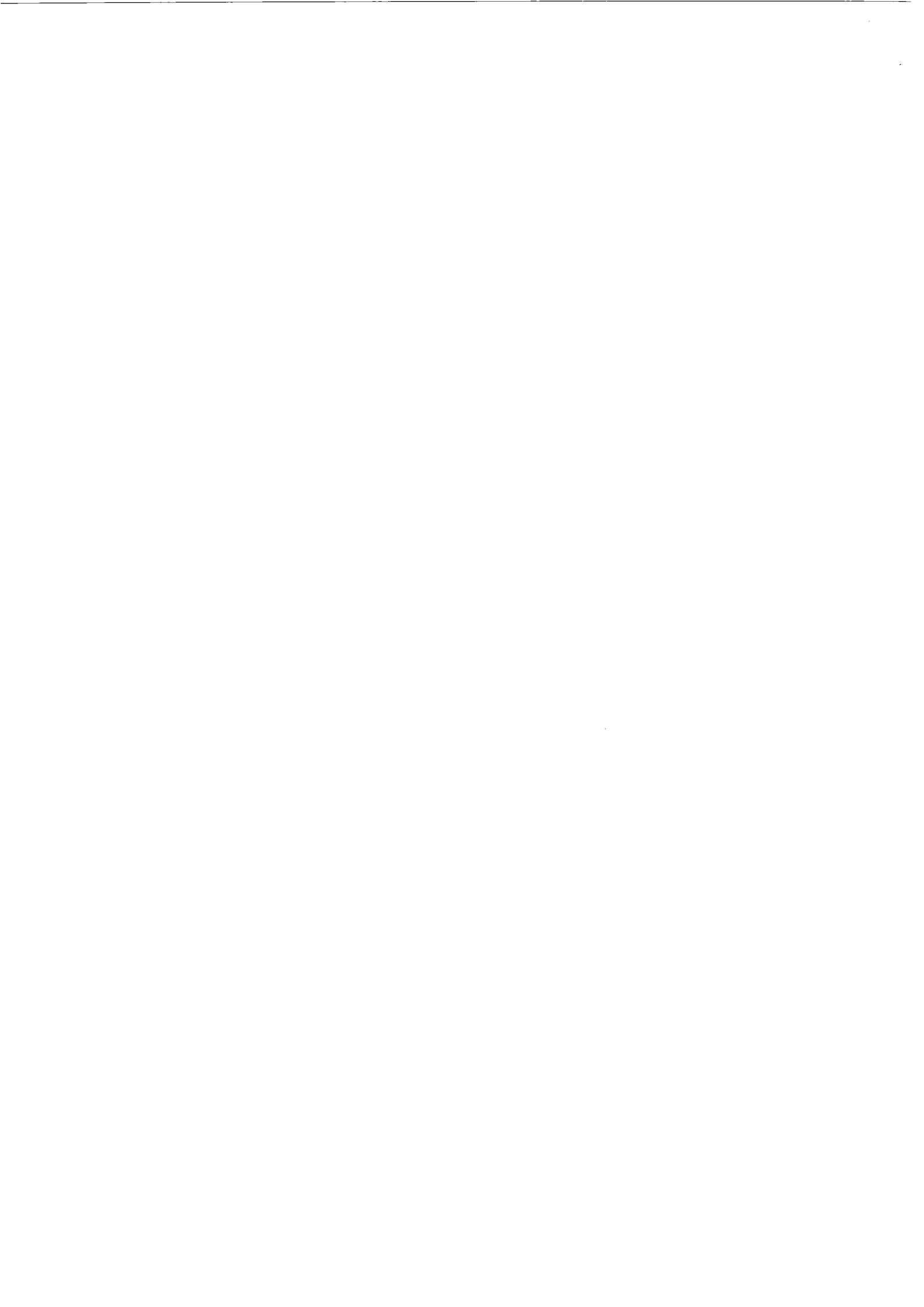


**McKechnie Library Trust
SC012759**

**2015/16 Trustees' Annual Report
and Financial Statements**



McKechnie Library Trust
SC012759

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McKechnie Library Trust SC012759

Trustees' Annual Report

Principal Address

South Ayrshire Council
County Buildings
Wellington Square
Ayr
KA7 1DR

Trustees

Alec Clark
John McDowall
Alec Oattes

Founding Document

Disposition and Settlement by Thomas McKechnie dated 7 May 1886.

Trustee Recruitment and Appointment

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 ex-officio.

Purpose

The purpose of the charity is 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 This purpose was superseded by the establishment of a local authority public library and the McKechnie Institute building owned by the Trust is now a museum and exhibition centre.

Summary of Main Achievements of the Trust during the Financial Year

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.

McKechnie Library Trust
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Trustees' Annual Report (continued)

Policy on Reserves

The Trust has no explicit reserves policy but the "capital" (as identified from the governing documents or available evidence) is effectively held as a permanent endowment. Unrestricted reserves are available towards the objects of the Trust.

Nominal Trust income is applied towards the McKechnie Institute on matters not covered by the fully-maintaining lease to South Ayrshire Council.

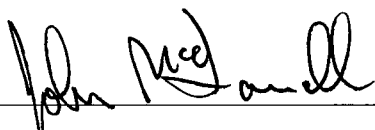
Unrestricted free reserves at the end of the financial year were £4,323 (2014/15: £5,140). A deficit of £817 was recorded for the financial year, due to the costs of administering the Trust being greater than income from investments as a result of low interest rates.

The Trust's reserves are held within South Ayrshire Council's loans fund and 3½% War Stock.

Other Information

The administration of this Trust transferred to South Ayrshire Council during 2012/13. Difficulties have been encountered in transferring the Trust's assets, as investments continue to be held in the names of former Trustees on behalf of the Trust. The transfer of shareholdings to the current Trustees remains ongoing.

On behalf of the Trustees:



John McDowall
Trustee

28 September 2016

McKechnie Library Trust
SC012759

Independent Auditor's Report to the Trustees of McKechnie Library Trust and the Accounts Commission for Scotland

I certify that I have audited the financial statements of McKechnie Library Trust for the year ended 31 March 2016 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the receipts and payments account, statement of balances and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Accounts Commission for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the trustees and auditor

The trustees are responsible for the preparation of the financial statements which properly present the receipts and payments of the charity. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts or disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the Trustee's Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on financial statements

In my opinion the financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2016 and its statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1),(2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

**McKechnie Library Trust
SC012759**

Opinion on other prescribed matter

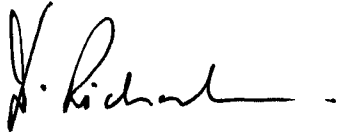
In my opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.



**Dave Richardson FCCA
Senior Audit Manager
Audit Scotland
4th Floor South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT**

28 September 2016

Dave Richardson is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973.

McKechnie Library Trust
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Statement of Receipts and Payments
for the year ended 31 March 2016

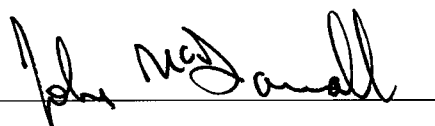
| | Note | Unrestrict. Funds £ | Permanent Endowment £ | Total 2015/16 £ | Total 2014/15 £ |
|-----------------------------|------|---------------------------|-----------------------------|-----------------------|-----------------------|
| Receipts: | | | | | |
| Investment income | 5, 8 | 32 | - | 32 | 190 |
| Total receipts | | 32 | - | 32 | 190 |
| Payments: | | | | | |
| Governance costs | 9 | 849 | - | 849 | 884 |
| Total payments | | 849 | - | 849 | 884 |
| Deficit for the year | | (817) | - | (817) | (694) |

**McKechnie Library Trust
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Statement of Balances as at 31 March 2016

| | Note | 2016 £ | 2015 £ | Movement £ |
|-----------------------------|------|--------------|--------------|---------------|
| Investments | 8 | <u>2,586</u> | <u>2,586</u> | <u>-</u> |
| Bank and cash: | | | | |
| Unrestricted funds | 2 | <u>4,323</u> | <u>5,140</u> | <u>(817)</u> |
| Total current assets | | <u>4,323</u> | <u>5,140</u> | <u>(817)</u> |
| Total assets | | <u>6,909</u> | <u>7,726</u> | <u>(817)</u> |

The unaudited financial statements were issued on 28 June 2016 and the audited financial statements were authorised for issue and signed on behalf of the Trustees on 28 September 2016.



John McDowall
Trustee

28 September 2016

McKechnie Library Trust

SC012759

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 Fund Accounting

Unrestricted funds are general funds available for use at the Trustees' discretion, in the furtherance of the Trust's objectives.

Permanent endowment funds are held for the benefit of the Trust as a capital fund. Income arising from investments is available for the charitable purpose and is added to unrestricted funds.

3 Taxation

The Trust is not liable to either income or capital gains tax on its 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 the financial year.

5 Related Party Transactions

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

The Trust received interest income of £32 from South Ayrshire Council during the financial year (2014/15: £38). All financial transactions are made through South Ayrshire Council's bank accounts.

6 Grants

No grants were paid to individuals during the financial year.

7 Bank and Cash Balances

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

**McKechnie Library Trust
SC012759**

Notes to the Financial Statements (continued)

| | 2016 | 2015 |
|---|--------------|--------------|
| | £ | £ |
| 8 Investments | | |
| £2,586.46 nom value 3.5% War Stock (redeemed but not received) | 2,586 | 2,586 |
| | <u>2,586</u> | <u>2,586</u> |
| Investments are valued at market value. | | |
| Interest received on investments | - | 152 |
| | <u>-</u> | <u>152</u> |
| 9 Governance costs | | |
| Legal and administrative costs | 202 | 235 |
| Preparation of financial statements | 314 | 316 |
| Audit fee | 333 | 333 |
| | <u>849</u> | <u>884</u> |

10 McKechnie Institute

The McKechnie Institute is a 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.

