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# NORTH AYRSHIRE COUNCIL

21 June 2023

## North Ayrshire Council

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**Title:** North Ayrshire Charitable Trusts: Unaudited Trustees' Annual Report 2022/23

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**Purpose:** To present the unaudited Trustees' Annual Report for the year to 31 March 2023 to the Council, as trustees, for approval.

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**Recommendation:** That Council, as trustees of the North Ayrshire Council Charitable Trusts, approves the annual report for 2022/23, subject to audit.

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### 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 2022/23 Hugh Watt Bursary, Sir James Dyer Simpson Bequest and John Hugh Watt Scholarship, held within North Ayrshire Council Charitable Trust, exhausted their capital through the disbursement of grants and, with the agreement of OSCR, have been wound up.
- 1.3 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, Audit Scotland, and a report on the outcome of the audit will be presented to the Audit and Scrutiny Committee on completion.
- 1.4 During 2022/23, the level of grant disbursement activity has continued to be low and has not yet returned to pre pandemic levels.

## **2. Background**

- 2.1 All charitable trusts registered with the Office of the Scottish Charity Regulator at 31 March 2023 are required to prepare Trustees' Reports for 2022/23, 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 Audit Scotland have been appointed as external auditors for 2022/23.
- 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 2022/23 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 2022/23 grant disbursements were approved in relation to Hugh Watt Bursary, Sir James Dyer Simpson Bequest and John Hugh Watt Scholarship, held within North Ayrshire Council Charitable Trust, which resulted in the exhaustion of the available capital and, with the agreement of OSCR, the trusts have been wound up.
- 2.5 At 31 March 2023, seven Trusts and two 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;
  - Douglas Sellers Trust;
  - North Ayrshire Council (Kilbirnie & Glengarnock) Charitable Trust;
  - North Ayrshire Council (Dalry) Charitable Trust;
  - North Ayrshire Council (Kilwinning) Charitable Trust;
  - North Ayrshire Council (Largs) Charitable Trust;
  - Largs War Memorial Bequest (included within the North Ayrshire Charitable Trust);
  - North Ayrshire Museum Bequest (included within the North Ayrshire Charitable Trust);
  - Spiers Trust (included within the North Ayrshire Charitable Trust).
- 2.6 Grant disbursement activity during 2022/23 has not yet returned to pre pandemic levels. Officers will continue to monitor activity and 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 It is proposed that Council, as trustees of the North Ayrshire Council Charitable Trusts, approves the annual report for 2022/23, subject to audit.

#### **4. Implications/Socio-economic Duty**

##### **Financial**

- 4.1 The cost of the audit for 2022/23 was £1,100, which has been borne by the charitable trusts.

##### **Human Resources**

- 4.2 None.

##### **Legal**

- 4.3 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**

- 4.4 Some of the Trusts are specifically intended to benefit those in old age or with ill-health or disabilities.

##### **Climate Change and Carbon**

- 4.5 None.

##### **Key Priorities**

- 4.6 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 Wealth Building**

- 4.7 None.

#### **5. Consultation**

- 5.1 Legal Services were consulted during the preparation of the Trustees' Annual Report 2022/23.

**Mark Boyd**  
**Head of Service (Finance)**

For further information please contact **David Forbes, Senior Manager (Strategic Business Partner)**, on **01294 324551** or **DavidForbes@north-ayrshire.gov.uk**.

##### **Background Papers**

None



**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 2023**

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## 1. INTRODUCTION

The Trustees present the Annual Report together with the Financial Statements and the Auditor's Report for the year ended 31 March 2023.

### ADMINISTRATION INFORMATION

The following Charities' Financial Statements are included in this report:

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

### Contact Address

North Ayrshire Council Finance  
Cunninghame House  
Irvine  
KA12 8EE

### Auditor

Audit Scotland  
4<sup>th</sup> Floor, South Suite  
The Athenaeum Building  
8 Nelson Mandela Place  
Glasgow  
G2 1BT

### Current Trustees

John Bell, Timothy Billings, Marie Burns, Eleanor Collier, Joe Cullinane, Scott Davidson, Anthea Dickson, Stewart Ferguson, Todd Ferguson, Robert Foster, Scott Gallacher, John Glover, Anthony Gurney, Alan Hill, Cameron Inglis, Margaret Johnson, Amanda Kerr, Christina Larsen, Tom Marshall, Shaun Macaulay, Jean McClung, Nairn McDonald, Matthew McLean, Louise McPhater, Davina McTiernan, Jim Montgomerie, Ian Murdoch, Donald Reid, Donald L Reid, Chloe Robertson, Ronnie Stalker, Angela Stephen, and 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.	N/A
SC025083	North Ayrshire Council Charitable Trust	Spier's Trust: Trust Scheme	1978
SC025083	North Ayrshire Council Charitable Trust	North Ayrshire Museum: Scheme of Administration	1958
SC025083	North Ayrshire Council Charitable Trust	North Ayrshire Museum: Minute of Agreement	1974
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 2022/23 Hugh Watt Bursary, Sir James Dyer Simpson Bequest and John Hugh Watt Scholarship held within North Ayrshire Charitable Trust were wound up, with the agreement of OSCR, 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 Head of Finance is the designated officer within North Ayrshire Council with responsibility for the proper administration of the Charitable Trusts' financial affairs. The Head of Finance 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.

The Head of Finance 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.
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.



Charity Number	Charity Name	Objectives
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 2023, 2 awards of grant totalling £4,250 were disbursed (2021/22 5 awards totalling £10,025).

In the year to 31 March 2023, the total income across the Trusts was £19,029 (2021/22 £16,858).

Grant disbursement activity during 2022/23 has not yet returned to pre pandemic levels.

## 6. FINANCIAL REVIEW

### Overview

In the year to 31 March 2023, the Charitable Trusts made a surplus of £10,284 (2021/22 Surplus of £4,546).

The Trusts held cash and bank balances at 31 March 2023 of £191,371 (2021/22 £181,087).

The increase in balances relates to income from property rents, share dividends and investment returns, partly offset by 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 £325,753 at 31 March 2023 (2021/22 £333,663), (see note 8).

### 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: Largs War Memorial North Ayrshire Museum Spiers Trust	Over 5 years Over 5 years Over 3 years
SC042101	Douglas Sellers Trust	Over 4 years
SC043600	North Ayrshire Council (Kilbirnie & Glengarnock) Charitable Trust	Over 4 years
SC043644	North Ayrshire Council (Dalry) Charitable Trust	Over 3 years
SC043374	North Ayrshire Council (Kilwinning) Charitable Trust	Over 3 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 XX September 2023 by:

Mark Boyd  
Head of Finance  
North Ayrshire Council

Councillor Marie Burns  
Leader  
North Ayrshire Council

## Independent Auditor's Report

The independent auditor's report to the trustees and the Accounts Commission for Scotland will be presented to Council for approval following completion of the audit.

The auditor with responsibility for the audit of the Trustees' annual report for the year ended 31 March 2023 is:

Audit Scotland  
4<sup>th</sup> Floor, South Suite  
The Athenaeum Building  
8 Nelson Mandela Place  
Glasgow  
G2 1BT

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## Statement of Receipts and Payments for year ended 31 March 2023

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.

### 2022-23

Charity	Description	Receipts Investments	Receipts Property Rents	Total Receipts	Payments Charitable Activities	Payments Governance Costs	Total Payments	Surplus / (Deficit)
		£	£	£	£	£	£	£
SC042136	Anderson Park Trust	2	0	2	0	139	139	(137)
SC042101	Douglas Sellers Trust	7	0	7	0	140	140	(133)
SC042117	Margaret Archibald Bequest	10,591	0	10,591	5,100	420	5,520	5,071
SC025083	North Ayrshire Council Trust	6,136	1,580	7,716	1,609	562	2,171	5,545
SC043644	Dalry Trust	32	0	32	0	147	147	(115)
SC043600	Kilbimie & Glengarnock Trust	49	0	49	0	153	153	(104)
SC043374	Kilwinning Trust	587	0	587	0	321	321	266
SC043494	Largs Trust	45	0	45	0	154	154	(109)
<b>Total</b>		<b>17,449</b>	<b>1,580</b>	<b>19,029</b>	<b>6,709</b>	<b>2,036</b>	<b>8,745</b>	<b>10,284</b>

### 2021-22

Charity	Description	Receipts Investments	Receipts Property Rents	Total Receipts	Payments Charitable Activities	Payments Governance Costs	Total Payments	Surplus / (Deficit)
		£	£	£	£	£	£	£
SC042136	Anderson Park Trust	-	0	-	0	152	152	(152)
SC042101	Douglas Sellers Trust	1	0	1	0	153	153	(152)
SC042117	Margaret Archibald Bequest	11,414	0	11,414	6,750	400	7,150	4,264
SC025083	North Ayrshire Council Trust	2,720	2,660	5,380	275	762	1,037	4,343
SC043644	Dalry Trust	3	0	3	0	160	160	(157)
SC043600	Kilbimie & Glengarnock Trust	4	0	4	0	166	166	(162)
SC043374	Kilwinning Trust	49	0	49	0	327	327	(278)
SC043494	Largs Trust	7	0	7	3,000	167	3,167	(3,160)
<b>Total</b>		<b>14,198</b>	<b>2,660</b>	<b>16,858</b>	<b>10,025</b>	<b>2,287</b>	<b>12,312</b>	<b>4,546</b>



## Statement of Balances as at 31 March 2023

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.

2022-23

Charity	Description	Bank and Cash in Hand Opening Balance	Bank and Cash in Hand Surplus / (Deficit)	Closing Balance	Land and Buildings Market Value at 31 March	Investments Market Value at 31 March
		£	£	£	£	£
SC042136	Anderson Park Trust	158	(137)	21	0	0
SC042101	Douglas Sellers Trust	439	(133)	306	0	0
SC042117	Margaret Archibald Bequest	52,811	5,071	57,882	0	223,212
SC025083	North Ayrshire Council Trust	81,782	5,545	87,327	145,000	102,541
SC043644	Dalry Trust	2,019	(115)	1,904	0	0
SC043600	Kilbirnie & Glengarnock Trust	3,114	(104)	3,010	0	0
SC043374	Kilwinning Trust	37,328	266	37,594	0	0
SC043494	Largs Trust	3,436	(109)	3,327	0	0
<b>Total</b>		<b>181,087</b>	<b>10,284</b>	<b>191,371</b>	<b>145,000</b>	<b>325,753</b>

2021-22

Charity	Description	Bank and Cash in Hand Opening Balance	Bank and Cash in Hand Surplus / (Deficit)	Closing Balance	Land and Buildings Market Value at 31 March	Investments Market Value at 31 March
		£	£	£	£	£
SC042136	Anderson Park Trust	310	(152)	158	0	0
SC042101	Douglas Sellers Trust	591	(152)	439	0	0
SC042117	Margaret Archibald Bequest	48,547	4,264	52,811	0	231,056
SC025083	North Ayrshire Council Trust	77,439	4,343	81,782	145,000	102,607
SC043644	Dalry Trust	2,176	(157)	2,019	0	0
SC043600	Kilbirnie & Glengarnock Trust	3,276	(162)	3,114	0	0
SC043374	Kilwinning Trust	37,606	(278)	37,328	0	0
SC043494	Largs Trust	6,596	(3,160)	3,436	0	0
<b>Total</b>		<b>176,541</b>	<b>4,546</b>	<b>181,087</b>	<b>145,000</b>	<b>333,663</b>

The unaudited accounts were issued on 21 June 2023.

Signed on behalf of the Trustees on XX September 2023 by

Mark Boyd  
Head of Finance  
North Ayrshire Council

Councillor Marie Burns  
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
North Ayrshire Museum	For Benefit of North Ayrshire Museum
War Memorial Fund	Largs War Memorial Fund
Spier's Trust	Education Prize for the Garnock Valley
Robert Fleck Award	Education Prize for Saltcoats schools

## 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

- a. No remuneration or expenses were paid to the Trustees or any connected persons during the year 2022/23 or 2021/22; and
- b. The Trusts received interest of £2,902 (2021/22: £237) from North Ayrshire Council at 31 March 2023 and all transactions incoming and outgoing are made via the Council's bank accounts; and
- c. For 2022/23 charges for administration costs of £936 (2021/22: £862) have been levied by North Ayrshire Council, these were apportioned across the Trusts based on the current balances.

## 5. Grants

2 awards of grant, totalling £4,250 were awarded to individuals and community groups during 2022/23 (2021/22: 5 grants totalling £10,025 were awarded). 1 grant was awarded to a community group and 1 to a school, all for the benefit of the local community.

## 6. Audit Fee

The audit fee for the year was £1,100 (2020/21: £1,200), 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 2023	Market Value at 31 March 2022
	£	£	£
GlaxoSmithKline plc	1,183.00	67,620	77,946
Marks & Spencer plc	400.00	2,463	2,282
Diageo plc	400.40	51,680	55,248
Barclays plc	336.00	1,960	1,993
Royal Dutch Shell plc	562.50	14,913	13,621
Unilever plc	37.00	50,490	41,633
British American Tobacco plc	300.00	34,086	38,334
<b>Total</b>		<b>223,212</b>	<b>231,056</b>

North Ayrshire Council Charitable Trust	Purchase Price / Nominal Value	Market Value at 31 March 2023	Market Value at 31 March 2022
	£	£	£
JPM UK Higher Income Fund	1,789.50	7,068	7,482
Merchants Trust	406.25	8,970	9,311
Alliance Trust	72.50	28,168	28,515
Zeneca Group plc	67.50	30,326	27,356
Diageo	217.00	28,009	29,942
<b>Total</b>		<b>102,541</b>	<b>102,607</b>

## 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 2022/23 at a current market value of £145,000. No depreciation is charged.