
NORTH AYRSHIRE COUNCIL

26 June 2019

North Ayrshire Council

Title: North Ayrshire Charitable Trusts: Unaudited Trustees' Annual Report 2018/19

Purpose: To present the unaudited Trustees' Annual Report for the year to 31 March 2019 to the Council, as trustees, for approval.

Recommendation: That the Council, as trustees of the North Ayrshire Council Charitable Trusts, approves the annual report for 2018/19, subject to audit.

1. Executive Summary

- 1.1 The Council administers a number of charitable trusts including a number of Town Trusts, which amalgamate various bequests made in relation to specific localities; the North Ayrshire Charitable Trust, which collates bequests which are not specific to any particular location within North Ayrshire; and three specific trusts, including the Anderson Park Trust, the Douglas Sellers Trust and the Margaret Archibald Trust. All of these trusts are charities registered with the Office of the Scottish Charity Regulator (OSCR).
- 1.2 During 2018/19 North Ayrshire Council (Irvine) Charitable Trust exhausted its capital through the disbursement of grants and, with the agreement of OSCR, has been wound up.
- 1.3 In a change to previous practice, the Trustees' Annual Report and financial statements for the Trusts are presented as a single consolidated report.
- 1.4 The financial statements within this report have been prepared in accordance with the Charities Accounts (Scotland) Regulations 2006. The statements are subject to audit by the appointed auditor, Deloitte LLP, and a report on the outcome of the audit will be presented to the Audit and Scrutiny Committee by 30 September 2019.

2. Background

- 2.1 All charitable trusts registered with the Office of the Scottish Charity Regulator at 31 March 2019 are required to prepare Trustees' Reports for 2018/19, which must be independently audited. The report attached at Appendix 1 presents the Trustees' Annual Report and Financial Statements for all of North Ayrshire Council's charitable trusts and Deloitte LLP have been appointed as external auditors for 2018/19.

- 2.2 The Council, as trustees of the North Ayrshire Council charitable trusts, has delegated authority for the approval of individual disbursements from all Trusts to the relevant Locality Partnerships.
- 2.3 During 2018/19 officers have continued to seek options for the appropriate use of these funds, including any options which could deplete the available capital and result in the winding up of the trust, subject to approval by OSCR.
- 2.4 During 2018/19 grant disbursements were approved in relation to the North Ayrshire Council (Irvine) Charitable Trust which resulted in the exhaustion of the available capital and, with the agreement of OSCR, the trust has been wound up.
- 2.5 At 31 March 2019, two Trusts and three bequests registered to the North Ayrshire Charitable Trust have been identified as dormant, having made no disbursements for at least one year. The period of dormancy for each trust is detailed in the attached Trustees' Annual Report. The dormant trusts are;
- Anderson Park Trust;
 - North Ayrshire Council (Largs) Charitable Trust;
 - McGavin Park Bequest (included within the North Ayrshire Charitable Trust);
 - Largs War Memorial Bequest (included within the North Ayrshire Charitable Trust); and
 - North Ayrshire Museum Bequest (included within the North Ayrshire Charitable Trust)
- 2.6 Officers will continue to seek appropriate options going forward. However, if no options are identified for the use of these funds, the funds may be exhausted through the application of external audit fees and administration costs.

3. Proposals

- 3.1 That the Council, as trustees of the North Ayrshire Council Charitable Trusts, approves the annual report for 2018/19, subject to audit.

4. Implications/Socio-economic Duty

Financial:	The cost of the audit for 2018/19 was £1,800, which has been borne by the charitable trusts.
Human Resources:	None
Legal:	Trustees have an obligation to act in the interests of the individual Trusts and comply with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 to keep and report proper financial records.
Equality/Socio-economic Duty:	Some of the Trusts are specifically intended to benefit those in old age or with ill-health or disabilities.
Children and Young People:	None
Environmental & Sustainability:	None
Key Priorities:	The administration of the Trusts supports North Ayrshire Council's priorities of active and strong communities, people enjoy good life-long health and well-being and a sustainable environment as outlined in the draft Council Plan 2019-24.
Community Benefits:	None

5. Consultation

- 5.1 Legal Services were consulted during the preparation of the Trustees' Annual Report 2018/19.

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LAURA FRIEL

Executive Director (Finance and Corporate Support)

For further information please contact **David Forbes, Senior Manager (Strategic Business Partner)**, on **01294 324551**.

Background Papers

Revenue Estimates 2019/20 – Common Good Funds and Trusts – North Ayrshire Council
25 September 2018



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

**NORTH AYRSHIRE COUNCIL TRUST FUNDS
TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 March 2019**

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Trustees' Annual Report for the Year Ended 31 March 2019

1. INTRODUCTION

The Trustees present the annual report together with the financial statements and the Auditor's Report for the year ended 31 March 2019.

ADMINISTRATION INFORMATION

The following charities' financial statements are included in this report:

Charity Number	Charity Name	Charity Number	Charity Name
SC042136	Anderson Park Trust	SC043644	North Ayrshire Council (Dalry) Charitable Trust
SC042101	Douglas Sellers Trust	SC043600	North Ayrshire Council (Kilbirnie & Glengarnock) Charitable Trust
SC042117	Margaret Archibald Bequest	SC043374	North Ayrshire Council (Kilwinning) Charitable Trust
SC025083	North Ayrshire Council Charitable Trust	SC043494	North Ayrshire Council (Largs) Charitable Trust
SC043498	North Ayrshire Council (Beith & Gateside) Charitable Trust		

Contact Address North Ayrshire Council
Finance
Cunninghame House
Irvine
Ayrshire
KA12 8EE

Auditor Deloitte LLP
110 Queen Street
Glasgow
G1 3BX

Current Trustees Robert Barr
John Bell
Timothy Billings
Joy Brahim
Marie Burns
Ian Clarkson
Joe Cullinane
Scott Davidson
Anthea Dickson
John Easdale
Todd Ferguson
Robert Foster
Scott Gallacher
Alex Gallagher
Margaret George
John Glover
Tony Gurney

Alan Hill
Christina Larsen
Shaun Macaulay
Tom Marshall
Jean McClung
Ellen McMaster
Ronnie McNicol
Louise McPhater
Davina McTiernan
Jimmy Miller
Jim Montgomerie
Ian Murdoch
Donald L Reid
Donald Reid
Angela Stephen
John Sweeney

2. STRUCTURE AND GOVERNANCE

The Charitable Trusts are registered with the Office of the Scottish Charity Regulator (OSCR).

The governing documents are:

Charity Number	Charity Name	Governing Document	Dated
SC042136	Anderson Park Trust	Trust Disposition and Settlement	8 July 1960
SC042101	Douglas Sellers Trust	Trust Disposition and Settlement	21 January 1955
SC042117	Margaret Archibald Bequest	Trust Deed	22 July 1992
SC025083	North Ayrshire Council Charitable Trust	No overall governing documents. Available documents include: Spier's Trust: Trust Scheme North Ayrshire Museum: Scheme of Administration and Minute of Agreement Hugh Watt Bursary: Deed of Trust John Hugh Watt Scholarship Prize: Deed of Gift McGavin Park: Trust Disposition and Settlement	1978 1958 1974 1873 1920 1881
SC043498	North Ayrshire Council (Beith & Gateside) Charitable Trust	Trust Deed	7 September 2012
SC043644	North Ayrshire Council (Dalry) Charitable Trust	Trust Deed	26 November 2012
SC043600	North Ayrshire Council (Kilbirnie & Glengarnock) Charitable Trust	Trust Deed	23 October 2012
SC043374	North Ayrshire Council (Kilwinning) Charitable Trust	Trust Deed	20 July 2012
SC043494	North Ayrshire Council (Largs) Charitable Trust	Trust Deed	7 September 2012

During 2018/19 North Ayrshire Council (Irvine) Charitable Trust was wound up, with the agreement of the Office of the Scottish Charity Regulator, following the exhaustion of its capital through the disbursement of grants.

The trustees of the charitable trusts are the elected members of North Ayrshire Council and are appointed through their election to the Council.

The Executive Director (Finance & Corporate Support) is the designated officer within North Ayrshire Council with responsibility for the proper administration of the charitable trusts' financial affairs. The Executive Director (Finance & Corporate Support) is 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.

Trustees' Annual Report for the Year Ended 31 March 2019

The Executive Director (Finance & Corporate Support) has considered and taken steps to address any risks to which the charity may be exposed, in particular those related to its operation and finances. Trustees are satisfied that adequate systems are in place to mitigate exposure to such risks.

3. MANAGEMENT OF FUNDS AND INVESTMENT POLICY

Decisions regarding the management of the Trusts have been delegated by the Council to the relevant Locality Partnerships.

The trustees rely on the expertise of North Ayrshire Council to manage the investments to ensure the maximum return and the least risk to the charities. In this way, the income stream for the future benefit of the charities is protected.

The funds of the charities are deposited with North Ayrshire Council (see note 7) and invested in stocks and shares in a variety of companies (see note 8).

4. OBJECTIVES AND ACTIVITIES

Charity Number	Charity Name	Objectives
SC042136	Anderson Park Trust	Provision of recreational facilities or the organisation of recreational activities in the Burgh of Largs
SC042101	Douglas Sellers Trust	Maintenance, improvement and advancement of recreational facilities within the Burgh of Irvine; Maintenance, improvement and floral decoration of open spaces within the Burgh of Irvine
SC042117	Margaret Archibald Bequest	Relief of those in need who are aged 65 and over and who reside in the Parish of Dalry
SC025083	North Ayrshire Council Charitable Trust	Encouragement and promotion of education among students, including bursaries and prizes awarded; Provision of recreational facilities or organisation of recreational activities; Upkeep of war memorials.
SC043498	North Ayrshire Council (Beith & Gateside) Charitable Trust	Prevention or relief of poverty; Provision of recreational facilities or the organisation of recreational activities; Relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage; Advancement of education.

Trustees' Annual Report for the Year Ended 31 March 2019

Charity Number	Charity Name	Objectives
SC043644	North Ayrshire Council (Dalry) Charitable Trust	Prevention or relief of poverty; Provision of recreational facilities or the organisation of recreational activities; Relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage.
SC043600	North Ayrshire Council (Kilbirnie & Glengarnock) Charitable Trust	Prevention or relief of poverty; Provision of recreational facilities or the organisation of recreational activities; Relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage.
SC043374	North Ayrshire Council (Kilwinning) Charitable Trust	Prevention or relief of poverty; Provision of recreational facilities or the organisation of recreational activities; Relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage.
SC043494	North Ayrshire Council (Largs) Charitable Trust	Prevention or relief of poverty; Provision of recreational facilities or the organisation of recreational activities; Relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage.

Income received is expended on awards and, where necessary, supplemented by revenue reserves.

5. PERFORMANCE

Income to the charities comes from property rents, share dividends and investment returns.

In the year to 31 March 2018, 34 awards of grant totalling £110,486 were disbursed.

6. FINANCIAL REVIEW

Overview

In the year to 31 March 2019, the charitable trusts made a deficit of £96,784 (2017/18 Deficit of £8,533). The increase is primarily related to significant disbursements agreed in relation to the Kilwinning and Irvine Town Trusts.

The trusts held cash and bank balances at 31 March 2019 of £176,212 (2017/18 £296,064). The reduction in balances relates to the utilisation of funds through the disbursement of grants noted above.

In addition, the trusts held investments in the form of stocks and shares in a variety of companies with a market value of £311,692 at 31 March 2019 (2017/18 £289,996), (see note 8).

Trustees' Annual Report for the Year Ended 31 March 2019

Future Plans

The charitable trusts will continue to promote their activities and consider applications submitted by individuals and groups who meet the criteria.

Where any trusts have been identified as low value or dormant, North Ayrshire Council will continue to identify options for utilising trust balances and these will be presented to trustees when available.

The undernoted trusts have been identified as dormant having made no disbursements for at least one year:

Charity Number	Charity Name	Period Dormant
SC042136	Anderson Park Trust	Over 5 years
SC025083	North Ayrshire Council Charitable Trust bequests: McGavin Park Largs War Memorial North Ayrshire Museum	Over 5 years Over 5 years Over 5 years
SC043494	North Ayrshire Council (Largs) Charitable Trust	Current year

Reserves Policy

Reserves are held by North Ayrshire Council on behalf of the Trust and revenue income generated from the capital which has not been disbursed at 31 March each year is invested in North Ayrshire Council's Loans Fund.

7. DECLARATION

This report was signed on behalf of the Trustees on by:

Laura Friel
Executive Director (Finance & Corporate Support)
North Ayrshire Council

Councillor Joe Cullinane
Leader
North Ayrshire Council

Independent auditor's report to the trustees and the Accounts Commission

The audit of the Trust's Accounts for 2018/19 is not yet complete. The certified accounts will be presented to Council for approval post audit.

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Statement of Receipts and Payments for year ended 31 March 2019

The Statement of Receipts and Payments, as required by the Charities Accounts (Scotland) Regulations 2006, provides an analysis of the incoming and outgoing cash and bank transactions for the year.

The funds are classed as 'Restricted' because they have specific objectives, as set out in Section 4 of the Trustees' Annual Report.

2018-19		Receipts				Payments			Surplus / (Deficit)
Charity	Description	Investments	Property Rents	Grant Repayment	Total Receipts	Charitable Activities	Governance Costs	Total Payments	
		£	£	£	£	£	£	£	£
SC042136	Anderson Park Trust	5	-	-	5		204	204	(199)
SC042101	Douglas Sellers Trust	8	-	-	8	730	208	938	(930)
SC042117	Margaret Archibald Bequest	9,938	-	151	10,089	8,660	383	9,043	1,046
SC025083	North Ayrshire Council Trust	3,201	2,660	-	5,861	2,910	595	3,505	2,356
SC043498	Beith & Gateside Trust	46	-	-	46	3,006	244	3,250	(3,204)
SC043644	Dalry Trust	34	-	-	34	1,835	226	2,061	(2,027)
SC043600	Kilbirnie & Glengarnock Trust	27			27	1,250	222	1,472	(1,444)
SC043374	Kilwinning Trust	687			687	92,095	785	92,880	(92,193)
SC043494	Largs Trust	48			48	-	236	236	(188)
Total		13,994	2,660	151	16,805	110,486	3,103	113,589	(96,784)

2017-18		Receipts				Payments			Surplus / (Deficit)
Charity	Description	Investments	Property Rents	Grant Repayment	Total Receipts	Charitable Activities	Governance Costs	Total Payments	
		£	£	£	£	£	£	£	£
SC042136	Anderson Park Trust	5	-	-	5	-	-	-	5
SC042101	Douglas Sellers Trust	12	-	-	12	-	-	-	12
SC042117	Margaret Archibald Bequest	9,215	-	-	9,215	8,500	-	8,500	715
SC025083	North Ayrshire Council Trust	3,400	2,660	-	6,060	2,830	138	2,968	3,092
SC043498	Beith & Gateside Trust	62	-	-	62	-	-	-	62
SC043644	Dalry Trust	51	-	-	51	3,479	-	3,479	(3,428)
SC043372	Irvine Trust	144	-	-	144	-	-	-	144
SC043600	Kilbirnie & Glengarnock Trust	34	-	-	34	500	-	500	(466)
SC043374	Kilwinning Trust	826	-	1,095	1,921	704	-	704	1,217
SC043494	Largs Trust	114	-	-	114	10,000	-	10,000	(9,886)
Total		13,863	2,660	1,095	17,618	26,013	138	26,151	(8,533)

Significant deficits have been reported across a number of Trusts as a result of the Council's agreed policy to encourage the utilisation of funds in support of suitable projects within the relevant communities. In particular, significant disbursements have been made in relation to the Kilwinning and Irvine Town Trusts, with the latter being wound up during 2018/19 following the exhaustion of its capital.

Statement of Balances as at 31 March 2019

The Statement of Balances, as required by the Charities Accounts (Scotland) Regulations 2006, reconciles the cash and bank balances at the start and end of the financial year, with any surpluses or deficits shown in the Statement of Receipts and Payments.

2018-19		Receipts				Payments			Surplus / (Deficit)
Charity	Description	Investments	Property Rents	Grant Repayment	Total Receipts	Charitable Activities	Governance Costs	Total Payments	
		£	£	£	£	£	£	£	£
SC042136	Anderson Park Trust	5	-	-	5		204	204	(199)
SC042101	Douglas Sellers Trust	8	-	-	8	730	208	938	(930)
SC042117	Margaret Archibald Bequest	9,938	-	151	10,089	8,660	383	9,043	1,046
SC025083	North Ayrshire Council Trust	3,201	2,660	-	5,861	2,910	595	3,505	2,356
SC043498	Beith & Gateside Trust	46	-	-	46	3,006	244	3,250	(3,204)
SC043644	Dalry Trust	34	-	-	34	1,835	226	2,061	(2,027)
SC043600	Kilbirnie & Glengarnock Trust	27			27	1,250	222	1,472	(1,444)
SC043374	Kilwinning Trust	687			687	92,095	785	92,880	(92,193)
SC043494	Largs Trust	48			48	-	236	236	(188)
Total		13,994	2,660	151	16,805	110,486	3,103	113,589	(96,784)

2017-18		Receipts				Payments			Surplus / (Deficit)
Charity	Description	Investments	Property Rents	Grant Repayment	Total Receipts	Charitable Activities	Governance Costs	Total Payments	
		£	£	£	£	£	£	£	£
SC042136	Anderson Park Trust	5	-	-	5	-	-	-	5
SC042101	Douglas Sellers Trust	12	-	-	12	-	-	-	12
SC042117	Margaret Archibald Bequest	9,215	-	-	9,215	8,500	-	8,500	715
SC025083	North Ayrshire Council Trust	3,400	2,660	-	6,060	2,830	138	2,968	3,092
SC043498	Beith & Gateside Trust	62	-	-	62	-	-	-	62
SC043644	Dalry Trust	51	-	-	51	3,479	-	3,479	(3,428)
SC043372	Irvine Trust	144	-	-	144	-	-	-	144
SC043600	Kilbirnie & Glengarnock Trust	34	-	-	34	500	-	500	(466)
SC043374	Kilwinning Trust	826	-	1,095	1,921	704	-	704	1,217
SC043494	Largs Trust	114	-	-	114	10,000	-	10,000	(9,886)
Total		13,863	2,660	1,095	17,618	26,013	138	26,151	(8,533)

The reduction in balances is primarily related to the agreed disbursement of grants in relation to the Kilwinning and Irvine Town Trusts.

The unaudited accounts were issued on the

Signed on behalf of the Trustees on by:

Laura Friel
Executive Director (Finance & Corporate Support)
North Ayrshire Council

Councillor Joe Cullinane
Leader
North Ayrshire Council

1. Basis of Accounting

The financial statements have been prepared in accordance with the Charities & Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

2. Reorganisation

During the period 2012 to 2014, North Ayrshire Council undertook a review of Sundry Trusts that resulted in the creation of eight new Town Trusts. The North Ayrshire Council Charitable Trust comprises those registered charitable funds that were not amalgamated on a geographical basis, including:

Name of Trust Fund	Purpose
McGavin Park	Upkeep of McGavin Park, Kilwinning
North Ayrshire Museum	For Benefit of North Ayrshire Museum
War Memorial Fund	Largs War Memorial Fund
Sir James Dyer Simpson	Educational Prize for Largs Academy
Spier's Trust	Educational Prize for the Garnock Valley
Robert Fleck Award	Educational Prize for Saltcoats schools
Hugh Watt Bursary Fund	Educational Prize for Irvine schools
John Hugh Watt Scholarship Prize	Educational Prize for Irvine Royal Academy

3. Taxation

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

4. Trustee Remuneration, Expenses and Related Party Transactions

- No remuneration or expenses were paid to the trustees or any connected persons during the year 2018/19;
- The Trust received interest of £1,494 (2017/18: £1,918) from North Ayrshire Council at 31 March 2019 and all transactions incoming and outgoing are made via the Council's bank accounts;
- From 2018/19 charges for administration costs of £3,262 have been levied by North Ayrshire Council.

5. Grants

34 awards of grant, totalling £110,486, were awarded to individuals and community groups during 2018/19 (2017/18: 23 grants totalling £51,513 were awarded).

6. Audit Fee

The audit fee for the year was £1,800, allocated across all trusts.

7. Cash and Bank Balances

During the year the trust's balances were held by North Ayrshire Council, which manages the administration of the funds on behalf of the Trustees. The Council also acts as the banker for the charity and, as detailed above, all transactions incoming and outgoing are made via the Council's accounts. The balances are repayable on demand. Interest is paid on balances.

8. Investments

Two of the trusts hold the following investments:

Margaret Archibald Bequest	Nominal Value	Market Value at 31 March 2019	Market Value at 31 March 2018
	£	£	£
GlaxoSmithKline plc	1,183	75,570	65,964
Marks & Spencer plc	400	4,115	3,983
Diageo plc	400	44,873	34,492
Barclays plc	336	2,083	2,769
Royal Dutch Shell plc	563	15,685	16,027
Unilever plc	37	52,960	47,658
British American Tobacco plc	300	38,328	49,572
		233,615	220,464

North Ayrshire Council Charitable Trust	Purchase Price / Nominal Value	Market Value at 31 March 2019	Market Value at 31 March 2018
	£	£	£
JPM UK Higher Income Fund	1,790	7,486	7,844
Merchants Trust	406	8,044	8,174
Alliance Trust	73	21,663	21,605
Zeneca Group plc	68	16,565	13,217
Diageo	217	24,320	18,693
		78,077	69,532

Total Investments		311,692	289,996
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9. Land and Buildings

Income from property relates to grazing rents at Marshallands Grazings, Barrmill Road, Beith. The land was purchased for £25,000 in 2004 by the Spier's Trust and was last revalued in 2017/18 to a current book value of £150,000. No depreciation is charged.