
NORTH AYRSHIRE COUNCIL

23 September 2020

North Ayrshire Council

Title:	North Ayrshire Charitable Trusts: Unaudited Trustees' Annual Report 2019/20
Purpose:	To present the unaudited Trustees' Annual Report for the year to 31 March 2020 to the Council, as trustees, for approval.
Recommendation:	That Council, as trustees of the North Ayrshire Council Charitable Trusts, approves the annual report for 2019/20, 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 2019/20 North Ayrshire Council (Beith & Gateside) Charitable Trust exhausted its capital through the disbursement of grants and, with the agreement of OSCR, has 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, Deloitte LLP, and a report on the outcome of the audit will be presented to the Audit and Scrutiny Committee on completion.

2. Background

- 2.1 All charitable trusts registered with the Office of the Scottish Charity Regulator at 31 March 2020 are required to prepare Trustees' Reports for 2019/20, 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 2019/20.

- 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 2019/20 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 2019/20 grant disbursements were approved in relation to the North Ayrshire Council (Beith & Gateside) 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 2020, three 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;
 - 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 It is proposed that Council, as trustees of the North Ayrshire Council Charitable Trusts, approves the annual report for 2019/20, subject to audit.

4. Implications/Socio-economic Duty

Financial

- 4.1 The cost of the audit for 2019/20 was £1,200, 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.

Environmental and Sustainability

- 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 2019/20.

Mark Boyd
Head of Service (Finance)

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

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 2020**

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Trustees' Annual Report for the Year Ended 31 March 2020

1. INTRODUCTION

The Trustees present the annual report together with the financial statements and the Auditor's Report for the year ended 31 March 2020.

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

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Current Trustees Robert Barr
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Joe Cullinane
Scott Davidson
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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
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 2019/20 North Ayrshire Council (Beith & Gateside) 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 Head of Service, Financial and Customer Services is the designated officer within North Ayrshire Council with responsibility for the proper administration of the charitable trusts' financial affairs. The Head of Service, Financial and Customer Services 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 2020

The Head of Service, Financial and Customer Services 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.

Trustees' Annual Report for the Year Ended 31 March 2020

Charity Number	Charity Name	Objectives
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 2020, 16 awards of grant totalling £31,285.62 were disbursed.

6. FINANCIAL REVIEW

Overview

In the year to 31 March 2020, the charitable trusts made a deficit of £15,870 (2018/19 Deficit of £81,783).

The trusts held cash and bank balances at 31 March 2020 of £168,697 (2018/19 £191,213). 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 £272,112 at 31 March 2020 (2018/19 £311,610), (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.

Trustees' Annual Report for the Year Ended 31 March 2020

The ongoing Covid-19 pandemic has resulted in a greater than normal degree of uncertainty within financial markets and may result in significant, adverse impacts on the value of stocks and shares held by the Trusts over the course of 2020/21. However, given the current levels of Bank and Cash balances available to the Trusts, it is not anticipated that this potential volatility will have any impact on the ability of the Trusts to disburse grants during 2020/21.

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	Over 5 years Over 5 years
SC042101	Douglas Sellers Trust	Current Year
SC043600	North Ayrshire Council (Kilbirnie & Glengarnock) 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:

Mark Boyd
Head of Service, Financial and Customer Services
North Ayrshire Council

Councillor Joe Cullinane
Leader
North Ayrshire Council

Independent auditor's report to the trustees of North Ayrshire Council Trust Funds and the Accounts Commission

The audit of the Trust's Accounts for 2019/20 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 2020

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.

2019-20		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	-	153	153	(148)
SC042101	Douglas Sellers Trust	7	-	-	7	-	154	154	(147)
SC042117	Margaret Archibald Bequest	10,882	-	-	10,882	8,400	360	8,760	2,122
SC025083	North Ayrshire Council Trust	3,671	2,660	-	6,331	3,973	621	4,594	1,737
SC043644	Dalry Trust	20	-	-	20	1,264	162	1,426	(1,406)
SC043600	Kilbirnie & Glengarnock Trust	28	-	-	28	-	167	167	(139)
SC043374	Kilwinning Trust	214	-	-	214	16,549	328	16,877	(16,663)
SC043494	Largs Trust	56	-	-	56	1,100	182	1,282	(1,226)
Total		14,883	2,660	-	17,543	31,286	2,127	33,413	(15,870)

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	28	-	-	28	1,250	222	1,472	(1,444)
SC043374	Kilwinning Trust	687	-	-	687	77,095	785	77,880	(77,193)
SC043494	Largs Trust	48	-	-	48	-	236	236	(188)
Total		13,995	2,660	151	16,806	95,486	3,103	98,589	(81,783)

A significant deficit has been reported in relation to Kilwinning Town Trust 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 addition, significant disbursements have been made in relation to the Beith & Gateside Town Trust, resulting in the Trust being wound up during 2019/20 following the exhaustion of its capital.

Statement of Balances as at 31 March 2020

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.

2019-20		Bank and Cash in Hand			Land and Buildings	Investments
Charity	Description	Opening Balance	Surplus / (Deficit)	Closing Balance	Book Value at 31 March	Market Value at 31 March
		£	£	£	£	£
SC042136	Anderson Park Trust	609	(148)	461	-	-
SC042101	Douglas Sellers Trust	890	(147)	743	-	-
SC042117	Margaret Archibald Bequest	42,363	2,122	44,486	-	202,417
SC025083	North Ayrshire Council Trust	70,917	1,737	72,654	145,000	69,695
SC043644	Dalry Trust	3,737	(1,406)	2,331	-	-
SC043600	Kilbirnie & Glengarnock Trust	3,572	(139)	3,433	-	-
SC043374	Kilwinning Trust	54,495	(16,663)	37,831	-	-
SC043494	Largs Trust	7,986	(1,226)	6,760	-	-
Total		184,568	(15,871)	168,697	145,000	272,112

2018-19		Bank and Cash in Hand			Land and Buildings	Investments
Charity	Description	Opening Balance	Surplus / (Deficit)	Closing Balance	Book Value at 31 March	Market Value at 31 March
		£	£	£	£	£
SC042136	Anderson Park Trust	808	(199)	609	-	-
SC042101	Douglas Sellers Trust	1,820	(930)	890	-	-
SC042117	Margaret Archibald Bequest	41,317	1,046	42,363	-	233,613
SC025083	North Ayrshire Council Trust	68,561	2,356	70,917	150,000	77,997
SC043498	Beith & Gateside Trust	9,849	(3,204)	6,645	-	-
SC043644	Dalry Trust	5,764	(2,027)	3,737	-	-
SC043600	Kilbirnie & Glengarnock Trust	5,016	(1,444)	3,572	-	-
SC043374	Kilwinning Trust	131,687	(77,193)	54,494	-	-
SC043494	Largs Trust	8,174	(188)	7,986	-	-
Total		272,996	(81,783)	191,213	150,000	311,610

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

The unaudited accounts were issued on the

Signed on behalf of the Trustees on by:

Mark Boyd
Head of Service, Financial and Customer Services
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 2019/20;
- The Trusts received interest of £1,246 (2018/19: £1,494) from North Ayrshire Council at 31 March 2020 and all transactions incoming and outgoing are made via the Council's bank accounts;
- From 2019/20 charges for administration costs of £798 (2018/19: £1,212) have been levied by North Ayrshire Council.

5. Grants

16 awards of grant, totalling £31,285.62, were awarded to individuals and community groups during 2019/20 (2018/19: 33 grants totalling £95,486 were awarded).

6. Audit Fee

The audit fee for the year was £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 2020	Market Value at 31 March 2019
	£	£	£
GlaxoSmithKline plc	1,183	71,690	75,570
Marks & Spencer plc	400	1,460	4,115
Diageo plc	400	36,994	44,873
Barclays plc	336	1,263	2,083
Royal Dutch Shell plc	563	8,786	15,685
Unilever plc	37	49,116	52,959
British American Tobacco plc	300	33,108	38,328
		202,417	233,613

North Ayrshire Council Charitable Trust	Purchase Price / Nominal Value	Market Value at 31 March 2020	Market Value at 31 March 2019
	£	£	£
JPM UK Higher Income Fund	1,790	5,532	7,486
Merchants Trust	406	6,013	7,963
Alliance Trust	73	18,618	21,663
Zeneca Group plc	68	19,483	16,565
Diageo	217	20,049	24,320
		69,695	77,997

Total Investments		272,112	311,610
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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 2019/20 to a current book value of £145,000. No depreciation is charged.