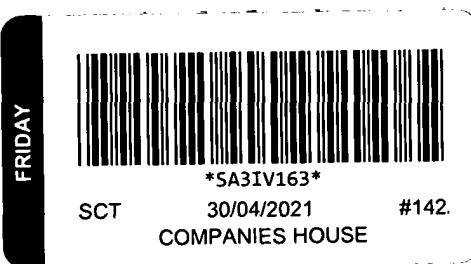


**AMENDING**

CHARITY NUMBER: SC028874

COMPANY NUMBER: SC219307

THE AYRSHIRE COMMUNITY TRUST  
ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED  
31 MARCH 2020



JOHN KERR & COMPANY  
CHARTERED ACCOUNTANTS

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LEGAL AND ADMINISTRATIVE INFORMATION

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1

Constitution

The Ayrshire Community Trust is a company limited by guarantee and a registered charity governed by its memorandum and articles of association. Charity number: SC028874. Company number: SC219307.

Members of the Council and Trustees

The Directors of the charitable company ("the charity") are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Members of the Council of the Trust are listed below and such other persons as the Board of Directors shall admit to membership from time to time.

Members of the Council

Agnes Smith (Company Secretary)  
Kenneth Buchanan (resigned 27.03.19)  
David Irving  
Michael Nellany  
Frances Tate  
Colin Wilson (resigned 29.04.2020)  
William Lamb  
Philip Vann (appointed 29.04.2020)  
Iain McGachie (appointed 29.04.2020)

Subject to the provisions of the Act and the Ayrshire Community Trust Articles of Association, the business of the Trust shall be conducted by the Board of Directors which shall act in all things for, and in the name of, the Trust and which may exercise all such powers of the Trust as are not by statute or by the Articles required to be exercised by the Trust in General Meeting.

LEGAL AND ADMINISTRATIVE INFORMATION

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The number of Trustees shall be not less than three and not more than fifteen and are:-

Kenneth Buchanan (resigned 27.03.19)

David Irving

Michael Nellany

Frances Tate

Colin Wilson (resigned 29.04.2020)

William Lamb

Philip Vann (appointed 29.04.2020)

Iain McGachie (appointed 29.04.2020)

Registered Office

25 – 27 Vernon Street, Saltcoats KA21 5HE

Auditors

John Kerr & Company, Chartered Accountants, 32a Hamilton Street, Saltcoats, KA21 5DS

Bankers

Unity Trust Bank, 9 Brindleyplace, Birmingham, B1 2HB

## REPORT OF THE TRUSTEES

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The Directors of the Trust for the purposes of the Companies Act 2006, who are the Trustees for the purposes of the Charities and Trustee Investment (Scotland) Act 2005, present their Report, Audited Accounts and Financial Statements for the year ended 31 March 2020.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The Ayrshire Community Trust was formed in April 1999, as a company limited by guarantee and not having a share capital (Registered Company Number SC219307). The Trust is registered with the Inland Revenue and the Office of the Scottish Charity Regulator as a charity (Scottish Charity Number SC028874). Its governance is regulated by the Memorandum and Articles of Association of the Trust. The Trust is regulated by both company law and Scottish charity legislation.

**Chair's Report**

The company has had a very successful year and are beginning to reap the benefits of our reduced overheads. We have been awarded further funding to continue our employability programme Positive Steps with Partners. This programme goes from strength to strength with a committed team and a partnership approach which benefits all. We held our first "graduation" ceremony and it was very humbling to hear stories of those who have participated.

Towards the end of our last financial year we secured Aspiring Communities Funding, this fund is administered by the Scottish Government and is designed to help community bodies and third sector organisations to work in the most deprived communities to help find local solutions. Our "Be Inspired" project was very successful and our Stage 1 report has been submitted, we hoped to apply for Stage 2 funding however the fund has not opened during this financial year. We will however apply when the fund reopens.

As per our focus of our Business Plan 2017-2020 we have taken the decision to focus on the development of two of our projects; Eglinton Community Garden and Trinity Community Digital Hub. Over the past two years the company have financially supported both projects however we believe they are well enough established to further develop and therefore require investment from an external source.

Work over the coming year will focus on developing Business Plans for both with a view to securing funding. It is crucial that both projects can become more sustainable; in order to do this they will need to consider a commercial element to the work they do.

The Trinity Digital Hub has had a very difficult year due to technical hitches with the Big Screen. The Big Screen had the potential to generate commercial income through local businesses using it as a marketing tool; however the difficulties with the screen has resulted in weeks and months of down time.

Staff and volunteers have been proactive and have ventured into virtual reality. VR is a powerful way to look at things, people can visit places without the need to travel. Staff and volunteers have undertaken training in how to create virtual reality situations which will be used by the public to gauge the benefits.

Probably the most noteworthy achievement for Trinity over the past year has been the project to commemorate the end of World War One. A 360° virtual reality video experience was created set in the trenches to tell the story of a young local man fighting on the front line.

Our dedicated team of 4 volunteers were instrumental in the research, design and development of the project and we also hosted an open day and exhibition with memorabilia and information supplied by local people and organisations. Both the VR short film and the open day were very well received and we hope to do something similar in the future.

We continue to deliver the Third Sector Interface (TSI) remit and have again reached beyond our targets (October 2018). The purpose of the TSI is linked very closely with the Third Sector Unit within the Scottish Government, and seeks to ensure the work we do complements the intention of The Community Empowerment Act and the move to a more Localism Agenda. This has led to a review of the role and remit of the TSI with an understanding that our role will be much more a strategic one with a greater focus on outcomes. We have received guidance from the Scottish Government late December 2018 to create our new Business Plan. The Plan is outcomes based approach rather than basing our work on quantitative results, although the volume of what we do remains important. This is a new way for all TSI's to work so gathering information on the impact we have made will be important. We are currently working on our monitoring tool to gather this data.

Throughout the year we have been involved in creating a Volunteer Strategy for North Ayrshire, this is a very important area of work and will put demands and expectations on staff and other organisations, we need to ensure staff have the capacity and capability to address these expectations in addition to other responsibilities; careful monitoring of workload will be required.

TACT staff continues to meet with and support anyone who walks through our doors, this can be demanding and unforeseen; however it is our main purpose to engage with members of the public from all walks of life. Staff go above and beyond in order to support someone, we believe often small gestures are what makes all the difference and perfectly reflects our mission statement.

***"To deliver programmes and projects that make a difference to people's lives by encouraging, supporting and promoting community action"***

Board members continue to be actively involved and proactive in guiding and advising the CEO on the direction of the company in the knowledge that all staff led by the CEO undertakes their work in a professional manner with the aim of achieving good outcomes for our local communities, volunteers and third sector organisations across North Ayrshire.

**Principal Activity**

The objects of The Ayrshire Community Trust, as stated in the Memorandum, are:-

- (i) To promote any charitable purpose for the benefit of the inhabitants of Ayrshire, its environs and in particular the advancement of education, the furtherance of health, the relief of poverty and unemployment.
- (ii) To promote and organise cooperation in the achievement of the above purposes and, to that end, bring together in council representatives of voluntary organisations and statutory authorities engaged in the furtherance of the above purposes within Ayrshire and environs.
- (iii) To do all other things as will properly attain the above purpose without discrimination.

In pursuance of those aims but not otherwise TACT shall seek to:

Provide support appropriate to the needs of the local area, to encourage and support volunteering and to strengthen the community and voluntary sector.

- Operate a portfolio of successful ventures to ensure the sustainability of the organisation
- Invest in developing new services that align with our core purpose and development ambitions for the organisation
- Seek to gather evidence on the impact of volunteering activity to inform future service developments

In order to achieve these aims we have six strategic objectives, these are:

- To secure the contract for delivery of the Third Sector Interface for 2017 and beyond and ensure appropriate income to reflect the resources and activity required to deliver the service
- To retain current contracts with North Ayrshire Council and ensure effective delivery of outputs
- To enhance efficiency through effective management of costs and team productivity
- To ensure organisational structure and team skills are aligned to enable effective achievement of our aims and objectives
- To identify, secure and deliver an increasing portfolio of services that have the potential to generate surplus funds
- To evidence the impact of volunteering activity enabled through our service delivery

### **Achievements**

- Secured continuation funding for our employability programme Positive Steps with Partners.
- Secured funding to enable the Centenary anniversary of WW1 to be celebrated using virtual reality.
- Our Operations Manager received her Diploma in Management and Leadership
- Continue to offer a drop in Job club and IT class to help people improve their employment prospects
- Attracted over 700 people to our event during Volunteers Week V in the Park at Eglinton community Garden.
- Organised 5 funding surgeries throughout the year where 54 organisations met various funding bodies face to face to seek advice.
- Supported over 156 people with volunteering opportunities
- Supported over 100 community and voluntary organisations and social enterprises with a range of support.
- Conducted 46 Independent Examinations
- Offered basic bookkeeping to local groups.
- Held volunteering and Saltire workshops with over 200 young people.
- Two members of staff gained their qualification in Volunteer Management Training
- TACT became a Carer Positive Employer
- Supported Challenge Poverty week by providing cooking on a budget workshops at the Argyle Centre.
- One member of staff is in the process of completing her Diploma in Management and Leadership qualification.

### **Governance**

The Ayrshire Community Trust has a Board of Directors who governs the operation of the company. A Chief Executive Officer is employed to carry out the business and reports directly to Directors at Board meetings which are held at 6 weekly intervals. The CEO provides a report on progress of the various aspects of the Business along with a full financial report. Action minutes of all meetings are taken in accordance with our governing document.

In addition to the CEO a Finance Manager oversees all financial matters and also acts a Company secretary. Overseeing the day to day operation of the business is an Operations Manager. The Operations Manager also provides updates on specific areas of work in order to keep the Board abreast of developments and issues

As part of their duties two staff along with the OM oversee the work associated with the TSI Action Plan. Staff have other responsibilities in addition to their TSI work, for example: Eglinton Community Garden, Independent Examinations; supporting the Third Sector Forum; contributing to the newly formed Fairer Food initiative and the attendance at a variety of meetings.

All interventions associated with TSI work is recorded on MILO database, this information is used for monitoring and reporting purposes on a six monthly basis to the Scottish Government. A more in depth report is prepared based our service on an annual basis and again presented to the Scottish Government. A new recording and monitoring system is likely be put in place to evidence and demonstrate the impact the work associated with the TSI has.



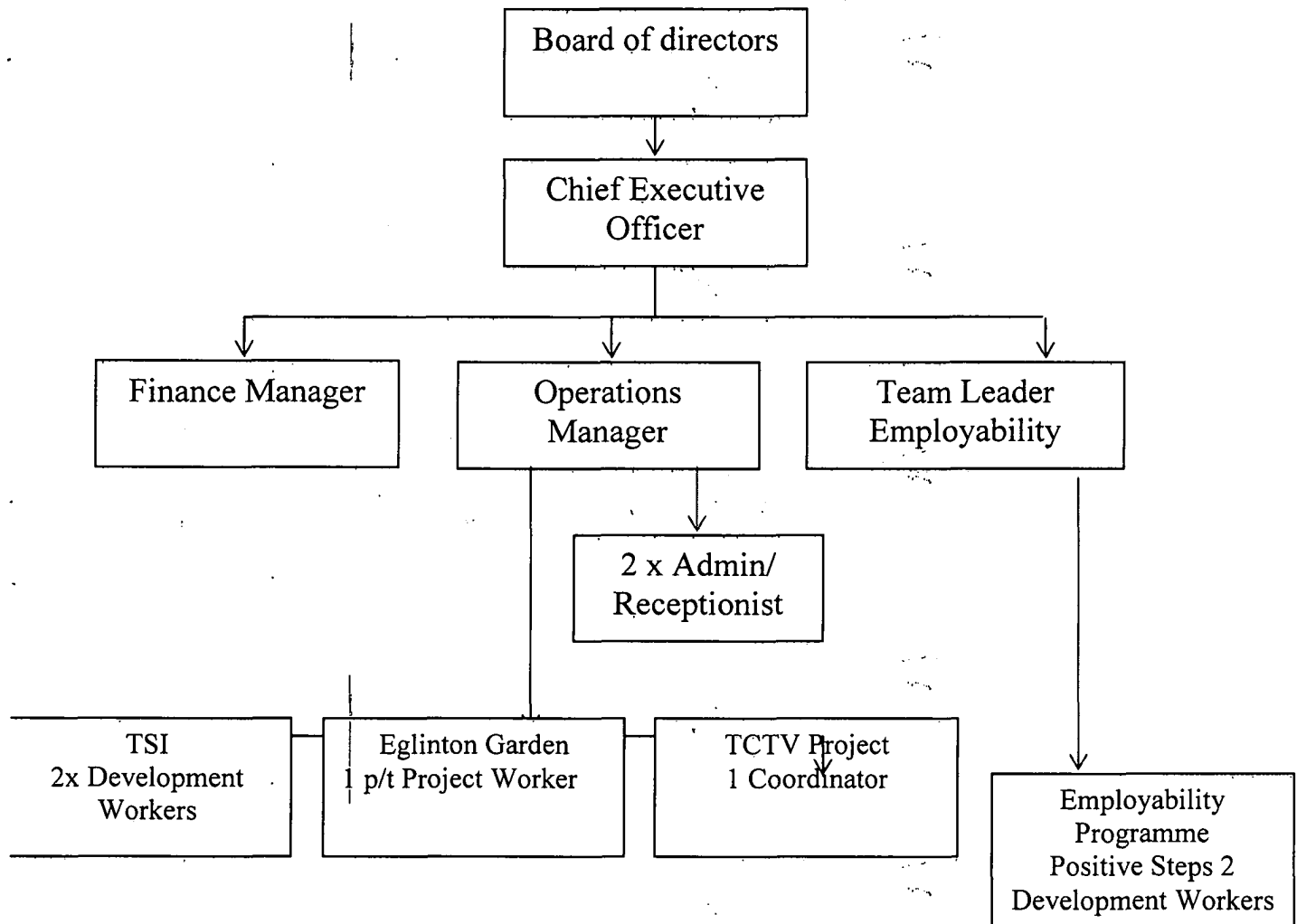
REPORT OF THE TRUSTEES (CONT'D)

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All other staff are employed under specific projects and follow appropriate and relevant monitoring process, this include Positive Steps with Partners, Link UP through Inspiring Scotland and the Recovery Officer through the Alcohol and Drug Partnership.

As per our Memorandum and Articles an Annual General Meeting is held every year which is open to all our members to attend. Board members are sought from the local community who have the required skill set and are interviewed and vetted by the Chair and Senior Management.

Structure

## REPORT OF THE TRUSTEES

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Members and Trustees

Under the Articles of Association, new Members of the Council of the Trust are appointed by the Trustees. The Members of the Council of the Trust are listed in the Legal and Administrative Information.

The Trustees are:

Kenneth Buchanan  
David Irving  
Michael Nellany  
Frances Tate  
Colin Wilson  
William Lamb

New Members of the Board of Directors are briefed on their legal obligations under company and charity law and on the management and operation of the Trust. To this end, they are given documents on the governance, management, finance and operation of the Trust and copies of recent general meetings and meetings of the Board of Directors, as appropriate. Upon application potential new Board members are offered an information pack and the opportunity to meet with both the CEO and Chair of the Board. Board members are invited to sit on the Board where skills and experience are relevant to the needs of the company.

Management

The Board of Directors, who met 6 times during the period of this report, are responsible for the financial management of the Trust, including approval of the budget, the Annual Report and Accounts, major policy issues arising from the Trust's activities and senior appointments.

The Board of Directors have a varied skill set as can be seen from the table below. Due to the varying aspects of The Ayrshire Community Trust Board members require a mix of skills. Directors are expected to meet their commitment of attending six weekly Board meetings as a minimum; they are also expected when the need arises to attend additional meetings and to be prepared to contribute effectively and prudently to the business in hand. In order to reduce risk the CEO will keep Board members up to date with any significant issue as will the Finance Manager.

Board members are expected to act in accordance with the requirements of our Memorandum & Articles.

## REPORT OF THE TRUSTEES

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Role	Name	Bio
Chairperson	Michael Nellany	Mike is a local lawyer having office premises in Saltcoats. He previously served on the Council for Voluntary Services Board on the mainland in North Ayrshire. Mike has been the Chair of TACT's Board since 2011. He is an active member of the community and served on the Board of the Moffat Trust for many years distributing grants to local organisations.
Treasurer	Ken Buchanan	Ken has been a member of the Board since 2005. Known previously as the Volunteer Centre North Ayrshire, Ken was Chair of the Board for the Volunteer Centre and has continued to be a committed member of TACT's Board of Directors. Ken was a very active volunteer with the Citizens Advice Service ( NACAS)
Board member	Colin Wilson	Colin has been a member of the Board since 2007. He has worked locally with NACAS until recently. His role involved tribunal representation. Colin has a wide range of experience of the voluntary sector and understands the issues vulnerable people face.
Board member	Frances Tate	Frances has been a member of the Board since 2010. Frances was a senior officer with Quarriers until retirement. Frances has been a Board member for a number of years and brings with her many years of experience in management. Frances lives locally and is a keen craftswoman.
Board Member	David Irving	David has just joined the Board having returned to Ardrossan after having lived in London for a number of years. David has experience in education practice working with schools, colleges and universities in London. David is also a trained coach. Having recently returned to North Ayrshire David is very active in his local community.
Board Member	William Lamb	William was a director with North Ayrshire CVS (Council for Voluntary Service) for 8 years and has a sound knowledge of the sector. During his working career William was an engineer with Roche and took an interest in becoming a shop steward. Due to his interest in voluntary work he started The Ayrshire Maritime Volunteer Service and was the commanding officer for 7 years. He also set up Coastwatch Scotland.

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## Financial Statements

### Financial review

The Ayrshire Community Trust continues to monitor its financial position very closely. Meetings with the Finance Manager and CEO are held regularly, our financial position is shared at Board meeting in order to keep Directors aware of our situation. All Projects are scrutinised in order to ensure they operate within their financial limitations. The timing of payments for contracted work can cause issues due to the source of funding but we are managing this situation as best we can.

The results for the year are set out in the Statement of Financial Activities, the balance Sheet and the Notes to the Financial Statements. The incoming resources were £591,322, of which £576,794 was from donations and grants: the total resources expended were £596,108.

In 2019-20, the Trust received core revenue support of £178,882 from the Scottish Government for TSI associated activities, and funding of £171,122 for a variety of projects from North Ayrshire Council.

Continued support by the Scottish Government, Inspiring Scotland and North Ayrshire Council allowed a range of other projects to proceed. These included the Positive Steps programme, and Alcohol and Drug Partnership.

### Reserves Policy

Currently The Ayrshire Community Trust does not have a Reserves Policy in place. However OSCAR are developing guidance on setting up a policy which TACT will take cognisance of and will develop a policy based on this over the next 12 months.

### Restricted Funds in Deficit

Due to the nature of our contracts with partners, in particular with the local authority, payment is often made in arrears; this has an impact on cash flow and our unrestricted funds resulting in the company paying for specific projects out with our usual business activity. Attempts have been made to address this however due to European legislation which is where some of our funding comes from payment needs to be made in arrears. It is therefore imperative that our unrestricted funds remain healthy, financial reports are presented at each Board meeting in order to keep Directors aware of any impending concerns.

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### Risk Management

The Business Plan includes an assessment of the major operational and financial risks to which the Trust is exposed. The Trustees will review and update these risks at every board meeting ensuring that the systems, the financial circumstances and actions are in place to mitigate the Trust's exposure to them.

The risk of the future of the TSI role has reduced recently after an agreement of funding was secured beyond 2018. The Third Sector Unit has communicated that the remit and role of the TSI will continue to be funded within this political term, We hope to secure a longer funding cycle agreement going forward when our new TSI Business Plan has been agreed.

A major risk to our company was the costs of overheads. The move to smaller premises has removed this risk as overheads are now drastically reduced giving us some security.

The Board and Senior members of staff are aware of the need to continue to generate income. In addition to the Scottish Government funding our only other income is generated from contracts in the main with the Local Authority. With the impending Brexit deal we are unclear as to how some of these contracts will be funded in the long term and therefore the need to continuously and consciously be aware of where new opportunities lie is imperative.

Our unrestricted funding has continued to support projects however we will be addressing this through the creation of business plans and looking to secure external funding to take these projects forward.

### Trustee Indemnity Insurance

The Company has trustee indemnity insurance.

## REPORT OF THE TRUSTEES

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Business Review and Future Developments

Our main focus remains on implementing our intentions as stated in the Business Plan 2017 -20 and ensuring we carry out the Third Sector Interface (TSI) Responsibilities.

The move to smaller premises has enabled us to have a more focused view on how we develop projects already in place and take time to consider areas for new development if relevant.

Eglinton Community Garden, Trinity Community Digital Hub and Positive Steps with Partners will be our focus over the coming year. Our "Be Inspired " Programme begins to address our desire to develop a Community Business Academy and some work has been undertaken to gain a better understanding of the business needs of the sector.

Community Benefits provide a real opportunity for the sector, however uptake is very poor, and we therefore need to find a way to address this.

Ensuring good communication exists between TACT and the sector is paramount, in order to improve this we intend to share information through our web site in relation to the strategic direction of community planning partners, this will enable the sector to be kept up to date and will help to build stronger relationships.

Our Newsletter also provides a beneficial way to inform the sector and numbers signed up to receive this continually increases.

The past year has been a very difficult period for the third sector in North Ayrshire, numerous third sector organisations have lost funding and have withdrawn from the area, and this not only creates gaps in services but can also put additional pressures on other organisations to fill those gaps. It is imperative TACT staff associated with any contracts are able to demonstrate impact and are compliant with expectations of the contract.

It is important that our business developments fit with our core purpose but also can sit alongside the intended outcomes of the LOIP (Local Outcome Improvement Plan)

Never before has partnership working been so important it is therefore important that our developments complement other developments providing opportunities for collaboration

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Plans for Future Periods

The principal objectives of TACT during the next trading year will be to...

Continue to develop work associated with Positive Steps with Partners by identifying other partners who can offer positive work experiences to participants and where there are real opportunities for job outcomes.

Focus business developments on TCTV and the Community Garden at Eglinton Country Park. Both of these projects could have the potential for income generation however time is required to identify a robust business model and secure funding.

Continue to develop the Community Business Academy model by submitting a Stage 2 application to Aspiring Communities fund.

Ensure we meet the requirements of our TSI role and achieve outcomes contained within our Business Plan, our Business Plan will be closely monitored by our Board of Directors and the Scottish Government.

Ensure we engage effectively with the third sector and support the development of a strong robust third sector, we are currently looking at mechanisms which will enable us to engage effectively and efficiently with all organisations in the sector, from larger social enterprise to small local voluntary organisations. All third sector organisations have an important role to play in making North Ayrshire a better place to live.

Continue to identify new opportunities for growth which fits with our Business Plan and brings added value to our ethos, culture and charitable aims.



## REPORT OF THE TRUSTEES

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Statement of Trustees' Responsibilities

The Trustees (who are also the Directors of the Trust for company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with United Kingdom Accounting Standards comprising FRS102 The Financial Reporting Standard applicable in the UK and applicable law (United Kingdom Generally Accepted Accounting Practice).

Company law requires Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of the resources, including the income and expenditure of the charity for that period. In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities' Statement of Recommended Practice;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006, Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The applicable law also sets out the Trustees' responsibilities for the preparation and content of the Report of the Trustees.

The Trustees are responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information needed by the auditor in connection with preparing their report; and
- the trustees have each taken all steps that they are obliged to take in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Small Company Exemptions

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Auditor

A resolution to reappoint John Kerr & Company as auditors to the Trust will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the small company regime S419CA2006.

ON BEHALF OF THE TRUSTEES

Chairman

Date

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2020

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		General	Restricted	Total	Prior Year
	Note	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
		£	£	£	£
<u>Incoming Resources</u>					
Funding – Public Authorities		230,031	346,763	576,794	570,470
<u>Income from Operating Activities</u>					
Activities in furtherance of aims		7,439	7,089	14,528	11,738
Investment Income		-	-	-	-
		237,470	353,852	591,322	582,208
<u>Total Incoming Resources</u>	4				
<u>Charitable Expenditure</u>					
Cost of Activities in furtherance					
Of the charity's objectives		188,444	406,165	594,609	551,910
Management & Administration					
Of the charity		641	859	1,500	3,155
		189,085	407,024	596,108	555,065
<u>Total Resources Expended</u>	5				
<u>Net (Deficit)/Surplus for the Year</u>		48,385	(53,172)	(4,786)	27,142
Gross Transfer between funds	3	-	-	-	-
Total Funds brought forward		122,075	(13,733)	108,342	81,200
		170,460	(66,905)	103,555	108,342
<u>Total Funds carried forward</u>					

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

BALANCE SHEET  
AS AT 31 MARCH 2020

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	Note	<u>2019</u> £	<u>2019</u> £
<u>Fixed Assets</u>			
Tangible Assets	8	5,238	376
<u>Current Assets</u>			
Cash & Bank Balances		102,207	120,263
Prepaid costs		2,509	532
		<u>104,716</u>	<u>120,795</u>
<u>Creditors: Amounts falling due within one year</u>	9	(6,399)	(12,829)
		<u>98,317</u>	<u>107,966</u>
<u>Net Current Assets/(Liabilities)</u>			
		<u>103,555</u>	<u>108,342</u>
<u>Capital &amp; Reserves</u>			
General Funds		170,460	122,075
Restricted Funds		(66,905)	(13,733)
		<u>103,555</u>	<u>108,342</u>

These accounts have been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

These financial statements were approved and authorised for issue by the Trustees on 12 June 2020 and are signed on their behalf by

Michael Nellany  
Trustee

Agnes Smith  
Company Secretary

12 June 2020

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

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1 Legal Status

The Trust is a company not having a share capital but with the liability of its members limited by guarantee. In the event of the Trust being wound up, each member may be required to contribute the maximum of £1. At 31 March 2020 there were 5 members (2019 – 5).

2 Accounting Policies

- a) The financial statements have been prepared in accordance with Financial Reporting Standard 102, as issued by the Financial Reporting Council, the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (As amended)
- b) Depreciation: Depreciation is calculated on the reducing balance basis at the following rates:-  
Office Equipment 25%  
Plant and Equipment 25%
- c) Income: all income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.
- d) Expenditure: expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.
- e) Funding income is recognised as it becomes receivable, and is matched, where appropriate, to related project expenditure. Expenditure is recognised and allocated to the particular fund to which it relates in line with the terms of the grant provided for that fund.
- f) Interest receivable is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the Bank.
- g) Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Such costs include back office costs, personnel, payroll and governance costs which support the Trust's programmes and activities.
- h) Creditors and provisions: creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.
- i) Cash Flow Statement: The Trust satisfies the criteria for a small company under the Companies Act 2006 and accordingly a cash flow statement is not presented.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

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## Note 3

	<u>Core Funding</u>	<u>TCTV</u>	<u>Positive Steps</u>	<u>H &amp; SCP</u>	<u>Inspiring Saltcoats</u>	<u>Inspiring Kilmarnock</u>	<u>Community Garden</u>	<u>Aspiring Comm</u>	<u>ADP</u>	<u>Total</u>
	£	£	£	£	£	£	£	£	£	£
<u>Income from</u>										
<u>Charitable Aims</u>										
Scottish Government					618			50,258		50,258
North Ayrshire Council	39,267	20,000	101,400				9,837			171,122
AVCS Core Funding	188,882			15,000						203,882
Inspiring Scotland					83,205	66,445				149,650
Energy Saving Grant	1,882									1,882
<u>Income from Trading Activity</u>										
Training Services	410				1,680	55				2,145
Room Hires	1,885									1,885
Independent Examination Fees	2,185									2,185
Town Centre TV		2,223								2,223
Management Fees	38,901		(9,109)		(16,827)	(7,928)		(5,037)		-
Donations	2,959	3,131								6,090
<u>Unrestricted Income</u>										
Bank Interest Income										
<b>Total Income</b>	<b>276,371</b>	<b>25,354</b>	<b>92,291</b>	<b>15,000</b>	<b>68,676</b>	<b>58,572</b>	<b>9,837</b>	<b>45,221</b>	<b>-</b>	<b>591,322</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

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## Note 4

	Core Funding £	TCTV £	Positive Steps £	H.& SCP £	Inspiring Saltcoats £	Inspiring Kilmarnock £	Community Garden £	Aspiring Comm £	ADP £	Total £
<b>Expenditure</b>										
Project Costs	14,960	2,173	20,269		8,394	10,010	1,539	2,661		60,006
Salary Costs	188,900	21,360	66,617	11,525	62,980	47,568	3,671	39,319		441,940
Pension Costs	9,093	1,118	3,424	583	3,593	1,943		2,338		22,092
Members & staff expenses	1,360	468	392	333	1,585	492	174	768		5,572
Property repairs	4,260	115								4,375
Rent & rates	3,762	425	1,327	230	1,254	947	73	783		8,801
Utilities & insurance	9,240	1,045	3,259	564	3,081	2,327	180	1,923		21,619
Stationery & computer	5,514	624	1,945	336	1,839	1,389	107	1,147		12,901
Conferences & training	2,490		1,809		200					4,499
Other professional fees	3,041	344	1,072	185	1,014	766	59	633		7,114
Subscriptions	559		50							609
Depreciation	746	84	263	46	249	188	15	155		1,746
Miscellaneous expenses	964	161	503	87	475	360	28	756		3,334
Accountancy	641	73	226	39	214	161	13	133		1,500
<b>Total Expenditure</b>	<b>245,530</b>	<b>27,990</b>	<b>101,156</b>	<b>13,928</b>	<b>84,878</b>	<b>66,151</b>	<b>5,859</b>	<b>50,616</b>	<b>-</b>	<b>596,108</b>
<b>Net Movement in Funds</b>	<b>30,841</b>	<b>(2,636)</b>	<b>(8,865)</b>	<b>1,072</b>	<b>(16,202)</b>	<b>(7,579)</b>	<b>3,978</b>	<b>(5,395)</b>	<b>-</b>	<b>(4,786)</b>
<b>Transfer between funds</b>										
<b>Opening balance</b>	<b>139,621</b>	<b>(30,159)</b>	<b>(11,827)</b>	<b>15,212</b>	<b>1,377</b>	<b>5,381</b>	<b>(26,167)</b>	<b>2,778</b>	<b>12,128</b>	<b>108,342</b>
<b>Closing balance</b>	<b>170,462</b>	<b>(32,795)</b>	<b>(20,692)</b>	<b>16,284</b>	<b>(14,825)</b>	<b>(2,198)</b>	<b>(22,189)</b>	<b>(2,618)</b>	<b>12,128</b>	<b>103,557</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

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5 Employee Numbers

The average number employed by the Trust during the year was 21. (2019: 19)

6 Employee Costs

	<u>2019</u>	<u>2019</u>
	£	£
Salaries & Wages	408,032	383,121
Social Security Costs	33,908	29,155
Pension Costs	22,092	17,381
	<u>464,032</u>	<u>429,657</u>

No Trustees have received reimbursement of expenses in the course of their work as Trustees during the year.

The Charity Trustees were not paid and did not receive any other benefits from employment with the Trust in the year, (2019: NIL) neither were they reimbursed expenses during the year (2019: NIL). No Charity Trustee received payment for professional services or other services supplied to the charity (2019: NIL).

No employee received remuneration in excess of £60,000 (excluding pension costs) during either 2019 or 2020.

Pension costs have been allocated across restricted and unrestricted funds in line with the associated other personnel costs for each project.

NOTE TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

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7 Tangible Fixed Assets

	<u>Plant &amp; Equipment</u> £	<u>Office Equipment</u> £	<u>Total</u> £
<u>Cost</u>			
At 31 March 2019	-	50,834	50,834
Additions	4,517	2,091	6,608
At 31 March 2020	4,517	52,925	57,442
<u>Depreciation</u>			
As at 31 March 2019	-	50,458	50,458
Charge for Year	1,129	617	1,746
As at 31 March 2020	1,129	51,075	52,204
As at 31 March 2020	3,388	1,850	5,238
As at 31 March 2019	-	376	376

8 Taxation

The Charity is exempt from tax on income and gain falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.



NOTE TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

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9 <u>Creditors: Due Within One Year</u>	<u>2020</u>	<u>2019</u>
	£	£
Accrued expenses	1,500	4,244
PAYE/NIC	(99)	8,585
Pension Costs	4,267	-
Other creditors	731	-
	<u>6,399</u>	<u>12,829</u>

10 Capital Commitments

There are no capital commitments at the year end.

11 Related Parties

There are no related parties on which to report.

12 Operating Deficit

Net Deficit is stated after charging

	<u>2020</u>	<u>2019</u>
	£	£
Auditors Remuneration - Audit	1,500	1,500
Depreciation of tangible fixed assets	1,746	126

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE AYRSHIRE COMMUNITY TRUST

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**Opinion**

We have audited the financial statements of The Ayrshire Community Trust for the Year Ended 31 March 2020 which comprise the Statement of Financial Activities, (incorporating the income and expenditure account), the Balance Sheet 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Standard applicable in the UK and Republic of Ireland" and applicable law (United Kingdom Generally Accepted Accounting Practice)

In our opinion, the financial statements:-

- give a true and fair view of the state of the Trust's affairs as at 31 March 2020 and of its income and expenditure for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under these 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 Trust in accordance with ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and the provisions applicable for small entities, and we have fulfilled our 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 audit opinion.

**Material Uncertainty Related to Going Concern**

The charitable company, in common with many similar charities, are reliant upon both national and local government funding to cover core activity costs in any year. As at the date of the report, this funding amount is uncertain due to the effect of the COVID 19 pandemic.

This matter does not alter our opinion of the financial statements as presented above.

In auditing the financial statements we have concluded that the director's use of the going concern basis is appropriate. Our evaluation of the directors assessment of the entity's ability to continue to adopt the going concern basis of accounting included a review of income received since the year end and discussion with directors to ascertain the availability of funding in future from the major providers of funds.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE AYRSHIRE COMMUNITY TRUST

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**Other Information**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditors Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material misstatement in the financial statements or material misstatement of the other information. If, based on the work we have performed, we conclude that there is material misstatement of this other information we are required to report that fact.

- We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements and
- the Directors' Report included within the Trustees' Report, has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us:- or
- the financial statements are not in agreement with the accounting records and returns:- or
- certain disclosures of Trustees' remuneration specified by law are not made:- or
- we have not received all the information and explanations we require for our audit:- or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE AYRSHIRE COMMUNITY TRUST

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**Responsibilities of the Trustees**

As explained more fully in the Trustees responsibilities statement set out on page 15 the Trustees (who are the directors for the purposes of company law and trustees for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

In preparing the financial statements, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustees Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect there under.

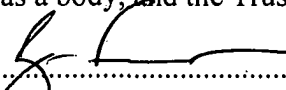
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors Report.

**Use of our Report**

This report is made solely to the Trust's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006 and to the Trust's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) regulations 2006.

Our audit work has been undertaken so that we might state to the Trust's members, as a body, and the Trust's Trustees, as a body, those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust, the Trust's members, as a body, and the Trust's Trustees, as a body for our audit work for this report, or for the opinion we have formed.

  
Bruce Fairgrieve BSc CA  
Senior Statutory Auditor  
On behalf of John Kerr & Company  
Chartered Accountants and Registered Auditors  
32a Hamilton Street  
Saltcoats  
KA21 5DS

10-7-2020  
10 July 2020  
