

**South Ayrshire Council
Charitable Trust Funds**

**2019/20 Trustees' Annual Report
and Financial Statements**

(Unaudited)



South Ayrshire Council Charitable Trust Funds

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South Ayrshire Council Charitable Trust Funds

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:

SC025088 South Ayrshire Council Charitable Trusts

SC045677 South Ayrshire Charitable Trust

Principal Address

c/o South Ayrshire Council
County Buildings
Wellington Square
Ayr
KA7 1DR

Auditor

Deloitte LLP
110 Queen Street
Glasgow
G1 3BX

Trustees

Laura Brennan-Whitefield	Ian Fitzsimmons
Siobhian Brown	William Grant
Andy Campbell	Peter Henderson
Douglas Campbell	Hugh Hunter
Iain Campbell	Mary Kilpatrick
Ian Cavana	Lee Lyons
Alec Clark	Craig Mackay
Ian Cochrane	Derek McCabe
Brian Connolly	Brian McGinley
Peter Convery	Helen Moonie
Chris Cullen	Bob Pollock
Ian Davis	Philip Saxton
Julie Dettbarn	Arthur Spurling
Martin Dowey	Margaret Toner

Founding Documents and Purpose

The Trusts were established by the approval of the South Ayrshire Charitable Trust Deed by South Ayrshire Council on 18 December 2014 and (for South Ayrshire Council Charitable Trusts) from Trust document. At a meeting of South Ayrshire Council on 25 June 2015 the Trustees agreed to transfer to these Trusts, with effect from 1 April 2016, the assets of the following registered charitable and non-charitable trusts:

South Ayrshire Council Charitable Trust Funds

Trustees' Annual Report (continued)

McCracken Trust Burgh of Girvan	(SC001702)
Crawford Bequest for Aged Poor	(SC005208)
McClymont Trust	(SC008492)
James and Jane Knox Trust	(SC008856)
Glasgow Troon Benevolent Society Fund	(SC009075)
Monkton and Prestwick Nursing Association Trust	(SC009903)
Reverend Roderick Lawson Bequest	(SC012732)
Mary and Hugh Reid Trust	(SC014448)
Loudon Trust for Coals to Poor	(SC017166)
Robert Hamilton Smith Trust	(SC022120)
Ayr Charitable Trust	(SC025088)
McNeillie Bequest	(SC025088)
Fund for First Aid and Health	(SC025088)
Doctor Quintin McLennan Bequest	(SC025088)
George Douglas Brown Bequest	(SC025088)
William Walker Bequest	(SC025088)
Anonymous Bequest	Non-charitable
Ayr Nursing Benefits Trust Fund	Non-charitable
Brown Bequest	Non-charitable
McCallum Bequest	Non-charitable
McClymont Bequest	Non-charitable
Doctor John Kerr Muir Bequest	Non-charitable
Thomas Edwin Davis Bequest	Non-charitable

The purposes of South Ayrshire Charitable 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.

The purposes of South Ayrshire Council Charitable Trusts are to fund maintenance of the War Memorial at Turnberry golf course and prizes/ bursaries for specific schools in South Ayrshire.

Trustee Recruitment and Appointment

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

Trustees' Annual Report (continued)

Summary of Main Achievements of the Trusts during the Financial Year

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 2019/20:

	Number	Amount £
Ayr	18	115,660
Prestwick and Monkton	13	27,842
Coylton	1	500
Total	32	144,002

Policy on Reserves

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 £256,743 (2018/19: £405,773). A deficit of £149,029 was recorded for the financial year, 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.

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 have been 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.

South Ayrshire Council Charitable Trust Funds

Trustees' Annual Report (continued)

At 31 March 2020, £1,622 of income was received but remained uncashed and not accounted for in the Statement of Receipts and Payments on page 6. 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 7 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

**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

South Ayrshire Council Charitable Trust Funds

Statement of Receipts and Payments for the year ended 31 March 2020

	Note	Restricted Funds £	Total 2019/20 £	Total 2018/19 (Restated) £
Receipts:				
Investment income	5, 8	4,118	4,118	4,268
Total receipts		4,118	4,118	4,268
Payments:				
Grants	6	144,002	144,002	92,845
Governance costs	9	9,145	9,145	10,620
Total payments		153,147	153,147	103,465
Deficit for the year		(149,029)	(149,029)	(99,197)

The comparative information disclosed above for 2018/19 related entirely to restricted funds. It has been restated only in order to aggregate receipts and payments for both South Ayrshire Council Charitable Trusts and South Ayrshire Charitable Trust.

South Ayrshire Council Charitable Trust Funds

Statement of Balances as at 31 March 2020

	Note	2020 £	2019 (Restated) £	Movement £
Investments	8	13,656	15,744	(2,088)
Bank and cash:				
Restricted funds	2	252,975	402,005	(149,030)
Permanent endowment funds	7	3,768	3,768	-
Total current assets		256,743	405,773	(149,030)
Total assets		270,399	421,517	(151,118)

The comparative information disclosed above for 2019 has been restated only in order to aggregate assets for both South Ayrshire Council Charitable Trusts and South Ayrshire Charitable Trust.

The unaudited financial statements were issued on 30 June 2020.

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

South Ayrshire Council Charitable Trust Funds

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 Trust's restricted funds are analysed as follows:

	Restricted: Geograph. Area £	Restricted: SAC CT £	Total 2020 £	Total 2019 (Restated) £
Ayr	208,660	-	208,660	328,657
Prestwick and Monkton	6,581	-	6,581	35,117
Coylton	1,068	-	1,068	1,693
Girvan	2,342	-	2,342	2,232
SAC Charitable Trusts	-	34,324	34,324	34,306
	218,651	34,324	252,975	402,005

The comparative information disclosed above for 2018/19 related entirely to restricted funds.

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 the financial year.

South Ayrshire Council Charitable Trust Funds

Notes to the Financial Statements (continued)

5 Related Party Transactions

The Trusts received interest income of £3,714 from South Ayrshire Council during the financial year (2018/19: £3,850) as analysed below. All financial transactions are made through South Ayrshire Council's bank accounts.

	2019/20	2018/19 (Restated)
	£	£
Ayr	3,038	3,132
Prestwick and Monkton	229	363
Coylton	16	27
Girvan	26	19
South Ayrshire Council Charitable Trusts	405	309
	<hr/> 3,714 <hr/>	<hr/> 3,850 <hr/>

6 Grants

Ayr	115,660	78,778
Prestwick and Monkton	27,842	12,421
Coylton	500	1,646
	<hr/> 144,002 <hr/>	<hr/> 92,845 <hr/>

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.

South Ayrshire Council Charitable Trust Funds

Notes to the Financial Statements (continued)

8 Investments

	2020 £	2019 £
2088 BMO UK High Income Trust plc (Comp 3A Ordinary and 1B Ordinary)	5,700	7,788
£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
	13,656	15,744

Investments are entirely in respect of the Girvan area and were transferred to South Ayrshire Charitable Trust on 1 April 2016. They are valued at market value.

	2019/20 £	2018/19 £
Interest received on investments	404	418

9 Governance Costs

	2019/20 £	2018/19 (Restated) £
Legal and administrative costs	3,910	4,610
Preparation of financial statements	4,085	4,260
Audit fee	1,150	1,750
	9,145	10,620