

**South Ayrshire Council Charitable Trusts  
SC025088**

**2016/17 Trustees' Annual Report  
and Financial Statements**



**South Ayrshire Council Charitable Trusts  
SC025088**

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# South Ayrshire Council Charitable Trusts SC025088

## Trustees' Annual Report

### Principal Address

South Ayrshire Council  
County Buildings  
Wellington Square  
Ayr  
KA7 1DR

### Auditor

Deloitte LLP  
110 Queen Street  
Glasgow  
G1 3BX

### Trustees

John Allan (resigned 4 May 2017)	John Hampton (resigned 4 May 2017)
Laura Brennan-Whitefield (appointed 5 May 2017)	Peter Henderson (appointed 5 May 2017)
Siobhian Brown (appointed 5 May 2017)	Hugh Hunter
Andy Campbell	Mary Kilpatrick
Douglas Campbell	Lee Lyons (appointed 5 May 2017)
Iain Campbell (appointed 5 May 2017)	Craig Mackay (appointed 5 May 2017)
Ian Cavana	Derek McCabe (appointed 5 May 2017)
Alec Clark	John McDowall (resigned 4 May 2017)
Ian Cochrane	Nan McFarlane (resigned 4 May 2017)
Brian Connolly	Brian McGinley
Peter Convery	Bill McIntosh (resigned 4 May 2017)
Chris Cullen (appointed 5 May 2017)	Rita Miller (resigned 4 May 2017)
Kirsty Darwent (resigned 4 May 2017)	Helen Moonie
Hywel Davies (resigned 4 May 2017)	Alec Oattes (resigned 4 May 2017)
Ian Davis (appointed 5 May 2017)	Bob Pollock (appointed 5 May 2017)
Julie Dettbarn (appointed 5 May 2017)	Robin Reid (resigned 4 May 2017)
Allan Dorans (resigned 4 May 2017)	Philip Saxton
Ian Douglas (resigned 4 May 2017)	Arthur Spurling (appointed 5 May 2017)
Martin Dowey (appointed 5 May 2017)	Margaret Toner
Ian Fitzsimmons (appointed 5 May 2017)	John Wallace (resigned 4 May 2017)
Ann Galbraith (resigned 4 May 2017)	Rev David R Gemmell (resigned 1 April 2016)
Sandra Goldie (resigned 4 May 2017)	Rev Ian K McLachlan (resigned 1 April 2016)
Bill Grant (resigned 4 May 2017)	Ian R Abercrombie (resigned 1 April 2016)
William Grant	Lyndsay McRoberts (resigned 1 April 2016)

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

#### **Founding Document**

The Trust was set up from Trust document. At a meeting of South Ayrshire Council on 25 June 2015, the Trustees agreed to transfer, with effect from 1 April 2016, the assets of the following registered charitable trusts from the Trust to South Ayrshire Charitable Trust (SC045677):

Ayr Charitable Trust

McNeillie Bequest

Fund for First Aid and Health

Doctor Quintin McLennan Bequest

George Douglas Brown Bequest

William Walker Bequest

#### **Trustee Recruitment and Appointment**

The Trustees are the Elected Members of South Ayrshire Council (as successors to the Councillors of Kyle and Carrick District Council wards 1 – 10).

#### **Purpose**

The purpose of the remaining funds in the Trust is for:

- maintenance of War Memorial
- prizes/ bursaries for specific schools in South Ayrshire.

#### **Summary of Main Achievements of the Trust during the Financial Year**

The Trust made no disbursements during the financial year.

#### **Policy on Reserves**

The Trust has no explicit reserves policy but the "capital" (as identified from governing documents or available evidence) is effectively held as a permanent endowment. Unrestricted reserves are available towards the objects of the Trust.

At the end of the financial year, unrestricted free reserves and free reserves with restrictions totalled £34,835 (2015/16: £176,984; 1 April 2016 (post-transfer): £35,287). A deficit of £452 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.

#### **Other Information**

The Head of Finance and ICT Services 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.

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**Trustees' Annual Report (continued)**

On behalf of the Trustees:

A handwritten signature in black ink, appearing to read "Douglas Campbell", written over a horizontal line.

**Douglas Campbell  
Trustee**

**26 September 2017**

## **South Ayrshire Council Charitable Trusts SC025088**

### **Independent Auditor's Report to the Trustees of South Ayrshire Council Charitable Trusts and the Accounts Commission**

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 approved by the Accounts Commission, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

#### **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 Trusts for the year ended 31 March 2017 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 South Ayrshire Council Charitable Trusts for the year ended 31 March 2017 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 of opinion**

We conducted our audit in accordance with applicable law and International Standards on Auditing in the UK and Ireland (ISAs (UK&I)). 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 Standards for Auditors, 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 Trusts SC025088**

### **Auditor's responsibilities for the audit of the financial statements**

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable legal requirements and ISAs (UK&I) as required by the Code of Audit Practice approved by the Accounts Commission. Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors. An audit involves obtaining evidence about the amounts and 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 circumstances of the charity 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.

Our objectives are to achieve 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&I) 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.

### **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 in accordance with ISAs (UK&I), our responsibility is to read all the financial and non-financial information in the statement of accounts 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 us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Report on other requirements**

#### **Opinion on other prescribed matter**

We are required by the Accounts Commission to express an opinion on the following matter. 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.

**South Ayrshire Council Charitable Trusts  
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**Matters on which we are required to report by exception**

We are required by The Charity Accounts (Scotland) Regulations 2006 (as amended) 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.

*Sarah Anderson*

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**Sarah Anderson FCCA (for and on behalf of Deloitte LLP)  
110 Queen Street  
Glasgow  
G1 3BX  
United Kingdom**

*26 September 2017*

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



**South Ayrshire Council Charitable Trusts  
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**Statement of Receipts and Payments  
for the year ended 31 March 2017**

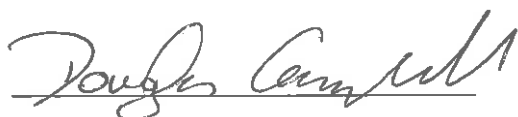
<b>2016/17</b>		<b>Unrestrict. Funds £</b>	<b>Restricted Funds £</b>	<b>Permanent Endow. £</b>	<b>Total 2016/17 £</b>
	<b>Note</b>				
<b>Receipts:</b>					
Investment income	5	-	225	-	225
<b>Total receipts</b>		<b>-</b>	<b>225</b>	<b>-</b>	<b>225</b>
<b>Payments:</b>					
Charitable activities – grants	6	-	-	-	-
Governance costs	8	-	677	-	677
<b>Total payments</b>		<b>-</b>	<b>677</b>	<b>-</b>	<b>677</b>
<b>Deficit for 2016/17</b>		<b>-</b>	<b>(452)</b>	<b>-</b>	<b>(452)</b>
<b>2015/16</b>		<b>Unrestrict. Funds £</b>	<b>Restricted Funds £</b>	<b>Permanent Endow. £</b>	<b>Total 2015/16 £</b>
	<b>Note</b>				
<b>Receipts:</b>					
Investment income	5	709	628	1,991	3,328
<b>Total receipts</b>		<b>709</b>	<b>628</b>	<b>1,991</b>	<b>3,328</b>
<b>Payments:</b>					
Charitable activities – grants	6	-	500	-	500
Governance costs	8	698	1,043	-	1,741
<b>Total payments</b>		<b>698</b>	<b>1,543</b>	<b>-</b>	<b>2,241</b>
<b>Surplus/ (deficit) for 2015/16</b>		<b>11</b>	<b>(915)</b>	<b>1,991</b>	<b>1,087</b>

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**Statement of Balances as at 31 March 2017**

	Note	2017 £	2016 £
<b>Bank and cash:</b>			
Unrestricted funds	2	-	94,784
Restricted funds	2	34,835	82,200
Permanent endowment funds	2,7	3,768	26,493
<b>Total current assets</b>		<b>38,603</b>	<b>203,477</b>
<b>Total assets</b>		<b>38,603</b>	<b>203,477</b>

The unaudited financial statements were issued on 30 June 2017 and the audited financial statements were authorised for issue and signed on behalf of the Trustees on 26 September 2017.



**Douglas Campbell**  
Trustee

**26 September 2017**

# **South Ayrshire Council Charitable Trusts SC025088**

## **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 free funds and restricted free funds are general funds available for use at the Trustees' discretion (subject to restrictions where applicable), in the furtherance of the Trust's objectives.

Permanent endowment funds are held for the benefit of the Trust as a capital fund. Income earned from investments (i.e. that which did not arise from the redemption of investments) is available for the charitable purpose and is added to unrestricted funds. In keeping with the Trust's reserves policy, redeemed investments continue to be effectively held as a permanent endowment.

### **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.

### **5 Related Party Transactions**

The Trust received interest income of £225 from South Ayrshire Council during the financial year (2015/16: £1,331; excluding Trusts transferred on 1 April 2016: £257). All financial transactions are made through South Ayrshire Council's bank accounts.

### **6 Grants**

The Trust made no disbursements during the period.

### **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)**

	2017 £	2016 £
<b>8 Governance costs</b>		
Legal and administrative costs	-	1,072
Preparation of financial statements	677	669
	<u>677</u>	<u>1,741</u>

**9 Additional Comparator Information for Statement of Receipts and Payments**

The comparator information for 2015/16 provided in the Statement of Receipts and Payments on page 7 is based on the status of the Trust as at 31 March 2016. The following table provides comparator information for 2015/16 for only those elements of the Trust which remained following the transfer of assets to South Ayrshire Charitable Trust on 1 April 2016:

	Unrestrict. Funds £	Restricted Funds £	Permanent Endow. £	Total 2015/16 £
<b>Receipts:</b>				
Investment income	-	257	-	257
<b>Total receipts</b>	<u>-</u>	<u>257</u>	<u>-</u>	<u>257</u>
<b>Payments:</b>				
Charitable activities – grants	-	500	-	500
Governance costs	-	131	-	131
<b>Total payments</b>	<u>-</u>	<u>631</u>	<u>-</u>	<u>631</u>
<b>Deficit</b>	<u>-</u>	<u>(374)</u>	<u>-</u>	<u>(374)</u>

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

**10 Transfer of assets to South Ayrshire Charitable Trust: Movement on Statement of Balances**

The following table shows the movement on the Statement of Balances as a consequence of the transfer of assets from the Trust to South Ayrshire Charitable Trust on 1 April 2016:

	<b>As at 31 March 2016 £</b>	<b>Transferred to SACT: 1 April 2016 £</b>	<b>Remaining as at 1 April 2016 £</b>
<b>Bank and cash:</b>			
Unrestricted funds	94,784	(94,784)	-
Restricted funds	82,200	(46,913)	35,287
Permanent endowment funds	26,493	(22,725)	3,768
<b>Total current assets</b>	<b>203,477</b>	<b>(164,422)</b>	<b>39,055</b>
<b>Total assets</b>	<b>203,477</b>	<b>(164,422)</b>	<b>39,055</b>