

COMMUNITY AND SAFETY SERVICES LIMITED

Registered number: SC308081

Directors' Report and Financial Statements

For the year ended 31 March 2019

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COMMUNITY AND SAFETY SERVICES LIMITED

Financial Statements For the year ended 31 March 2019

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COMMUNITY AND SAFETY SERVICES LIMITED

Company Information

Officers and Professional Advisors

Board of Directors

Eileen Marshall

Company Secretary

Brodies Secretarial Services Limited

Registered Office and Principal Address

Eastgate
727 London Road
Glasgow
G40 3AQ

communitysafetyglasgow.org

Auditors

Chiene + Tait LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh EH3 6NL

Principal Bankers

Royal Bank of Scotland
10 Gordon Street
Glasgow G1 3PL

Solicitors

Burness Paull LLP
50 Lothian Road
Festival Square
Edinburgh EH3 9WJ

Brodies LLP
100 Queen Street
Glasgow G1 3BX

COMMUNITY AND SAFETY SERVICES LIMITED

DIRECTORS' REPORT

For the year ended 31 March 2019

The directors present their report and the audited financial statements for the year ended 31 March 2019.

Statement of Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and the profit or loss of the company for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

Community & Safety Services Limited (CSS) was established as Community Safety Glasgow's (CSG) trading subsidiary in 2009. The company is registered in Scotland SC308081. Community and Safety Services allows CSG to deliver services to non GCC customers with no affect to the parent company's charitable status.

The main areas of service delivery were:-

- Antisocial Behaviour Services
- Lone worker
- Alarm & CCTV monitoring
- Security Services.

The above services are delivered to a number of customers; however the main customers were:-

- 23 Glasgow based Housing Associations
- Priory Group
- NHS
- Graham Construction

The City Council has agreed that the services provided by the trading company will continue post transfer.

COMMUNITY AND SAFETY SERVICES LIMITED

DIRECTORS' REPORT

For the year ended 31 March 2019

Review of Business

The Statement of Comprehensive Income on page 7 reflects a profit for the year amounting to £14k, prior to gift aid payments to the parent company. The profit for the year of £14k plus the previous year's profit of £68k, a total of £82k, has been gift aided to the charitable company.

The receipt of income in year of £702k was allocated in accordance with all funding guidelines. The movement against net assets represents the net position of funding against expenditure in the financial year ending 31 March 2019.

The financial statements are no longer prepared on a going concern basis as the company has ceased trading on 16 February 2019.

Directors

The directors during the year and up to the date of approval of the financial statements were:

Councillor Graham Campbell – resigned 17 February 2019

Brian McNulty – resigned 17 February 2019

Pamela Richardson – resigned 17 February 2019

Mike Nellis – appointed 3 May 2018, resigned 17 February 2019

Eileen Marshall – appointed 17 February 2019

Council Family Review

The City Council's City Administration Committee at a meeting on the 19 April 2018 agreed that the service level agreements between GCC and CSG would be terminated no later than the 31 March 2019 and the current services provided under these agreements would be transferred into the Council under the management of the Executive Director of Neighbourhoods and Sustainability. The company ceased trading on the 16 February 2019. In addition the services provided by the Community Services Limited Company were transferred to the Council on 16 February 2019 and the company ceased trading on this date. During 2018-19 the Trading Company Board and the Board of CSG undertook regular meetings during the course of the year to ensure that the smooth transition of the ongoing operations to be taken on by the City Council was achieved.

The company will continue to exist due to potential equal pay claims. This matter was considered by the City Council's City Administration Committee on 30th May 2019 where it was noted that the City Council has provided for the full anticipated cost of settlement.

Per the terms of the Transfer agreement all balances have transferred to the parent company. The net value of the balance sheet is £2 representing the share capital held.

Disclosure of information to auditor

To the knowledge and belief of each of the persons who are directors at the time the report is approved:

- So far as the director is aware, there is no relevant information of which the company's auditor is unaware, and;
- He/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of the information.

COMMUNITY AND SAFETY SERVICES LIMITED


DIRECTORS' REPORT

For the year ended 31 March 2019

Small company exemptions

This report has been prepared taking advantage of the small companies exemption of section 415A of the Companies Act 2006.

This report was approved by the Board on 6 August 2019 and signed on its behalf by:-

A handwritten signature in black ink, appearing to read 'E Marshall', with a stylized, cursive script.

Eileen Marshall
Director

Community and Safety Services Limited

Independent Auditor's Report to the Members of Community and Safety Services Limited

Opinion

We have audited the financial statements of Community and Safety Services Limited (the 'company') for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 company's affairs as at 31 March 2019, and of its profits 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.

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other 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 opinion.

Emphasis of matter – non-going concern basis of preparation

We draw attention to the disclosure made in note 3 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

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.

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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Community and Safety Services Limited

Independent Auditor's Report to the Members of Community and Safety Services Limited (cont'd)

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 ; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 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 company or to cease operations, or have no realistic alternative but to do so.

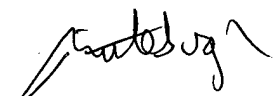
Auditor's responsibilities for the audit of the financial statements

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 the 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: <https://www.frc.org.uk/Auditors-responsibilities>. This description forms part of our auditor's report.

Use of Our Report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jeremy Chittleburgh BSc CA (Statutory Auditor)

For and on behalf of
Chiene+Tait LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

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COMMUNITY AND SAFETY SERVICES LIMITED

**Statement of Comprehensive Income
For the year ended 31 March 2019**

	Note	31 March 2019 £	31 March 2018 £
Turnover	5	702,143	865,263
Cost of sales		<u>(674,045)</u>	<u>(736,603)</u>
Gross profit		28,098	128,660
Administrative expenses		<u>(14,131)</u>	<u>(28,111)</u>
Operating profit	6	13,967	100,549
Gift aid payment to charitable parent company		<u>(82,211)</u>	<u>-</u>
(Loss) / Profit on ordinary activities before taxation		(68,244)	100,549
Tax on profit	8	<u>-</u>	<u>-</u>
(Loss) / Profit for the year		(68,244)	100,549
Other comprehensive income for the year		-	-
Transfer of business to Parent		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>(68,244)</u></u>	<u><u>100,549</u></u>

The notes on pages 10 to 13 form part of these financial statements

COMMUNITY AND SAFETY SERVICES LIMITED

Balance Sheet

As at 31 March 2019

	Note	31 March 2019		31 March 2018	
		£	£	£	£
Current Assets					
Debtors	9	-		165,836	
Cash and cash equivalents	10	<u>2</u>	2	<u>100,495</u>	266,331
Creditors: amounts falling due within one year	11	<u>-</u>	-	<u>(198,085)</u>	(198,085)
Net assets / (liabilities)		<u><u>2</u></u>		<u><u>68,246</u></u>	
Capital & Reserves					
Called up share capital	13		2		2
Profit and loss account	14		-		68,244
		<u><u>2</u></u>		<u><u>68,246</u></u>	

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were authorised for issue by the Board on 6 August 2019 and signed on its behalf by:



Eileen Marshall
Director

Company Number: SC308081

The notes on pages 10 to 13 form part of these financial statements

COMMUNITY AND SAFETY SERVICES LIMITED

Statement of Changes in Equity As at 31st March 2019

	Called up share capital £	Retained Earnings £	Total Equity £
Balance as at 1 April 2017	2	(32,305)	(32,303)
Changes in equity			
Total comprehensive income	-	100,549	100,549
Balance as at 31st March 2018	<u>2</u>	<u>68,244</u>	<u>68,246</u>
Changes in equity			
Total comprehensive income	-	(68,244)	(68,244)
Balance as at 31st March 2019	<u>2</u>	<u>-</u>	<u>2</u>

The notes on pages 10 to 13 form part of these financial statements

COMMUNITY AND SAFETY SERVICES LIMITED

Notes to the Financial Statements For the year ended 31 March 2019

1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the majority of the company's transactions are denominated, and rounded to the nearest £. They comprise the financial statements of the company.

Community and Safety Services Limited was established as Community Safety Glasgow's (CSG) trading subsidiary in 2009. The company is registered in Scotland SC308081. Community and Safety Services allows CSG to deliver services to non Glasgow City Council customers with no effect to the parent company's charitable status.

Community and Safety Services Limited is a company limited by shares incorporated in the United Kingdom and registered in Scotland. Details of the registered office can be found on the company information page of these financial statements.

2. Statement of compliance

The financial statements are prepared in compliance with Financial Reporting Standard 102 Section 1A, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities) and the Companies Act 2006.

3 Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 Section 1A, "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities) and the Companies Act 2006.

The preparation of financial statements in compliance with Section 1A of FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 4).

Financial reporting standard 102 – reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- The requirements of Section 7 Statement of Cashflows and Section 3 Financial Statement Presentation paragraph 3.17(d). This information is included in the consolidated financial statements of Community Safety Glasgow as at 31 March 2019, and these financial statements may be obtained from that company's registered office.

Going Concern

Community and Safety Services Limited has net assets as at 31 March 2019 of £2. This is in line with the terms of the Transfer Agreement between the company and the charitable parent company whereby all the assets and liabilities were transferred to the charity. The company ceased trading on 16 February 2019 and therefore the company is no longer considered as a going concern.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:-

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided when all of the following conditions are satisfied:-

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and
- the costs incurred and the costs to complete the contract can be measured reliably.

COMMUNITY AND SAFETY SERVICES LIMITED

Notes to the Financial Statements For the year ended 31 March 2019

3 Accounting Policies (cont'd)

Debtors

Trade debtors are recognised at the settlement amounts due after any trade discounts offered. Other short term debtors are measured at transaction price, less any impairment.

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 that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, and loans from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at 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 payables or receivables, 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 Comprehensive Income.

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.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

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.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Deferred Tax

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:-

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the difference between the fair values of assets acquired and the future tax deductions available for them and the difference between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

COMMUNITY AND SAFETY SERVICES LIMITED

Notes to the Financial Statements For the year ended 31 March 2019

3 Accounting Policies (cont'd)

Capitalisation

Assets with a purchase value of £10,000 or more are capitalised.

To date no assets have been purchased that meet this criteria for capitalisation.

4 Judgements in applying accounting policies and key sources of estimation

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.

The directors are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied in calculating the provision for bad debts based on the directors' expectations of likely receipts after the year end.

5 Turnover

100% of the company's turnover (2018: 100%) is attributable to the principal activity of the company and was generated wholly within the United Kingdom.

6 Operating profit

	2019 £	2018 £
Operating profit is stated after charging:		
Auditor's remuneration	1,750	1,500
Total	1,750	1,500

7 Directors' emoluments

The directors did not receive any emoluments during the year (2018: £nil).

8 Taxation

A trading surplus has been generated in the year which results in an overall cumulative surplus of £82,211 which has been gift aided back to the charitable company. Therefore there will be no corporation tax liability.

9 Debtors

	2019 £	2018 £
Trade debtors	62,576	68,356
Other debtors	-	2
Amounts owed from group undertakings	-	7,071
Prepayments and accrued income	3,032	90,407
Transfer to charitable parent company at 16 February 2019	(65,608)	-
	-	165,836

10 Cash and cash equivalents

	2019 £	2018 £
Current Account	12,405	100,495
Transfer to charitable parent company at 16 February 2019	(12,403)	-
Amounts held for share capital	2	100,495

COMMUNITY AND SAFETY SERVICES LIMITED

Notes to the Financial Statements For the year ended 31 March 2019

11. Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	44,778	-
Other creditors	33,235	198,085
Transfer to charitable parent company at 16 February 2019	(78,013)	-
	<u>-</u>	<u>198,085</u>

12. Financial Instruments

	2019 £	2018 £
Financial Assets		
Financial Assets measured at amortised cost	-	165,836
	<u>-</u>	<u>165,836</u>
Financial Liabilities		
Financial liabilities measured at amortised cost	-	(198,085)
	<u>-</u>	<u>(198,085)</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors, prepayments and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, and other creditors.

13. Share Capital

	2019 £	2018 £
Allotted, called up and fully paid		
2 Ordinary Shares of £1 each	<u>2</u>	<u>2</u>

The shares have full voting, dividend and capital distribution rights.

14. Reserves

The profit and loss account includes all current and prior year retained profits and losses.

15. Related party transactions

As permitted under FRS102 section 33, transactions with other group companies have not been disclosed as related party transactions as the company is a wholly owned subsidiary.

The company considers Glasgow City Council to be a related party by virtue of two directors of the parent company being Councillors for the City of Glasgow. As at the year end Glasgow City Council owed the company a net balance of £nil (2018: £nil).

Due to the nature of the Company's operations and the composition of its and its parent company's Board of Directors being drawn from local public sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Management may have an interest. All transactions involving organisations in which a member of the Board of Directors may have a material interest are conducted at arm's length and in accordance with normal project and procurement procedures.

The Company had no transactions during the year with related parties.

16. Parent Undertaking

The company is wholly owned by the charitable company Community Safety Glasgow. The results of the company are consolidated within the group accounts of Community Safety Glasgow. The consolidated accounts are available from that company's registered office.

17. Ultimate Controlling Party

There is no ultimate controlling party.