

**South Ayrshire Council  
Charitable Trust Funds**

**2023/24 Trustees' Annual Report  
and Financial Statements**

**(Unaudited)**



# South Ayrshire Council Charitable Trust Funds (Unaudited)

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# South Ayrshire Council Charitable Trust Funds (Unaudited)

## 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:

SC012759 McKechnie Library Trust (McKechnie)

SC016728 David Elder Edward Fund (DEEF)

SC025088 South Ayrshire Council Charitable Trusts (SAC CT)

SC045677 South Ayrshire Charitable Trust (SACT)

### Principal address

South Ayrshire Council  
County Buildings  
Wellington Square  
Ayr  
KA7 1DR

### Auditor

Audit Scotland  
4th Floor, South Suite  
The Athenaeum Building  
8 Nelson Mandela Place  
Glasgow  
United Kingdom  
G2 1BT

### Trustees

#### ***McKechnie Library Trust:***

Alec Clark

Peter Henderson (resigned 30 June 2023)

Alan Lamont (appointed 22 September 2023)

Gavin Scott

Per the McKechnie Library 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 and South Carrick ex-officio.

The appointment of Alan Lamont as a Trustee on 22 September 2023 was a consequence of a local government by-election in Girvan and South Carrick ward following the resignation of Peter Henderson.

#### ***David Elder Edward Fund:***

Jane Bradley

Provost Iain Campbell

Councillor Alec Clark

The Trustees are the Provost, one Elected Member and one Chief Officer of South Ayrshire Council. Previously, due to the appointment of a Chief Officer of South Ayrshire Council, the Trust was considered not to be controlled solely by South Ayrshire Councillors. However, during the financial year this position was reassessed and the Trust's financial position is now reported within these accounts. Consequently, the 2022/23 comparator information is restated accordingly.

## South Ayrshire Council Charitable Trust Funds (Unaudited)

### Trustees' Annual Report (continued)

#### Trustees (continued)

##### ***South Ayrshire Council Charitable Trusts; South Ayrshire Charitable Trust:***

Kenneth Bell	Hugh Hunter
Laura Brennan-Whitefield	Martin Kilbride
Iain Campbell	Mary Kilpatrick
Ian Cavana	Alan Lamont (appointed 22 September 2023)
Alec Clark	Lee Lyons
Ian Cochrane	Craig Mackay
Brian Connolly	Brian McGinley
Chris Cullen	Bob Pollock
Ian Davis	Cameron Ramsay
Julie Dettbarn	Philip Saxton
Mark Dixon	Gavin Scott
Martin Dowey	Bob Shields
Stephen Ferry	Duncan Townson
William Grant	George Weir
Peter Henderson (resigned 30 June 2023)	

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.

#### **Founding documents and purpose**

##### ***McKechnie Library Trust:***

The founding document is a Disposition and Settlement by Thomas McKechnie dated 7 May 1886. The purpose was 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.

##### ***David Elder Edward Fund:***

The Trust was set up from the Will of David Elder Edward. The purpose of the Trust is to provide a new art gallery, the acquisition of art, art gallery equipment and the storage thereafter, which works of art shall relate to local area and for such other charitable purposes as they in their sole discretion shall decide.

##### ***South Ayrshire Council Charitable Trusts:***

The Trust was set up from Trust document. The purposes of the Trust are to fund maintenance of the War Memorial at Turnberry golf course and prizes/ bursaries for specific schools in South Ayrshire.

##### ***South Ayrshire Charitable Trust:***

The Trust was established by the approval of the South Ayrshire Charitable Trust Deed by South Ayrshire Council on 18 December 2014. The purposes of the 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.

# South Ayrshire Council Charitable Trust Funds (Unaudited)

## Trustees' Annual Report (continued)

### Founding documents and purpose (continued)

#### ***South Ayrshire Charitable Trust (continued):***

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.

### Summary of main achievements of the Trusts during the financial year

#### ***McKechnie Library Trust:***

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.

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.

#### ***David Elder Edward Fund:***

During the financial year, the Trust incurred expenditure associated with projects intended to enhance the visitor experience at Rozelle House, including upgraded lighting, audio-visual equipment and new display cases.

#### ***South Ayrshire Council Charitable Trusts:***

The Trust made no disbursements during the financial year. However, steps are being actively taken in conjunction with relevant schools in order to ensure that these funds will be utilised in future years for the purposes of the Trust.

#### ***South Ayrshire Charitable Trust:***

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, Coylton, 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 2023/24:

	Number	Amount £
Ayr	<u>7</u>	<u>6,266</u>

All disbursements were made to various community groups including youth and vulnerable people groups and neighbourhood action groups for a range of projects determined by the committees to be in keeping with the purposes of the Trusts.

## **South Ayrshire Council Charitable Trust Funds (Unaudited)**

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

#### **Reserves policy**

The Trusts have the authority to spend all funds as approved by the Trustees, as 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 £354,994 (2022/23 restated: £384,021). A combined deficit of £29,026 was recorded for the financial year (2022/23 restated: deficit of £34,430), 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.

The Trusts' reserves are held within South Ayrshire Council's Loans Fund, external investments and cash.

#### **Other information**

The Chief Financial Officer of 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 – including the impact in previous years of Covid-19 restrictions – continue to be 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 process of transferring these shareholdings to the current Trustees remains ongoing and is expected to conclude during 2024/25.

At 31 March 2024, £1,622 of income was received but remained uncashed and not accounted for in the Statement of Receipts and Payments on page 5. 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 6 as the stock held remains an asset of South Ayrshire Charitable Trust.

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

## South Ayrshire Council Charitable Trust Funds (Unaudited)

### Statement of Receipts and Payments for the year ended 31 March 2024

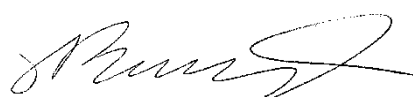
	<i>Note</i>	SC012759 (McKechnie): Unrestricted £	SC016728 (DEEF): Unrestricted £	SC025088 (SAC CT): Restricted £	SC045677 (SACT): Restricted £	Total 2023/24 £
<b>Receipts:</b>						
Investment income	6, 9	124	20,080	1,361	929	22,494
<b>Total receipts</b>		<b>124</b>	<b>20,080</b>	<b>1,361</b>	<b>929</b>	<b>22,494</b>
<b>Payments:</b>						
Charitable activities	7	-	(31,787)	-	(6,266)	(38,053)
Governance costs	10	(174)	(7,335)	(383)	(5,575)	(13,467)
<b>Total payments</b>		<b>(174)</b>	<b>(39,122)</b>	<b>(383)</b>	<b>(11,841)</b>	<b>(51,520)</b>
<b>Surplus/ (deficit)</b>		<b>(50)</b>	<b>(19,042)</b>	<b>978</b>	<b>(10,912)</b>	<b>(29,026)</b>
<b>Comparative information (restated)</b>						
	<i>Note</i>	SC012759 (McKechnie): Unrestricted £	SC016728 (DEEF): Unrestricted £	SC025088 (SAC CT): Restricted £	SC045677 (SACT): Restricted £	Total 2022/23 £
<b>Receipts:</b>						
Investment income	6, 9	84	21,891	912	1,507	24,394
<b>Total receipts</b>		<b>84</b>	<b>21,891</b>	<b>912</b>	<b>1,507</b>	<b>24,394</b>
<b>Payments:</b>						
Charitable activities	7	-	-	-	(45,450)	(45,450)
Governance costs	10	(133)	(7,082)	(368)	(5,791)	(13,374)
<b>Total payments</b>		<b>(133)</b>	<b>(7,082)</b>	<b>(368)</b>	<b>(51,241)</b>	<b>(58,824)</b>
<b>Surplus/ (deficit)</b>		<b>(49)</b>	<b>14,809</b>	<b>(544)</b>	<b>(49,734)</b>	<b>(34,430)</b>

## South Ayrshire Council Charitable Trust Funds (Unaudited)

### Statement of Balances as at 31 March 2024

	Note	SC012759 McKechnie £	SC016728 DEEF £	SC025088 SAC CT £	SC045677 SACT £	Total 2023/24 £
<b>Investments</b>	9	2,586	463,822	-	14,700	481,108
<b>Bank and cash:</b>						
Unrestricted funds		3,528	292,937	-	-	296,465
Restricted funds	2	-	-	35,849	18,912	54,761
Permanent endowment funds	3	-	-	3,768	-	3,768
<b>Total current assets</b>		<b>3,528</b>	<b>292,937</b>	<b>39,617</b>	<b>18,912</b>	<b>354,994</b>
<b>Total assets</b>		<b>6,114</b>	<b>756,759</b>	<b>39,617</b>	<b>33,612</b>	<b>836,102</b>
<b>Comparative information (restated)</b>						
	Note	SC012759 McKechnie £	SC016728 DEEF £	SC025088 SAC CT £	SC045677 SACT £	Total 2022/23 £
<b>Investments</b>	9	2,586	463,822	-	14,700	481,108
<b>Bank and cash:</b>						
Unrestricted funds		3,579	311,979	-	-	315,558
Restricted funds	2	-	-	34,871	29,824	64,695
Permanent endowment funds	3	-	-	3,768	-	3,768
<b>Total current assets</b>		<b>3,579</b>	<b>311,979</b>	<b>38,639</b>	<b>29,824</b>	<b>384,021</b>
<b>Total assets</b>		<b>6,165</b>	<b>775,801</b>	<b>38,639</b>	<b>44,524</b>	<b>865,129</b>

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



**Tim Baulk BA Acc CPFA  
Chief Financial Officer  
South Ayrshire Council**

**26 June 2024**



# South Ayrshire Council Charitable Trust Funds (Unaudited)

## 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). The financial statements are prepared on a going concern basis as the Trustees consider that the Charitable Trusts are financially sustainable for the foreseeable future.

### 2 Restricted funds

The Trusts' restricted funds are analysed as follows:

	2024 £	2023 £
<b>SC025088 SAC CT</b>	<b>35,849</b>	<b>34,871</b>
<b>SC045677 SACT:</b>		
Ayr	16,560	27,086
Prestwick	374	414
Girvan	1,978	2,324
<b>Total SC045677 SACT</b>	<b>18,912</b>	<b>29,824</b>
<b>Total restricted funds</b>	<b>54,761</b>	<b>64,695</b>

### 3 Permanent endowment funds

Permanent endowment funds are held with South Ayrshire Council for the benefit of the Trusts as a capital fund. In keeping with the Trusts' reserves policy, redeemed investments continue to be effectively held as a permanent endowment. Income earned from these funds is available for the charitable purposes and is added to unrestricted funds.

### 4 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.

### 5 Trustees' remuneration and expenses

No remuneration or expenses were paid to the Trustees or any connected persons during either the current or prior financial year.

## South Ayrshire Council Charitable Trust Funds (Unaudited)

### Notes to the Financial Statements (continued)

#### 6 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 Trusts received interest income of £12,274 from South Ayrshire Council during the financial year (2022/23 restated: £9,435) as analysed below. All financial transactions are made through South Ayrshire Council's bank accounts.

	2024	2023 (restated)
	£	£
<b>SC012759 McKechnie</b>	<b>124</b>	<b>84</b>
<b>SC016728 DEEF</b>	<b>9,860</b>	<b>7,112</b>
<b>SC025088 SAC CT:</b>		
Interest on revenue balances	1,206	800
Interest on capital balances	155	112
<b>Total SC025088 SAC CT</b>	<b>1,361</b>	<b>912</b>
<b>SC045677 SACT:</b>		
Ayr	834	1,253
Prestwick and Monkton	14	10
Coylton	-	7
Girvan	81	57
<b>Total SC045677 SACT</b>	<b>929</b>	<b>1,327</b>
<b>Total income from related party transactions</b>	<b>12,274</b>	<b>9,435</b>
<b>7 Charitable activities</b>		
<b>SC016728 DEEF:</b>		
Rozelle House: enhancement of visitor experience	<b>31,787</b>	-
<b>SC045677 SACT:</b>		
Ayr	6,266	45,000
Coylton	-	450
<b>Total SC045677 SACT</b>	<b>6,266</b>	<b>45,450</b>
<b>Total charitable activities</b>	<b>38,053</b>	<b>45,450</b>

## South Ayrshire Council Charitable Trust Funds (Unaudited)

### Notes to the Financial Statements (continued)

#### 8 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.

#### 9 External investments

	2024	2023 (restated)
	£	£
<b>SC012579 McKechnie:</b>		
£2,586.46 nom value 3½% War Stock (redeemed but not received)	<b>2,586</b>	<b>2,586</b>
<b>SC016728 DEEF:</b>		
Alliance Trust Ord GBP0.25	82,790	82,790
AstraZeneca Ord USD0.25	134,784	134,784
Aviva	6,625	6,625
BAE Systems	15,722	15,722
Carnival	1,622	1,622
City of London Investment	14,490	14,490
Lloyds Banking Group	3,548	3,548
Marks & Spencer Ord GBP0.25	2,540	2,540
Mercantile Investment	12,030	12,030
Murray International Trust	34,788	34,788
National Grid Ord GBP0.11395	13,564	13,564
Persimmon Ord GBP0.10	7,536	7,536
Rolls Royce Group	650	650
Rolls Royce Group	1,714	1,714
Royal Dutch Shell EUR0.07	39,775	39,775
Securities Trust of Scotland	14,980	14,980
Standard Life UK Smaller Companies	34,781	34,781
Tate & Lyle Ord GBP0.25	10,184	10,184
Tesco	5,035	5,035
Vodafone Group Ord USD0.11428571	2,922	2,922
Cash account	23,742	23,742
<b>Total DEEF investments</b>	<b>463,822</b>	<b>463,822</b>

## South Ayrshire Council Charitable Trust Funds (Unaudited)

### Notes to the Financial Statements (continued)

	2024	2023 (restated)
	£	£
<b>SC045677 SACT:</b>		
2088 BMO UK High Income Trust plc (Comp 3A Ordinary and 1B Ordinary)	6,744	6,744
£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
<b>Total SACT investments</b>	<b>14,700</b>	<b>14,700</b>
<b>Total investments</b>	<b>481,108</b>	<b>481,108</b>

Investments in respect of both McKechnie and SACT relate to the Girvan area and are valued at market value.

	2024	2023 (restated)
	£	£
<b>Interest received on external investments:</b>		
<b>SC016728 DEEF</b>	<b>10,220</b>	<b>14,779</b>
<b>SC045677 SACT</b>	<b>-</b>	<b>180</b>
<b>Total interest received on external investments</b>	<b>10,220</b>	<b>14,959</b>

#### 10 Governance costs

<b>SC012759 McKechnie:</b>		
Preparation of financial statements	99	78
Audit fee	75	55
<b>Total SC012759 McKechnie</b>	<b>174</b>	<b>133</b>
<b>SC016728 DEEF:</b>		
Legal and administrative costs	2,282	2,032
Preparation of financial statements	4,553	5,050
Audit fee	500	-
<b>Total SC016728 DEEF</b>	<b>7,335</b>	<b>7,082</b>

## South Ayrshire Council Charitable Trust Funds (Unaudited)

### Notes to the Financial Statements (continued)

	2024	2023 (restated)
	£	£
<b>SC025088 SAC CT:</b>		
Preparation of financial statements	308	313
Audit fee	75	55
<b>Total SC025088 SAC CT</b>	<b>383</b>	<b>368</b>
<b>SC045677 SACT:</b>		
Legal and administrative costs	1,750	1,500
Preparation of financial statements	3,325	3,301
Audit fee	500	990
<b>Total SC045677 SACT</b>	<b>5,575</b>	<b>5,791</b>
<b>Total governance costs</b>	<b>13,467</b>	<b>13,374</b>

Governance costs are allocated based on a combination of staff time spent on legal, administrative and financial tasks and the volume of transactions for each Trust.

#### 11 McKechnie Institute

The McKechnie Institute is 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.

**South Ayrshire Council Charitable Trust Funds (Unaudited)**

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

*TO BE INSERTED UPON COMPLETION OF THE AUDIT PROCESS*