditions

These are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the Charity.

Support Costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources i.e. allocating property costs by floor area, or per capita, staff costs by the time spent and other costs by their usage.

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments and are readily convertible to known amounts of cash with insignificant risk of change in value.

PORT GLASGOW TRAINING INITIATIVE

Investment Properties

Investment properties constituted 31 flats acquired at valuation, by the Charity in 2016 from a company controlled by the Director.

However, the Charity has been involved in a litigation dispute with Inverclyde Council over redevelopment plans for the entire Clune Park Estate consisting of some 420 flats, where the Charity has this stock of 31 flats.

Inverclyde Council have tried to drive forward this redevelopment plan since the early 2000s and over these many years have systematically bought out and rehoused many of these tenants.

Even vulnerable tenants helped and housed by the Charity were rehoused to further empty flats; not only taking away one of our revenue streams but also one of the major aims of the Charity to let affordable housing for vulnerable people who may not otherwise be able to secure a tenancy and to further assist these vulnerable young people with tenancy related matters.

With our stock of flats now emptied of tenants by Inverclyde Council, the Trustees and Director saw an opportunity to further support our disadvantaged community whilst hoping at the same time to perhaps further grow awareness and support in the wider community for the work of the Charity.

We planned and anticipated opening a Food Bank which we thought would greatly enhance the residents of this rather impoverished and neglected local area.

We made inroads with local traders to supply us with surplus food stuffs to stock the Food Bank.

Excited and fired up by this new venture we applied and sought planning permission from Inverclyde Council, who opportunity, and we think shamefully, turned the application down.

Then to further add insult to injury, and even although Inverclyde Council themselves emptied our flats of tenants by rehousing them put further pressure on the Charity to sell them our stock of flats, imposed charges for council tax as well as a heavy penalty levy for having these flats unoccupied.

The Charity took legal action and challenged these practices by Inverclyde Council through the court system, whilst Inverclyde Council put an arrestment on the Charity's bank account for non-payment of these disputed council tax bills.

This was hugely frustrating, but even further compounded by the real struggle to unfreeze this account, where Inverclyde Council blamed our local bank for not lifting the freeze who then blamed in turn the bank's own head office who in turned blamed Inverclyde Council, and so it went on, a round robin of blame with each party blaming the other with no progress or seemingly a way out.

Eventually and reluctantly the Charity sold the flats to Inverclyde Council.

However, another landlord on the same estate with a larger portfolio of flats, again under pressure from Inverclyde Council to sell, is continuing to fight his own legal court proceedings against these practices by Inverclyde Council and is more hopeful of a win scenario against Inverclyde Council, which in turn could have a positive effect and consequences for our own Charity.

This third-party landlord's case is ongoing at present and the outcome is yet to be concluded.

PORT GLASGOW TRAINING INITIATIVE

Provision for Contingencies

Provisions are recognized where there is a present obligation as a result of a past event and where a transfer of economic benefit is probable to settle the obligation and the obligation can be reliably measured.

Provisions are measured at the best estimate of the amount required to settle the obligation at the reporting date.

Contingent assets are not recognized and instead are disclosed if their likelihood is probable.

Contingent liabilities which may arise where the outflow of economic benefit cannot be measured reliably or where it is not probable that an outflow of economic benefit will require to be disclosed. In the event that the possibility of an outflow of resources is considered remote, no disclosure is made.

Structure of Trust

The Trust operates both unrestricted and restricted funds.

Unrestricted funds are funds received from rental income and unspecific donations and are utilised to meet revenue costs of operating the company.

Restricted funds received by the company are funds received for the specific purpose of defraying expenditure incurred in the furtherance of the Charity's objective.

2. INCOME and ENDOWMENTS

	Year Ended 31.03.19 £	Year Ended 31.03.18 £
Rents Received	6,642.78	8689
Sundry Receipts	10,850.00	0
Bank interest	1.17	0
Sale of investment properties	108,469.00	
Total	125,962.95	8689

3. STAFF COSTS

No staff costs were incurred for the year ended 31 March 2019.

4. TAXATION

The company has charity status exempting it from paying corporation tax.

PORT GLASGOW TRAINING INITIATIVE

The Charity number is SC030177.

5. MANAGEMENT & ADMINISTRATION

	2019 £	2018 £
Sublet Rent Payable	0.00	0
Donations	0.00	10
Accountancy	798	798
Bank Charges	78	85
Legal Fees	28,758	15,345
Professional Fees	0.00	547
Non-Domestic Rates	100,993	11,045
Total	130,627	27,831

6. DEBTORS AND AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Other Debtors	4,256.17	0

7. ACCUMULATED FUNDS

Unrestricted Funds £

Current funding	
As at 1 st April 2018	7,929.38
Movement in year	4,147.17
As at 31 st March 2019	12,076.55

PORT GLASGOW TRAINING INITIATIVE

Due after more than one year	
As at 1 st April 2018	(15,345.42)
Movement in year	(8,811.00)
As at 31 st March 2019	(24,156.42)

8. RELATED PARTY DISCLOSURES

The charity acted as a subletting agent during the year under review, for certain residential properties owned by David and Patricia Smith, being the Director of PGTI and his wife. The rents receivable under this arrangement, which were originally arrested by Inverclyde Council as part of the legal dispute but subsequently released were in the amount of £6,643 (2018 - £8,689) during the year under review. This has been treated as income for the charity as both David and Patricia Smith have indicated that they wish to waive their right to receive any of the funds collected during the year under review.

9. GOING CONCERN

In recent years the charity has been involved in a litigation dispute with Inverclyde Council over the redevelopment plans for the flats which were owned by the company and claims by the Council with regard to rates arrears due on those flats. The matter has now been settled with a partial recovery of legal costs. However, David Smith was required to fund the balance of the costs on behalf of the charity. All legal costs due to him have therefore been treated as a long term liability and held separate from the accumulated fund account. The balance due to David Smith was in the amount of £24,156 at the balance sheet date.

10. ULTIMATE CONTROLLING PARTY

The Charity is under the control of the Director assisted by the Trustees.

Independent Examiner's Report

To Director & Trustees of Port Glasgow Training Initiative

We report on the accounts of the Charity for the year ended 31st March 2019 which are set out in the foregoing pages.

Respective Responsibilities of Director and Examiner

The Directors and Trustees are responsible for the preparation of the accounts.

The Director and Trustees consider that an audit is not required for this year under Regulation 10(1) (a) to (c) of The Charities Act (Scotland) Regulations 2006 (The 2006 Accounts Regulations) and that an independent examination is needed.

The Charity is required by company law to prepare accrued accounts and we are qualified to undertake the examination by being qualified members of the Institute of Chartered Accountants of Scotland.

Having satisfied ourselves that the Charity is not subject to audit under company law and is eligible for independent examination, it is our responsibility to:

Examine the accounts under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act), and to state whether particular matters have come to our attention.

Basis of Independent Examiner's Statement

Our examination was carried out in accordance with the general Directions given by the Charity Commission and is in accordance with Regulations 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Director and Trustees concerning any such matters.

The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In connection with our examination, no matter has come to our attention other than that disclosed below which gives us reasonable cause to believe that in any material respect the requirements

- to keep accounting records in accordance with section 386 of the Companies Act 2006 and section 44(1)(a) of the 2005 Act; and

PORT GLASGOW TRAINING INITIATIVE

- to prepare accounts which accord with the accounting records, comply with the accounting requirements of the Companies Act 2006, section 44(1)(b) of the 2005 Act and Regulation 8 of the 2006 Accounts Regulations; and
- which are consistent with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

Have not been met; or

- (1) To which, in our opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Derek J Smith

19/12/2019.

Derek Smith CA
Rennie Smith & Co
Chartered Accountants
64 Murray Place
Stirling. FK8 2BX