

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

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



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 This purpose was superseded by the establishment of a local authority public library and the McKechnie Institute building owned by the Trust is now a museum and exhibition centre.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

#### **Reserves policy**

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.

Signed on behalf of the Trustees:

DocuSigned by:  
*Peter Henderson*  
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**Peter Henderson**  
**Trustee**

**24 September 2020**

**McKechnie Library Trust**  
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**Independent Auditor's Report to the Trustees of McKechnie Library Trust 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 McKechnie Library Trust 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.

## **McKechnie Library Trust SC012759**

### **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](http://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.

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**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.

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

	Note	Unrestricted Funds £	Total 2020 £	Total 2019 £
<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 and the audited financial statements were authorised for issue and signed on behalf of the Trustees on 24 September 2020.

DocuSigned by:

*Peter Henderson*

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**Peter Henderson**  
**Trustee**

**24 September 2020**

# **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 Unrestricted funds Accounting**

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

#### **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. The rental charge of £10 per annum 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 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.