



**McKechnie Library Trust SC012759**  
Trustees' Annual Report and Financial Statements

For the year ended 31 March 2014

**McKechnie Library Trust SC012759**

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**McKechnie Library Trust SC012759  
Trustees Annual Report  
For the Year Ended 31 March 2014**

**Charity's principal address:-**

South Ayrshire Council  
County Buildings  
Wellington Square  
Ayr KA7 1DR

**Names of Trustees:-**

John McDowall  
Alec Oattes  
Alec Clark

**Founding Document:-**

Disposition and Settlement by Thomas McKechnie dated 7<sup>th</sup> May 1886

**Trustee recruitment and appointment:-**

In terms of the founding deed, the trustees are "the Chief Magistrate of Girvan along with the factor of Bargany Estate. The present trustees are deemed to be the three Girvan Councillors.

**Charitable purposes:-**

The founding and operation of a library and reading rooms in Dalrymple Street, Girvan. These aims were superseded by the establishment of a Local Authority public library and the McKechnie Institute building owned by the trust is now utilised as a local museum and exhibition centre.

**Summary of the main achievements of the charity during the financial period:-**

The McKechnie Institute in Dalrymple Street, Girvan, owned by the trust, is subject to a long lease to South Ayrshire Council which expires on 27<sup>th</sup> February 2015. The lease is for £10 per annum if asked however it is not requested. Although the lease is due to expire it will be subject to tacit relocation.

The trust made no disbursements during the period.

The McKechnie Institute is a Heritage asset and it is the Trustees opinion, that it is not practicable to obtain a valuation at a cost commensurate with the benefits to users of the financial statements and that reliable cost or valuation information cannot be obtained, therefore the asset shall not be recognised on the balance sheet.

**Policy on Reserves:-**

The nominal trust income is applied towards the McKechnie Institute on matters not covered by the fully maintaining lease to South Ayrshire Council.

The unrestricted free reserves at the financial year-end were £5,833.64. (2012/13: £6,097.87). The Trust has no explicit reserves policy but the "capital" of the fund (as identified from the governing documents or available evidence) is held effectively as a permanent endowment. The unrestricted reserves are available for the objects of the trust.

The reserves are held in South Ayrshire Council Loans Fund and 3.5% War Stock.

## **Independent auditor's report to the trustees of the McKechnie Library Trust and the Accounts Commission for Scotland**

I have audited the financial statements of the McKechnie Library Trust for the year ended 31 March 2014 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 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 Trustees' Annual Report 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 McKechnie Library Trust for the year ended 31 March 2014 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.

## **Other matter - unaudited comparative amounts**

The financial statements for the year ended 31 March 2013 were not audited. The comparative amounts in the financial statements for the year ended 31 March 2014 are therefore unaudited.

## **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.



Fiona Mitchell-Knight FCA  
Assistant Director of Audit  
Audit Scotland  
8 Nelson Mandela Place  
GLASGOW  
G2 1BT

24 September 2014

Fiona Mitchell-Knight is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973.

Statement of Receipts and Payments for year ended 31 March 2014

	Note	Unrestricted funds £	Permanent endowment funds £	Total funds 2013-14 £	Total funds 2012-13 £
<b>Receipts</b>					
Investment income	4,7	140.88	-	140.88	71.02
<b>Total Receipts</b>		<b>140.88</b>	<b>-</b>	<b>140.88</b>	<b>71.02</b>
<b>Payments</b>					
Governance Costs	8	405.11	-	405.11	0.05
<b>Total Payments</b>		<b>405.11</b>	<b>-</b>	<b>405.11</b>	<b>0.05</b>
<b>Surplus / (Deficit) for the Year</b>		<b>(264.23)</b>	<b>-</b>	<b>(264.23)</b>	<b>70.97</b>

**McKechnie Library Trust  
SC012759**

**Statement of Balances as at 31 March 2014**

	Note	Unrestricted funds £	Permanent endowment funds £	Total funds 2013-14 £	Total funds 2012-13 £
<b>Bank and Cash in Hand</b>					
Opening Balance		6,097.87	-	6,097.87	6,026.90
Surplus / (Deficit) for the Year		(264.23)		(264.23)	70.97
<b>Closing Balance</b>		<b>5,833.64</b>	<b>-</b>	<b>5,833.64</b>	<b>6,097.87</b>
<b>Investments</b>					
Market Value at 31 March 2014	7	-	2,165.73	2,165.73	2,338.76
<b>Total Assets</b>		<b>-</b>	<b>2,165.73</b>	<b>2,165.73</b>	<b>2,338.76</b>

Signed on behalf of the charity's trustees:-

Name:-

ALEC CLARK

Signature:-



The unaudited accounts were issued on the 24th July 2014 and the audited accounts were authorised for issue and signed on behalf of the trustees on the 24th September 2014

**Notes to the Accounts**

**1 Basis of Accounts**

These accounts have been prepared on the Receipts and Payments basis in accordance with the Charities and Trustee Investment Scotland Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

**2 Fund Accounting**

Unrestricted funds are general funds that are available for use at the trustees' discretion in the furtherance of any of the objectives of the charity.

Permanent endowment funds are held in trust to be held for the benefit of the charity as a capital fund. The income arising from the investments is available for the purposes of the charity and is added to the unrestricted fund.

**3 Taxation**

The charity is not liable to income or capital gains tax on its charitable activities. Irrecoverable VAT is included in the expense to which it relates.

**4 Trustee Remuneration, Expenses and Related Party Transactions**

- a) No remuneration or expenses were paid to the trustees or any connected persons during the year 2013/14.
- b) The trust received interest of £50.40 from South Ayrshire Council at 31 March 2014 and (£0.06 2012/13) all transactions incoming and outgoing are made via the Council's bank accounts.
- c) The McKechnie Institute is leased to South Ayrshire Council on a full tenant and repairing lease. There is currently no rental demand made for this lease. The rental payable if asked is £10 per annum.  
The current lease expires in 2015 however subject to tacit relocation will continue indefinitely.

**5 Grants**

No grants were paid to individuals during 2013/14.

**6 Cash and Bank Balances**

During the year the trust's balances were held by South Ayrshire Council, which manages the administration of the funds on behalf of the Trustees.

The Council also acts as banker for the charity and as detailed above, all transactions incoming or outgoing are made via the Council's bank accounts



## 7 Investments

	<b>Market Value 31/03/14 £</b>	<b>Market Value 31/03/13 £</b>
£2586.46 Nominal value 3.5% War Loan Stock	2,165.73	2,338.76
	<b>2013-14 £</b>	<b>2012-13 £</b>
Interest received from investments held	90.48	70.96

<b>8 Governance costs</b>	<b>2013-14 £</b>	<b>2012-13 £</b>
Administration of trust:-		
Legal and administration	104.28	138.48
Preparation Financial Accounts	104.28	138.48
External Audit Fee	333.33	-
	<b>541.89</b>	<b>276.96</b>

## 9 McKechnie Institute

The Trust own the McKechnie Institute which is leased to South Ayrshire Council. The McKechnie Institute is a Heritage asset and it is the Trustees opinion, that it is not practicable to obtain a valuation at a cost commensurate with the benefits to users of the financial statements and that reliable cost or valuation information cannot be obtained, therefore the asset shall not be recognised on the balance sheet.

## 10 Period end dates

The figures for 2012-13 represent from the 19 January 2012 to the 31 March 2013 due to a change in accountancy date when South Ayrshire Council took over the administration of the trust.