

**South Ayrshire Council
Charitable Trust Funds**

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



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 (SAC CT)

SC045677 South Ayrshire Charitable Trust (SACT)

Principal address

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

Auditor

Deloitte LLP
110 Queen Street
Glasgow
United Kingdom
G1 3BX

Trustees

Laura Brennan-Whitefield
Siobhian Brown
Andy Campbell
Douglas Campbell
Iain Campbell
Ian Cavana
Alec Clark
Ian Cochrane
Brian Connolly
Peter Convery
Chris Cullen
Ian Davis
Julie Dettbarn
Martin Dowey

Ian Fitzsimmons
William Grant
Peter Henderson
Hugh Hunter
Mary Kilpatrick
Lee Lyons
Craig Mackay
Derek McCabe
Brian McGinley
Helen Moonie
Bob Pollock
Philip Saxton
Arthur Spurling
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

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 £256,743 (2018/19: £405,773). A combined deficit of £149,030 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 8. 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 9 as the stock held remains an asset of South Ayrshire Charitable Trust.

Signed on behalf of the Trustees:

DocuSigned by:
Peter Henderson
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Peter Henderson
Trustee

24 September 2020

South Ayrshire Council Charitable Trust Funds

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

Report on the audit of the financial statements

Opinion on financial statements

We certify that we have audited the financial statements in the statement of accounts of South Ayrshire Council Charitable Trust Funds for the year ended 31 March 2020 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 Statement of Receipts and Payments, the Statement of Balances 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 a receipts and payments basis.

In our opinion the accompanying financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2020 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.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council'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.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation of financial statements which properly present the receipts and payments of the charity, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

South Ayrshire Council Charitable Trust Funds

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 the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other information in the statement of accounts

The trustees are responsible for the other information in the statement of accounts. The other information comprises the information other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission or required by applicable law to the extent explicitly stated later in this report.

In connection with our audit of the financial statements, our responsibility is to read all the other information in the statement of accounts 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.

Report on other requirements

Opinion on matter prescribed by the Accounts Commission

In our opinion, based on the work undertaken in the course of the audit 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 and that report has been prepared in accordance with The Charities Accounts (Scotland) Regulations 2006.

Matters on which we are required to report by exception

We are required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in our opinion:

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

We have nothing to report in respect of these matters.

South Ayrshire Council Charitable Trust Funds

Use of our report

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 120 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

DocuSigned by:
Sarah Anderson
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Sarah Anderson FCCA (for and on behalf of Deloitte LLP)
1 City Square
Leeds
LS1 2AL
United Kingdom

24 September 2020

Deloitte LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

South Ayrshire Council Charitable Trust Funds

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

	Note	SC025088 (SAC CT): Restricted £	SC045677 (SACT): Restricted £	Total 2020 £
Receipts:				
Investment income	5, 8	404	3,713	4,117
Total receipts		404	3,713	4,117
Payments:				
Grants	6	-	144,002	144,002
Governance costs	9	386	8,759	9,145
Total payments		386	152,761	153,147
Surplus/(deficit) for the year		18	(149,048)	(149,030)
Comparative information				
	Note	SC025088 (SAC CT): Restricted £	SC045677 (SACT): Restricted £	Total 2019 £
Receipts:				
Investment income	5, 8	309	3,959	4,268
Total receipts		309	3,959	4,268
Payments:				
Grants	6	-	92,845	92,845
Governance costs	9	382	10,238	10,620
Total payments		382	103,083	103,465
Deficit for the year		(73)	(99,124)	(99,197)

South Ayrshire Council Charitable Trust Funds

Statement of Balances as at 31 March 2020

	Note	SC025088 SAC CT £	SC045677 SACT £	Total 2020 £
Investments	8	-	13,656	13,656
Bank and cash:				
Restricted funds	2	34,324	218,651	252,975
Permanent endowment funds		3,768	-	3,768
Total current assets		38,092	218,651	256,743
Total assets		38,092	232,307	270,399
Comparative information				
	Note	SC025088 SAC CT £	SC045677 SACT £	Total 2019 £
Investments	8	-	15,744	15,744
Bank and cash:				
Restricted funds	2	34,306	367,699	402,005
Permanent endowment funds		3,768	-	3,768
Total current assets		38,074	367,699	405,773
Total assets		38,074	383,443	421,517

The unaudited financial statements were issued on 30 June 2020 and the audited financial statements were authorised for issue and signed on behalf of the Trustees on 24 September 2020.

DocuSigned by:

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Peter Henderson
Trustee

24 September 2020

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 Trusts' restricted funds are analysed as follows:

	2020 £	2019 £
SC025088 SAC CT	34,324	34,306
SC045677 SACT:		
Ayr	208,660	328,657
Prestwick	6,581	35,117
Coylton	1,068	1,693
Girvan	2,342	2,232
Total SC045677 SACT	218,651	367,699
Total restricted funds	252,975	402,005

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.

	2020 £	2019 £
SC025088 SAC CT	405	309
SC045677 SACT:		
Ayr	3,038	3,132
Prestwick and Monkton	229	363
Coylton	16	27
Girvan	26	19
Total SC045677 SACT	3,309	3,541
Total related party transactions	3,714	3,850

6 Grants

SC025088 SAC CT	-	-
SC045677 SACT:		
Ayr	115,660	78,778
Prestwick and Monkton	27,842	12,421
Coylton	500	1,646
Total grants	144,002	92,845

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 £
SC025088 SAC CT:	-	-
SC045677 SACT:		
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
Total investments	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.

	2020 £	2019 £
SC045677 SACT:		
Interest received on investments	404	418

9 Governance costs

SC025088 SAC CT:		
Preparation of financial statements	236	232
Audit fee	150	150
Total SC025088 SAC CT	386	382
SC045677 SACT:		
Legal and administrative costs	3,910	4,610
Preparation of financial statements	3,849	4,028
Audit fee	1,000	1,600
Total SC045677 SACT	8,759	10,238
Total governance costs	9,145	10,620