

**McKechnie Library Trust  
SC012759**

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

**(Unaudited)**



**McKechnie Library Trust**  
**SC012759**

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**McKechnie Library Trust  
SC012759**

**Trustees' Annual Report**

**Principal Address**

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

**Trustees**

Alec Clark  
Ian Fitzsimmons  
Peter Henderson

**Auditor**

Deloitte LLP  
110 Queen Street  
Glasgow  
G1 3BX

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 This purpose was superseded by the establishment of a local authority public library and the McKechnie Institute building owned by the Trust is now a museum and exhibition centre.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

# **McKechnie Library Trust**

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### **Trustees' Annual Report (continued)**

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.

#### **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 reserves at the end of the financial year were £3,987 (2018/19: £4,061). A deficit of £74 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. The Head of Finance and ICT for South Ayrshire Council is the designated officer with responsibility for the proper administration of the Trust's 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.

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.

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

**McKechnie Library Trust  
SC012759**

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

*TO BE INSERTED UPON COMPLETION OF THE AUDIT PROCESS*

**McKechnie Library Trust**  
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**Statement of Receipts and Payments**  
**for the year ended 31 March 2020**

	Note	Unrestricted Funds £	Total 2019/20 £	Total 2018/19 £
<b>Receipts:</b>				
Investment income	5, 8	42	42	32
<b>Total receipts</b>		<b>42</b>	<b>42</b>	<b>32</b>
<b>Payments:</b>				
Governance costs	9	116	116	115
<b>Total payments</b>		<b>116</b>	<b>116</b>	<b>115</b>
<b>Deficit for the year</b>		<b>(74)</b>	<b>(74)</b>	<b>(83)</b>

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

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**Statement of Balances as at 31 March 2020**

	Note	2020 £	2019 £	Movement £
<b>Investments</b>	8	<u>2,586</u>	<u>2,586</u>	<u>-</u>
<b>Bank and cash:</b>				
Unrestricted funds	2	<u>3,987</u>	<u>4,061</u>	<u>(74)</u>
<b>Total current assets</b>		<u>3,987</u>	<u>4,061</u>	<u>(74)</u>
<b>Total assets</b>		<u>6,573</u>	<u>6,647</u>	<u>(74)</u>

The unaudited financial statements were issued on 30 June 2020.

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

# **McKechnie Library Trust**

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### **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 and no expenses were paid on their behalf.

#### **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 £42 from South Ayrshire Council during the financial year (2018/19: £32). 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.

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**Notes to the Financial Statements (continued)**

	2020 £	2019 £
<b>8 Investments</b>		
£2,586.46 nom value 3½% 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	-	-
	<u>-</u>	<u>-</u>
<b>9 Governance costs</b>		
Preparation of financial statements	66	65
Audit fee	50	50
	<u>116</u>	<u>115</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.