

CHARITY NUMBER: SC028874
COMPANY NUMBER: SC219307

THE AYRSHIRE COMMUNITY TRUST
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2022



JOHN KERR & COMPANY
CHARTERED ACCOUNTANTS

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REPORT OF THE TRUSTEES

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Legal and Administrative InformationConstitution

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 – Resigned 9 June 2021)
David Irving	(Resigned 20.10.2020)
Michael Nellany	
Frances Tate	
Colin Wilson	(Resigned 29.04.2020)
William Lamb	(Resigned 21.09.2020)
Philip Vann	(Appointed 29.04.2020 - Resigned 05.10.2020)
Iain McGachie	(Appointed 29.04.2020)
David Mann	(Appointed 15.07.2020)
David Dugan	– (Appointed 9 June 2021) – (Company Secretary)
Elaine Smith	(Appointed 9 June 2021)

The number of Trustees shall be not less than 3 and not more than 15.

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.

REPORT OF THE TRUSTEES

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Registered Office and Principal Place of Business

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

Objectives & Activities

The objectives 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 2022 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

The charity meets the definition of a public benefit entity.

REPORT OF THE TRUSTEES

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Achievements and Performance and Chairs' Report

I am delighted to report another successful year despite some continued challenges we all faced in relation to COVID-19. Staff have continued to show a significant amount of dedication, empathy, kindness and a huge amount of understanding for the work we do and the communities we serve. Staff continue to embrace the new ways of working, offering a better work life balance but ensuring we are delivering services that meet the needs of our communities. Our staff and volunteers continue to show a great amount of resilience, the same as the groups and organisations we have been supporting and continue to support to make our communities a better place and deliver the services local people require.

TACT continue to recognise their strongest asset is their staff, we continue to have an excellent staff absence record and staff retention rate. Each year we continue to engage with staff on any concerns and worries they may have and we take on board their thoughts and any ideas that work for our organisation. We have continued to review safety measures frequently throughout the year to reduce the risk of infection and to reassure staff that their welfare is our top priority.

We continue to lease two electric vehicles thanks to Funding from North Ayrshire Council through their Low Emissions Vehicle Funding. These vehicles have allowed us to continue to provide quality services throughout North Ayrshire. These vehicles are well used by our staff team who are seeing an increase in some face to face meetings and events taking place. This has certainly allowed us to make small changes which ultimately has enabled us to reduce our carbon footprint over the last few years. This is something we want to focus on over the next couple of years.

We continue to work alongside our partners at Eglinton Community Garden. This fantastic space proved to be a live line for our Employability Project, Positive Steps and many others that have been involved over the last twelve months. We have seen an increase in a number of returning volunteers since the beginning of the pandemic and also been fortunate to welcome a few new volunteers to the team. We now have 13 active volunteers attending between 8am and 2pm on Monday to Wednesday each week. We have also welcomed a Garden Assistant to the team through the Long-Term Unemployed initiative from North Ayrshire Council.

This will increase the capacity within the Community Garden for a period of 26 weeks whilst supporting someone to gain practical experience within a Garden setting.

TACT Digital continues to offer a range of high-quality digital services including the creation of websites, animation and virtual reality environments to local organisations. This includes supporting and training volunteers with a range of tasks including research, character illustrations and production of interactive 3D models. TACT Digital have delivered a series of Virtual Reality sessions to support mental health and wellbeing and also produced a Virtual Reality video to highlight everyday challenges faced by neurodivergent individuals.

Positive Steps with Partners has continued to offer a very flexible and adaptable approach to how they deliver their services based on the needs of the participants. Some notable services supported and delivered by the team include Cooking on a Budget sessions, Life Coach appointments, Volunteering Placements, Health Walks and Mental Health Awareness sessions. They have supported 38 individuals to complete virtual personal development sessions and are continuing to widen the reach for suitable participants. Saltcoats Link Up has had another extremely busy year, supporting 15 groups and initiatives locally. Eight of these groups meet on a weekly basis.

REPORT OF THE TRUSTEES

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The staff team have facilitated 253 face to face sessions over the last twelve months. They have also dedicated intensive support to four community wide initiatives, these include gardening and open space enhancement, high street refurbishment, food poverty and equitable access to low-cost nutritious food and suicide awareness and prevention. Saltcoats Link Up have attracted over 100 new group participants during this period and have enable 28 new volunteers to contribute to their local community.

The Community Shop had 60 members signed up (*including individuals, couples and families*) at the end of March 2022. We are looking forward to welcoming a new full time Community Development Worker to the team to support the project as it develops and expands.

TACT continues to deliver the Third Sector Interface (TSI) role alongside our partners Arran Community and Voluntary Service. Staff continue to achieve the outcomes set out in our Business Plan. Our current funding from the Scottish Government is in place up until March 2023. Unfortunately, there continues to be no uplift or change to the level of funding since the creation of the TSI's back in 2011.

Achievements

- Like every year we look to recognise and reward local Volunteers during the nationwide Volunteers Week campaign. The staff team spent a lot of time planning this years Event and decided that due to continued restrictions we should organise an online 'Oscars' Award Ceremony. This enabled us to recognise and highlight the great work of so many wonderful volunteers across the communities of North Ayrshire. We secured vital sponsorship which allowed the team to purchase a selection of products and create 'goody' bags for every nominated volunteer. All category winners received a hamper full of fantastic items which they thoroughly deserved for their hard work and dedication to making a difference locally.
- The Ayrshire Community Trust introduced their own Adult Volunteering Recognition Award for individuals volunteering in North Ayrshire over the age of 25. This award is something that complements the nationwide Saltire Award but now enables us to recognise individuals of all ages throughout the year. The AVRA Award is supported by the Leader and Provost of North Ayrshire Council who have agreed to show their support by signing the certificates for our local volunteers.
- The Ayrshire Community Trust continues to be Anchor Institution supporting a new economic strategy with regional partners across Ayrshire. We continue to be involved in the Community Wealth Building Commission, the Lead Officers Group and the three workstreams which focus on Procurement, Land and Assets and Fair Employment. We are keen to ensure the 3rd Sector in North Ayrshire are fully involved and are able to contribute to the development of the CWB Strategy. The first step in this process was to commission research to scope the capacity of the Third Sector within North Ayrshire and identify areas of strength, potential collaboration and specific opportunities aligned to the Community Wealth Building Pillars. This Research is well underway and we hope to work alongside North Ayrshire Council to create a Joint Action Plan that will be reviewed at regular intervals.
- Supported 4 local organisations with the creation of their website and ongoing support and staff training.

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- Hosted 14 Network Forums providing the sector with training and funding information & service updates amongst others.
- Carried out 43 Independent Examinations for local organisations.
- Enabled 119 individuals from local groups and organisations to sign up and participate in 3rd Sector Networking Forums.
- Worked with our Third Sector Interface partner, Arran CVS to help distribute £813,346 of Communities Mental Health and Wellbeing Funding. This enabled 55 organisations to gain financial assistance.
- Dispersed £15,000 of Funding from the Moffat Trust to 15 local groups and organisations to continue to support COVID related activity.
- Worked with North Ayrshire Council, Connected Communities staff to disperse £67,000 of Community Based Adult Learning Funding to 30 local organisations to support local adult learning recovery needs across North Ayrshire.
- Sent out 78 e-bulletins to 720 recipients in the sector containing information on funding, training, employment opportunities and events.
- Registered 111 new groups and organisations onto our MILO database system and offered them a range of support.
- Enabled 219 individuals from local groups and organisations the opportunity to access our new Training Programme which included Governance, Funding, PVG, Volunteer Management, Zoom Training, Book-Keeping CPOP, Measuring Impact and more.
- Supported 109 local groups and organisations with a range of topics including Governance, Constitution Support, Charity Registration, Volunteer Recruitment, Funding Support and Charity Dissolution.
- We have supported and facilitated 86 young people to receive their Saltire Award which recognises the value of their time spent volunteering.
- We have registered 130 individual volunteers and supported 95 of them to find a suitable volunteering placement supporting their local community.
- We have a SLACK Engagement Channel which has 17 thematic channels that are updated regularly with a membership of 73 local groups and organisations.
- We held 7 Funding Surgeries giving local groups and organisations direct contact with national funders, 41 local groups and organisations have benefitted from these sessions.
- Social Media reach:
 - We have 2,589 followers on Facebook
 - We have 1,604 followers on Twitter
 - We have had 9,069 views on our website over the last twelve months
- 100 new group participants accessed support from Saltcoats Link Up staff.
- 79 local people signed up for the new Adult Volunteer Recognition Award (AVRA) and received a certificate to acknowledge their contribution.

REPORT OF THE TRUSTEES

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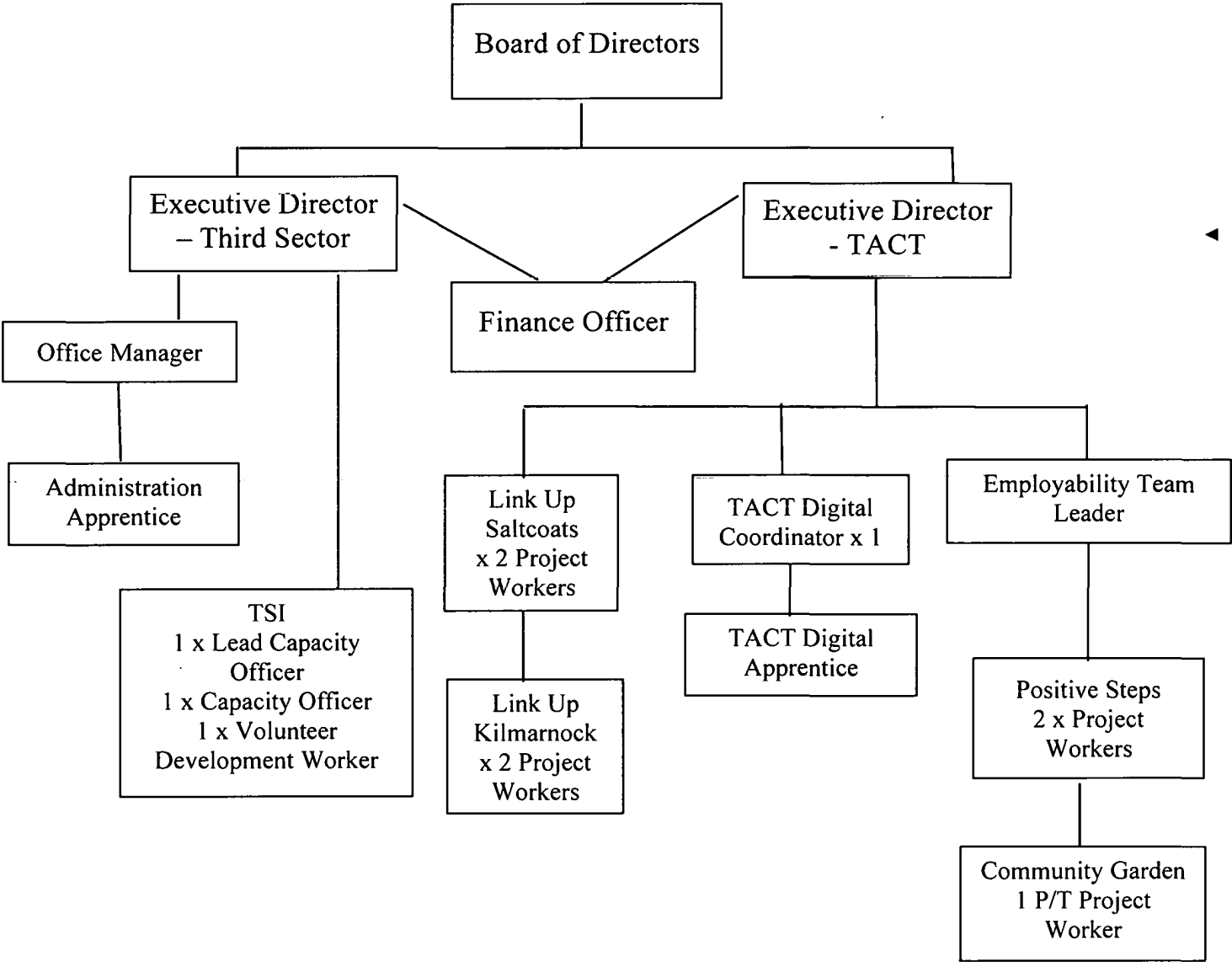
Plans for Future Periods

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

1. 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.
2. Continue our involvement with the Community Wealth Building agenda in order to identify opportunities for our own company and the wider third sector.
3. Ensure we meet the requirements of our TSI role and achieve outcomes contained within our Business Plan.
4. Continue to support and engage effectively with the third sector and support the development of a strong robust sector. All third sector organisations have an important role to play in making North Ayrshire a better place to live.
5. 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

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.

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 Executive Director 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 eight times during the period of this report, are responsible for the financial management of TACT, including approval of the budget, the Annual Report and Accounts, major policy issues arising from the organisations activities and senior appointments.

Due to the varying aspects of The Ayrshire Community Trust, Board members require a mixture of skills and expertise. 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 be prepared to contribute effectively and prudently to the business in hand. In order to reduce risk, the Executive Director will keep Board members up to date with any significant issues 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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Financial review

The Ayrshire Community Trust continues to monitor its financial position very closely. Meetings with the Finance Manager and Executive Director 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 £774,957, of which £743,371 was from donations and grants: the total resources expended were £701,705.

In 2021-22, the Trust received core revenue support of £178,882 and project funds of £192,863 from the Scottish Government for Link Up Projects and Community Based Adult Learning Funds, and funding of £326,693 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 TACT Digital Project.

As a result of the above, the charity held unrestricted reserves of £176,118 at the year end (2021: £92,533) and restricted reserves of £71,667 (2021: £82,000).

Going Concern

The Trustees have considered the availability of current and future funding for at least 12 months from the date of this report and have concluded that it is appropriate to adopt the going concern approach to the presentation of these financial statements.

Reserves Policy

The company are working towards achieving a reserve of the equivalent of three months' salary which they hope to achieve within a five-year period. During this accounting period, the charity was able to allocate £28,000 to our reserves and remain committed and focussed on addressing these funds over the coming years.

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.

At the current year end no restricted funds are in deficit.

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 (United Kingdom Generally Accepted Accounting Practice) and applicable law.

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.

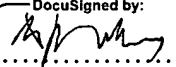
In so far as the trustees are aware at the time of approving our trustees' annual report:

- 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.

Auditor

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

ON BEHALF OF THE TRUSTEES

DocuSigned by:

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6 October 2023

Michael Nellamy

THE AYRSHIRE COMMUNITY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022

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	Note	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Prior Year Total Funds £
<u>Income & Endowments From:</u>							
Charitable Activities		315,266	428,105	743,371	283,844	505,059	788,903
Other Trading Activities		31,586	-	31,586	39,167	-	39,167
Total Income	3	346,852	428,105	774,957	323,011	505,059	828,070
<u>Expenditure on:</u>							
Charitable Activities		300,267	398,104	698,371	291,095	464,462	755,557
Other Trading Activities		3,334	-	3,334	714	821	1,535
Total	3	303,601	398,104	701,705	291,809	465,283	757,092
Net Income/(Expenditure)		43,251	30,001	73,252	31,202	39,776	70,978
Gross Transfer between funds		40,334	(40,334)	-	(121,257)	121,257	-
Net movement in funds		83,585	(10,333)	73,252	(90,055)	161,033	70,978
<u>Reconciliation of funds</u>							
Total Funds brought forward		92,533	82,000	174,533	182,588	(79,033)	103,555
Total Funds carried forward		176,118	71,667	247,785	92,533	82,000	174,533

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 2022

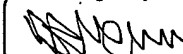
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	Note	<u>2022</u> £	<u>2021</u> £
<u>Fixed Assets</u>			
Tangible Assets	6	11,032	10,863
<u>Current Assets</u>			
Cash & Bank Balances		186,485	185,122
Debtors	8	77,134	11,404
		<u>263,619</u>	<u>196,526</u>
<u>Creditors: Amounts falling due within one year</u>	9	<u>(26,866)</u>	<u>(32,856)</u>
<u>Net Current Assets/(Liabilities)</u>		236,753	163,670
<u>Total Net Assets</u>		<u>247,785</u>	<u>174,533</u>
<u>Capital & Reserves</u>			
Unrestricted Funds	13b	176,118	92,533
Restricted Funds	13b	71,667	82,000
		<u>247,785</u>	<u>174,533</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 6 October 2023 and are signed on their behalf by

DocuSigned by:



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David Mann

Trustee

DocuSigned by:



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Michael Nellany

Company Secretary

6 October 2023

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2022

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	<u>2022</u> £	<u>2021</u> £
Cashflows from Operating Activities		
Net income/(expenditure for the reporting period (as per statement of financial activities))	73,252	70,978
Depreciation charges	3,677	3,621
(Increase)/decrease in debtors	(65,730)	(8,895)
Increase/(decrease) in creditors	(5,990)	26,457
	—	—
Net cash provided by (used in) operating activities	<u>5,209</u>	<u>92,161</u>
Cashflow from investing activities		
Purchase of property, plant and equipment	(3,846)	(9,246)
	—	—
Net cash provided by (used in) investing activities	<u>(3,846)</u>	<u>(9,246)</u>
Change in cash and cash equivalents in the reporting period	<u>1,363</u>	<u>82,915</u>
Cash and cash equivalents at the beginning of the reporting period	<u>185,122</u>	<u>102,207</u>
Cash and cash equivalents at the end of the reporting period	<u><u>186,485</u></u>	<u><u>185,122</u></u>
Analysis of cash and cash equivalents		
Cash at bank	<u>186,485</u>	<u>185,122</u>
Being:		
Unrestricted	159,001	86,734
Restricted	27,484	98,388
	—	—
	<u><u>186,485</u></u>	<u><u>185,122</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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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 2022 there were 5 members (2021 – 5).

2 Accounting Policies

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) and the Companies Act 2006.

The Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the Trust's transactions are denominated.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Trustees to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3a.

Going Concern

The Trustees are of the opinion that the charitable company can meet its obligations as they fall due for the foreseeable future. The Trustees are aware of the Trust's cash flow position and forecasts and are satisfied that these are reasonable. The Trustees also considered the effect of the COVID 19 pandemic and are satisfied that the actions taken have addressed this issue. On this basis the Trustees consider it appropriate to prepare the financial statements on the going concern basis.

Volunteers

The Trust does not rely on the work of volunteers in any material context.

Grants Received

Income from grants, including capital grants, is included in incoming resources when the Trust has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably. The exception to this where the Trust has to fulfil conditions before becoming entitled to the grant or where the donor has specified that income is to be expended in a future period. In these circumstances income is deferred until those periods.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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Interest Received

Interest is included when receivable and the amount can be measure reliably by the Trust, this is normally upon notification of the interest paid or payable by the Bank.

Income from Trading Activities

Income from room hires and independent examinations is recognised when invoiced.

Resources Expended

Resources expended are recognised when a legal or constructive obligation arises.

Other Trading Activities

Expenditure on other trading activities is recognised when a legal or constructive obligation arises

- Charitable expenditure comprises costs incurred by the Trust in the delivery of its activities and services
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Trust and include costs linked to the strategic management of the Trust.
- The charity is not registered for VAT, therefore, all costs include VAT where relevant.

Fixed Assets and Depreciation

Fixed assets are stated at cost, less any provision for impairment.

Impairment of assets is considered annually, based upon usage and condition of assets.

Depreciation is provided on fixed assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life as follows:-

Plant	- 25%
Office Equipment	- 25%

Pension Costs

Employees are entitled to join the stakeholder pension scheme. Contributions from employees and employer are recognised as they fall due. This is a defined contribution scheme meeting government requirements.

Prepayments

Prepayments are recognised where costs have been paid for a future period.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and balance with banks.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired. They are recognised the undiscounted amount owed to the supplier, which is normally the invoice price.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 202216

FundsUnrestricted general funds

These are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

Restricted Funds

These are funds that can only be used for particular restricted purposes within the objects of the Trust. Restrictions arise when specified by the donor or when the funds are raised for particular purposes.

Operating Leases

Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Grants

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award.

The notification gives the recipient a reasonable expectation that they will receive the one year or multi year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Trust. There were no multi year grants awarded in the year and none of the grants awarded had conditions attached.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

Employee Benefits

Short term benefits, including holiday pay are recognised as an expense in the period in which the service is received.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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Note 3Statement of Financial Activity – Current Year

	Unrestricted £	TACT Digital £	Employability Positive Steps £	Health & Social Care £	Saltcoats Inspiring Scotland £	Kilmarnock Inspiring Scotland £	Community Garden £	(Be Inspired) Aspiring Communities £	Hosting £	Moyen £	Total £
<u>Income</u>											
<u>Charitable Activities</u>											
Scottish Government – Core Funds	178,882										178,882
NAC -Core Funds	28,241										28,241
NAC – Project Funds	90,628	26,278	135,678				10,600		20,000	7,750	290,934
NAC – Vehicle Grants	7,518										7,518
Scottish Government – Project Funds					84,650	41,213			67,000		192,863
EAC – Project Funds											-
Moffat Trust									34,937		34,937
Green Health Scheme	4,695										4,695
Participatory Budget	3,200										3,200
<u>Income from trading activity</u>											
Room Hires	60										60
Independent Examination Fees	4,360										4,360
Management Fees	27,167										27,167
Donations	2,100										2,100
<u>Unrestricted Income</u>	346,851	26,278	135,678	-	84,650	41,213	10,600	-	121,937	7,750	774,957
<u>Total Income</u>	346,851	26,278	135,678	-	84,650	41,213	10,600	-	121,937	7,750	774,957

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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Note 3 (continued)Statement of Financial Activity (continued) – Current Year

	Core Funding £	TACT Digital £	Employability Positive Steps £	Health & Social Care £	Saltcoats Inspiring Scotland £	Kilmarnock Inspiring Scotland £	Community Garden £	(Be Inspired) Aspiring Communities £	Hosting £	Moyen £	Total £
Project costs	22,456	1,324	14,262		6,054	12,164	10,579		77,694	7,750	152,283
Salary costs	213,638	31,127	83,666		64,906	41,357					434,694
Pension costs	10,147	1,287	4,298		3,560	1,805					21,157
Staff & Travel costs	2,733		807		975						4,515
Property repairs	2,570										2,570
Rent and rates	8,499				3,313	2,188					14,000
Utilities and insurance	23,426					603					24,029
Stationery/comp. consumables	11,040					253					11,293
Other professional fees	2,603				230						2,833
Subscriptions	967										967
Depreciation	3,003	674									3,677
Accountancy	2,520										2,520
Management Fees			11,328		8,018	4,805			3,016		27,167
Total Expenditure	303,601	34,412	114,361	-	87,056	63,235	10,579	-	80,710	7,750	701,705
Net Movement in funds	43,251	(8,134)	21,317	-	(2,406)	(22,022)	-	-	41,227	-	73,252
Transfer between funds	40,334	888	(10,409)	(16,284)	7,606	(7,767)	(21)	(13,668)	(679)	-	-
Opening Balance	92,533	10,793	12,557	16,284	(1,180)	29,789	-	13,668	89	-	174,533
Closing Balance	176,118	3,547	23,465	-	4,020	-	-	-	40,637	-	247,785

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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Note 3Statement of Financial Activity – Prior Year

	<u>Unrestricted</u>	<u>TACT</u>	<u>Employability</u>	<u>Health</u>	<u>Saltcoats</u>	<u>Kilmarnock</u>	<u>Community</u>	<u>(Be Inspired)</u>		
	<u>£</u>	<u>Digital</u>	<u>Positive</u>	<u>& Social</u>	<u>Inspiring</u>	<u>Inspiring</u>	<u>Garden</u>	<u>Aspiring</u>	<u>Hosting</u>	<u>Total</u>
		<u>£</u>	<u>Steps</u>	<u>Care</u>	<u>Scotland</u>	<u>Scotland</u>	<u>£</u>	<u>Communities</u>	<u>£</u>	<u>£</u>
<u>Income</u>										
<u>Charitable Activities</u>										
Scottish Government – Core Funds	178,882									178,882
NAC – Core Funds	28,241									28,241
AVCS – Core Funding	10,000									10,000
NAC – Project Funds		28,640	118,631					67,275	147,270	361,816
NAC – COVID 19 Grant	10,000									10,000
NAC – Vehicle Grants	9,022									9,022
Scottish Government – Project Funds	41,143				80,900	77,835				199,878
EAC – Project Funds						5,000				5,000
SCOV – Project Funds						13,800				13,800
Green Health Scheme	1,500									1,500
Participatory Budget	2,000									2,000
HMRC Job Retention Scheme	3,056									3,056
<u>Income from trading activity</u>										
Room Hires	300									300
Insurance claim	1,445									1,445
Independent Examination Fees	2,830									2,830
Management Fees	34,292		(9,128)		(5,163)	(4,957)		(6,716)	(8,328)	-
Donations	300									300
<u>Unrestricted Income</u>	323,011	28,640	109,503	-	75,737	91,678	-	60,559	138,942	828,070
Bank Interest Income										
<u>Total Income</u>	323,011	28,640	109,503	-	75,737	91,678	-	60,559	138,942	828,070

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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Note 3 (continued)Statement of Financial Activity (continued) – Prior Year

	Core Funding £	TACT Digital £	Employability Positive Steps £	Health & Social Care £	Saltcoats Inspiring Scotland £	Kilmarnock Inspiring Scotland £	Community Garden £	(Be Inspired) Aspiring Communities £	Hosting £	Total £
Project costs	27,182		11,069		4,161	10,724		560	138,853	192,549
Salary costs	215,403	13,064	76,033		66,465	57,472		40,866		469,303
Pension costs	9,125	688	3,958		3,490	2,141		2,358		21,760
Staff & Travel costs	13,822		771		1,047	333		103		16,076
Property repairs	1,633	94	567		491	416		310		3,511
Rent and rates	4,423	255	1,537		1,329	2,000		1,959		11,503
Utilities and insurance	8,099	467	2,814		2,433	2,061		1,536		17,410
Stationery/comp. consumables	4,949	286	1,720		1,487	1,259		938		10,639
Other professional fees	2,893	153	919		795	673		501		5,934
Subscriptions	524		50							574
Depreciation	1,685	97	585		506	429		319		3,621
Miscellaneous Expenses	1,357	66	399		345	292		218		2,677
Accountancy	714	41	248		215	182		135		1,535
Total Expenditure	291,809	15,211	100,670		82,764	77,982		49,803	138,853	757,092
Net Movement in funds	31,202	13,429	8,833		(7,027)	13,696		10,756	89	70,978
Transfer between funds	(52,348)	30,159					22,189			
Overhead costs reallocation	(23,700)		8,789		7,600	7,311				
Overhead costs reallocation	(28,389)		8,595		8,126	6,138		5,530		
Overhead costs reallocation	(16,820)		7,032		4,946	4,842				
Opening Balance	182,588	(32,795)	(20,692)	16,284	(14,825)	(2,198)	(22,189)	(2,618)		103,555
Closing Balance	92,533	10,793	12,557	16,284	(1,180)	29,789	-	13,668	89	174,533

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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3a) Overhead Allocations

All overheads are allocated on a direct basis to specific projects where appropriate.

Salary and pension costs are allocated based upon job titles directly to projects. All remaining overheads are apportioned based upon the ratio of salaries allocations reflecting the usage of property costs and services by those personnel.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trusts projects and activities. These costs have been allocated as explained above.

Governance costs relate to those costs necessarily incurred to meet the charity regulations. These related entirely to the auditors fees and totalled £2,520.

4 Employee Numbers

The average number employed by the Trust during the year was 21. (2021: 21)

5 Employee Costs

	<u>2022</u>	<u>2021</u>
	£	£
Salaries & Wages	402,536	437,583
Social Security Costs	32,158	31,720
Pension Costs	21,157	21,760
	<hr/>	<hr/>
	455,851	491,603
	=====	=====

The Charity Trustees were not paid and did not receive any other benefits from employment with the Trust in the year, (2021: NIL) neither were they reimbursed expenses during the year (2021: NIL). No Charity Trustee received payment for professional services or other services supplied to the charity (2021: NIL).

No employee received remuneration in excess of £60,000 (excluding pension costs) during either 2022 or 2021.

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

Remuneration of key management personnel in the year totalled £73,771, including pension contributions of £4,004.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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6 Tangible Fixed Assets

	<u>Plant & Equipment</u> £	<u>Office Equipment</u> £	<u>Total</u> £
<u>Cost</u>			
At 31 March 2021	4,517	62,171	66,688
Additions	-	3,847	3,847
At 31 March 2022	4,517	66,018	70,535
<u>Depreciation</u>			
As at 31 March 2021	1,976	53,849	55,825
Charge for Year	635	3,042	3,677
As at 31 March 2022	2,611	56,891	59,502
As at 31 March 2022	1,906	9,127	11,033
As at 31 March 2021	2,541	8,322	10,863

7 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.

8 Debtors

	<u>2022</u> £	<u>2021</u> £
Prepaid costs	686	1,457
Accrued income	56,070	9,947
Trade Debtors	20,378	-
	<u>77,134</u>	<u>11,404</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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9 <u>Creditors: Due Within One Year</u>	<u>2022</u>	<u>2021</u>
	£	£
Accrued expenses	10,391	10,049
PAYE/NIC	3,015	559
Pension Costs	-	53
Other creditors	-	100
Deferred Income	12,600	22,095
Trade Creditors	860	-
	<hr/>	<hr/>
	26,866	32,856
	=====	=====

Deferred income relates entirely to income received during the current period in advance for projects to be undertaken in the 2022/23 year.

NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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10 Capital Commitments

There are no capital commitments at the year end. (2021: Nil)

11 Related Party Transactions

There are no related party transactions on which to report. (2021: Nil)

12 Operating Surplus/(Deficit)

2022 2021
£ £

Net Surplus/(Deficit) is stated after charging

Auditors Remuneration - Audit

2,520 1,500

Depreciation of tangible fixed assets

3,677 3,621

13 Funds Analysis – Current Year

	<u>Total</u>	<u>Bank</u>	<u>Fixed Assets</u>	<u>Other Current Liabilities/ Assets</u>
	£	£	£	£
Unrestricted Funds	176,095	159,002	9,009	8,064
Restricted Funds	71,690	27,463	2,023	42,204
Total Funds	247,785	186,485	11,032	50,268

13a Funds Analysis – Prior Year

	<u>Total</u>	<u>Bank</u>	<u>Fixed Assets</u>	<u>Other Current Liabilities/ Assets</u>
	£	£	£	£
Unrestricted Funds	92,533	90,826	10,863	(9,156)
Restricted Funds	82,000	94,296	-	(12,296)
Total Funds	174,533	185,122	10,863	(21,452)

Restricted Funds Detail

TACT Digital: Monies received to assist deliver digital services to local organisations.

Employability Positive Steps: Monies received to assist in getting people back in to work.

Health and Social Care: Monies received to promote a healthy lifestyle.

Saltcoats Inspiring Scotland: Monies received to promote and assist in regeneration of Saltcoats.

Kilmarnock Inspiring Scotland: Monies received to promote and assist in regeneration of Kilmarnock.

Community Garden: Fund to set up and develop a community garden for public access at Eglinton Park, Irvine.

Be Inspired: Fund to promote community based local projects.

TSI Hosting: Anchor fund administered by TACT in response to Covid19 pandemic, delivering financial assistance to Ayrshire based organisations.

Moyen- Feasibility study in conjunction with North Ayrshire Council.

NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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13b Analysis of movement in Unrestricted Funds

	Balance As at <u>1 April 2021</u>	<u>Income</u>	<u>Expenditure</u>	<u>Transfers</u>	Balance As at <u>31 March 2022</u>
	£	£	£	£	£
General Funds	92,533	346,852	(303,601)	40,334	176,118
Total	92,533	346,852	(303,601)	40,334	176,118

Analysis of movement in Restricted Funds

	Balance As at <u>1 April 2021</u>	<u>Income</u>	<u>Expenditure</u>	<u>Transfers</u>	Balance As at <u>31 March 2022</u>
	£	£	£	£	£
TACT Digital	10,793	26,278	(34,412)	888	3,547
Employability Positive Steps	12,557	135,678	(114,361)	(10,409)	23,465
Health & Social Care	16,284	-	(870,056)	(16,284)	-
Saltcoats Inspiring Scotland	(1,180)	84,650	(63,235)	7,606	4,020
Kilmarnock Inspiring Scotland	29,789	41,213	(10,579)	(7,767)	-
Community Garden	-	10,600	-	(21)	-
Be Inspired	13,688	-	-	(13,668)	-
TSI Hosting	89	121,937	(80,710)	(679)	40,637
Moyen	-	7,750	(7,750)	-	-
	82,000	428,106	(398,103)	(40,334)	71,667

NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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14 Leasing Commitments

	2022			2021		
	<u>Total</u>	<u>< 1 Year</u>	<u>> 1 Year</u>	<u>Total</u>	<u>< 1 Year</u>	<u>> 1 Year</u>
	£	£	£	£	£	£
Property	8,500	8,500	-	8,608	8,608	-
Vehicles	2,327	2,327	-	13,343	10,460	2,883
	10,827	10,827	-	21,951	19,068	2,883

Property is leased on an annual rolling lease of 12 months.

All vehicle leases are due within 12 months.

Total lease payments recognised as an expense £25,017. (2021: £20,171)

15 The Trust is a company limited by guarantee and registered in Scotland (SC219307)

It is also a Scottish registered charity (SC028874)

The registered office and principal address is:-

25-27 Vernon Street
Saltcoats
Ayrshire
KA21 5HE

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES 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 2022 which comprise the Statement of Financial Activities, (incorporating the income and expenditure account), the Balance Sheet, the Statement of Cash Flows 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 Charitable company's affairs as at 31 March 2022 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 Charitable company 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 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.

Emphasis of Matter

In common with many charities, funding of central activities is dependent upon the availability of annual funds from Central or local government. At the date of this report, funding has been secured to March 2024. Future funding remains under discussion at this time, with no definite outcome.

Whilst there is no indication that funding will not be made available, this matter is fundamental to the future of the charity. As such, we draw the readers' attention to this matter. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entities ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES 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.

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 inconsistencies or apparent material misstatements, we are required to determine whether this gives risk to a material misstatement in the financial statements themselves.

If, based on the work we have performed, we conclude that there is a 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 Charitable Company 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, The Charities and Trustees Investment (Scotland) Act 2005, 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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES 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 14 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 Charitable Company'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 Charitable Company 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 ISAs (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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

We obtained and recorded an understanding of the nature of the client and the charity sector in which it operates and we identified the laws and regulations applicable to the Charitable Company through discussions with trustees and other management, and from our knowledge and experience of the charity sector.

We also discussed the controls put in place by management to ensure compliance with those laws and regulations and to mitigate risk and any actual, suspected or alleged issues.

We focused on specific laws and regulations which we considered may have a direct effect on the financial statements of the operations of the company, including the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), FRS102 and the Charity SORP FRS 102.

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

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We also considered other laws and regulations which we consider to have indirect impact on the financial statements including Employment regulations and Health & Safety regulations, GDPR and Anti Money Laundering Procedures.

We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.

Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charitable Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud and considering the internal controls in place to mitigate risks of fraud.

To address the risk of fraud through management bias and override of controls, we

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3a were indicative of potential bias;
- Investigated the rationale behind significant or unusual transactions, including appropriateness of payments to trustees, project overspends with no expected recovery and going concern.
- In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

Agreeing financial statement disclosures to underlying supporting documentation;

Reading the minutes of meetings of those charged with governance;

Enquiring of management as to actual and potential litigation and claims; and

Reviewing correspondence with OSCR and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions and events, the less likely it is that we would become aware of non-compliance. There is a risk that we will not detect all irregularities including those leading to a material misstatement in the financial statements or non compliance with regulation.

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

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Material misstatements that arise due to fraud, can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion, forgery, omission and misrepresentation.

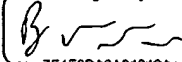
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors Report.

Use of our Report

This report is made solely to the Charitable Company's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006 and to the Charitable Company'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 Charitable Company's members, as a body, and the Charitable Company'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 Charitable Company, the Charitable Company's members, as a body, and the Charitable Company's Trustees, as a body for our audit work for this report, or for the opinion we have formed.

DocuSigned by:



Bruce Fairgrieve BSc CA

Senior Statutory Auditor

On behalf of John Kerr & Company, Statutory Auditor

Chartered Accountants

32a Hamilton Street

Saltcoats

KA21 5DS

6 October 2023