

**South Ayrshire Council
Charitable Trust Funds**

**2021/22 Trustees' Annual Report
and Financial Statements**

(Unaudited)



South Ayrshire Council Charitable Trust Funds (Unaudited)

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South Ayrshire Council Charitable Trust Funds (Unaudited)

Trustees' Annual Report

The Trustees present their Annual Report and Financial Statements in respect of the following charitable trusts, registered with the Office of the Scottish Charity Regulator (OSCR) and administered on behalf of the Trustees by South Ayrshire Council:

SC012759 McKechnie Library Trust (McKechnie)

SC025088 South Ayrshire Council Charitable Trusts (SAC CT)

SC045677 South Ayrshire Charitable Trust (SACT)

Principal address

South Ayrshire Council
County Buildings
Wellington Square
Ayr
KA7 1DR

Auditor

Deloitte LLP
110 Queen Street
Glasgow
United Kingdom
G1 3BX

Trustees

SAC CT; SACT:

Kenneth Bell (appointed 6 May 2022)

Laura Brennan-Whitefield

Siobhian Brown (resigned 5 May 2022)

Andy Campbell (resigned 5 May 2022)

Douglas Campbell (resigned 5 May 2022)

Iain Campbell

Ian Cavana

Alec Clark

Ian Cochrane

Brian Connolly

Peter Convery (resigned 5 May 2022)

Chris Cullen

Ian Davis

Julie Dettbarn

Martin Dowey

Mark Dixon (appointed 6 May 2022)

Stephen Ferry (appointed 6 May 2022)

Ian Fitzsimmons (resigned 5 May 2022)

William Grant

Peter Henderson

Hugh Hunter

Martin Kilbride (appointed 6 May 2022)

Mary Kilpatrick

Lee Lyons

Craig Mackay

Derek McCabe (resigned 5 May 2022)

Brian McGinley

Helen Moonie (resigned 5 May 2022)

Bob Pollock

Cameron Ramsay (appointed 6 May 2022)

Philip Saxton

Gavin Scott (appointed 6 May 2022)

Bob Shields (appointed 6 May 2022)

Arthur Spurling (resigned 5 May 2022)

Margaret Toner (resigned 5 May 2022)

Duncan Townson (appointed 6 May 2022)

George Weir (appointed 6 May 2022)

South Ayrshire Council Charitable Trust Funds (Unaudited)

Trustees' Annual Report (continued)

Trustees (continued)

McKechnie:

Alec Clark

Ian Fitzsimmons (resigned 5 May 2022)

Peter Henderson

Gavin Scott (appointed 6 May 2022)

Founding documents and purpose

McKechnie:

The founding document is a Disposition and Settlement by Thomas McKechnie dated 7 May 1886. The purpose was the founding and operation of a library and reading rooms in Dalrymple Street, Girvan. This purpose was superseded by the establishment of a local authority public library and the McKechnie Institute building owned by the Trust is now a museum and exhibition centre.

SAC CT:

The Trust was set up from Trust document. The purposes of the Trust are to fund maintenance of the War Memorial at Turnberry golf course and prizes/ bursaries for specific schools in South Ayrshire.

SACT:

The Trust was established by the approval of the South Ayrshire Charitable Trust Deed by South Ayrshire Council on 18 December 2014. The purposes of the Trust are:

- a) the prevention and relief of poverty; and
- b) the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage in South Ayrshire.

Within this Trust, funds are restricted by geographical area (refer below). A further restrictive purpose (for relieving ill-health) was previously in place over certain funds within the Troon area; however these funds have now been fully disbursed.

Trustee recruitment and appointment

McKechnie:

Per the Trust's founding deed, the Trustees are the "Chief Magistrate of Girvan along with the Factor of Bargany Estate". The Trustees are now deemed to be the elected councillors of Girvan and South Carrick ex-officio.

SAC CT; SACT:

The Trustees are Elected Members of South Ayrshire Council ex-officio. Training is provided to Elected Members on the role and responsibilities of Trustees, both in general and specifically related to the objectives of the Trusts. Training is refreshed following local government elections.

South Ayrshire Council Charitable Trust Funds (Unaudited)

Trustees' Annual Report (continued)

Summary of main achievements of the Trusts during the financial year

McKechnie:

The McKechnie Institute building is leased to South Ayrshire Council indefinitely, subject to tacit relocation, for the sum of £10 per annum which is not normally requested.

The Trust made no disbursements during the financial year. Funds are held for maintenance of the McKechnie Institute which is leased to South Ayrshire Council on a tenant repairing lease. Accordingly, opportunities for disbursement of the Trust's funds do not frequently present themselves. However, further consideration will be given as to how these funds can best be utilised in the future for the purpose of the Trust.

SAC CT; SACT:

Decisions for the disbursement of funds are delegated to committees of Trustees comprising councillors for the areas of Ayr; Prestwick and Monkton; Troon; Coylton; Maybole; Girvan; and Barr. All funds for Troon, Maybole and Barr are now exhausted and funds remaining for Girvan are held as external investments that South Ayrshire Council officers are working to realise. The remaining committees convene at least annually and through an application process approved the following disbursements in 2021/22:

	Number	Amount £
Ayr	6	25,802
Prestwick and Monkton	2	5,236
Coylton	1	500
Total	9	31,538

All disbursements were made to various community groups including schools, churches and foodbanks for a range of projects determined by the committees to be in keeping with the purposes of the Trusts. No disbursements were made to individuals during the year.

Reserves policy

The Trusts have the ability to spend all funds as approved by the Trustees, restricted by the appropriate geographical area or school. The Trustees' intent is to reduce the Trusts' reserves through the awarding of grants, prizes and bursaries which meet the Trusts' objectives.

At the end of the financial year, unrestricted reserves and reserves with restrictions totalled £121,281 (2020/21: £160,538). A combined deficit of £39,257 was recorded for the financial year (2020/21: deficit of £100,021), primarily due to the decisions taken by the Trustees to expend the Trusts' reserves on their stated objectives and to a lesser extent, the costs of administering the Trusts being greater than income from investments as a result of low interest rates.

The Trusts' reserves are held within South Ayrshire Council's loans fund and external investments.

South Ayrshire Council Charitable Trust Funds (Unaudited)

Trustees' Annual Report (continued)

Other information

The Head of Finance and ICT for South Ayrshire Council is the designated officer with responsibility for the proper administration of the Trusts' financial affairs and is also responsible for keeping proper accounting records that are up to date and which ensure that financial statements comply with the Charities Accounts (Scotland) Regulations 2006.

The administration of predecessor trusts in the Girvan area to South Ayrshire Charitable Trust transferred to South Ayrshire Council during 2012/13. Difficulties – not least due to Covid-19 restrictions since March 2020 – continue to be encountered in transferring these predecessor trusts' assets, as investments continue to be held in the names of former Trustees on behalf of those trust. The transfer of shareholdings to the current Trustees remains ongoing.

At 31 March 2022, £1,622 of income was received but remained uncashed and not accounted for in the Statement of Receipts and Payments on page 5. When the transfer of shareholdings is complete, all uncashed income will be appropriately accounted for in the Statement of Receipts and Payments in that financial year.

The investment in 3½% War Stock was redeemed but not received as the stock is still held in the names of former trustees. Accordingly, this is shown in the Statement of Balances on page 6 as the stock held remains an asset of South Ayrshire Charitable Trust.

To be signed on behalf of the Trustees (audited accounts only)

South Ayrshire Council Charitable Trust Funds (Unaudited)

Statement of Receipts and Payments for the year ended 31 March 2022

	Note	SC012759 (McKechnie): Unrestricted £	SC025088 (SAC CT): Restricted £	SC045677 (SACT): Restricted £	Total 2022 £
Receipts:					
Investment income	5, 8	18	181	826	1,025
Total receipts		18	181	826	1,025
Payments:					
Grants	6	-	-	(31,538)	(31,538)
Governance costs	9	(114)	(226)	(8,404)	(8,744)
Total payments		(114)	(226)	(39,942)	(40,282)
Deficit for the year		(96)	(45)	(39,116)	(39,257)
Comparative information					
	Note	SC012759 (McKechnie): Unrestricted £	SC025088 (SAC CT): Restricted £	SC045677 (SACT): Restricted £	Total 2021 £
Receipts:					
Investment income	5, 8	25	244	1,539	1,808
Total receipts		25	244	1,539	1,808
Payments:					
Grants	6	-	-	(92,810)	(92,810)
Governance costs	9	(118)	(196)	(8,705)	(9,019)
Total payments		(118)	(196)	(101,515)	(101,829)
Surplus/(deficit) for the year		(93)	48	(99,976)	(100,021)

South Ayrshire Council Charitable Trust Funds (Unaudited)

Statement of Balances as at 31 March 2022

	Note	SC012759 McKechnie £	SC025088 SAC CT £	SC045677 SACT £	Total 2022 £
Investments	8	2,586	-	14,972	17,558
Bank and cash:					
Unrestricted funds		3,627	-	-	3,627
Restricted funds	2	-	34,327	79,559	113,886
Permanent endowment funds		-	3,768	-	3,768
Total current assets		3,627	38,095	79,559	121,281
Total assets		6,213	38,095	94,531	138,839
Comparative information					
	Note	SC012759 McKechnie £	SC025088 SAC CT £	SC045677 SACT £	Total 2021 £
Investments	8	2,586	-	15,577	18,163
Bank and cash:					
Unrestricted funds		3,723	-	-	3,723
Restricted funds	2	-	34,372	118,675	153,047
Permanent endowment funds		-	3,768	-	3,768
Total current assets		3,723	38,140	118,675	160,538
Total assets		6,309	38,140	134,252	178,701



Martin Dowey
Trustee

28 June 2022

South Ayrshire Council Charitable Trust Funds (Unaudited)

Notes to the Financial Statements

1 Basis of financial statements

These financial statements have been prepared on a receipts and payments basis in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and Charities Accounts (Scotland) Regulations 2006 (as amended).

2 Restricted funds

The Trusts' restricted funds are analysed as follows:

	2022 £	2021 £
SC025088 SAC CT	34,327	34,372
SC045677 SACT:		
Ayr	76,280	109,648
Prestwick	436	5,736
Coylton	465	1,053
Girvan	2,378	2,238
Total SC045677 SACT	79,559	118,675
Total restricted funds	113,886	153,047

3 Taxation

The Trusts are not liable to either income or capital gains tax on their charitable activities. Irrecoverable VAT is included as part of the expense to which it relates.

4 Trustees' remuneration and expenses

No remuneration or expenses were paid to the Trustees or any connected persons during either the current or prior financial year.

South Ayrshire Council Charitable Trust Funds (Unaudited)

Notes to the Financial Statements (continued)

5 Related party transactions

The McKechnie Institute is leased to South Ayrshire Council on a full tenant repairing lease. The rental charge of £10 per annum is not currently requested from the lessee.

The South Ayrshire Charitable Trust awarded one grant to related parties: STEM grants to Prestwick schools (£4,736).

The Trusts received interest income of £679 from South Ayrshire Council during the financial year (2020/21: £1,461) as analysed below. All financial transactions are made through South Ayrshire Council's bank accounts.

	2022 £	2021 £
SC012759 McKechnie	18	25
SC025088 SAC CT	169	223
SC045677 SACT:		
Ayr	470	1,147
Prestwick and Monkton	6	43
Coylton	4	7
Girvan	12	16
Total SC045677 SACT	492	1,213
Total income from related party transactions	679	1,461

6 Grants

SC045677 SACT:		
Ayr	25,802	92,810
Prestwick and Monkton	5,236	-
Coylton	500	-
Total grants	31,538	92,810

South Ayrshire Council Charitable Trust Funds (Unaudited)

Notes to the Financial Statements (continued)

7 Bank and cash balances

During the financial year the Trusts' bank and cash balances were held and administered by South Ayrshire Council on behalf of the Trustees.

8 External investments

	2022 £	2021 £
SC012579 McKechnie: £2,586.46 nom value 3½% War Stock (redeemed but not received)	2,586	2,586
SC045677 SACT: 2088 BMO UK High Income Trust plc (Comp 3A Ordinary and 1B Ordinary)	7,016	7,621
£1,100 nominal value 3% London County Consolidated Stock	616	616
£7,340 nominal value 3½% War Stock (redeemed but not received)	7,340	7,340
Total SACT investments	14,972	15,577
Total investments	17,558	18,163

Investments are entirely in respect of the Girvan area and are valued at market value.

	2022 £	2021 £
Interest received on external investments:		
SC045677 SACT	334	326

South Ayrshire Council Charitable Trust Funds (Unaudited)

Notes to the Financial Statements (continued)

9 Governance costs

	2022 £	2021 £
SC012759 McKechnie:		
Preparation of financial statements	64	68
Audit fee	50	50
Total SC012759 McKechnie	114	118
SC025088 SAC CT:		
Preparation of financial statements	176	146
Audit fee	50	50
Total SC025088 SAC CT	226	196
SC045677 SACT:		
Legal and administrative costs	4,250	5,055
Preparation of financial statements	3,254	2,750
Audit fee	900	900
Total SC045677 SACT	8,404	8,705
Total governance costs	8,744	9,019

10 McKechnie Institute

The McKechnie Institute is heritage asset and it is the opinion of the Trustees that it is neither practicable to obtain a valuation at a cost commensurate with the benefits to the users of the financial statements, nor possible to obtain a reliable cost or valuation. Accordingly, the asset is not presently recognised on the Trust's Balance Sheet.

South Ayrshire Council Charitable Trust Funds (Unaudited)

**Independent Auditor's Report to the Trustees of South Ayrshire Council
Charitable Trust Funds and the Accounts Commission**

TO BE INSERTED UPON COMPLETION OF THE AUDIT PROCESS