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CUMNOCK & DOON VALLEY MINERALS TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019
Charity Registration No. SC027645 (Scotland)

CUMNOCK & DOON VALLEY MINERALS TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Councillor E Dinwoodie Councillor J Bell Mrs M Zingone (Hargreaves) Mr D Rush (New Cumnock Community Council) Ms C Ross (Ochiltree Community Council) Councillor C Leitch Councillor W Crawford Councillor J Todd Councillor A Simmons Mrs L Mair (Dalmellington Community Council) (Appointed 31 May 2019)
Charity number (Scotland)	SC027645
Principal address	East Ayrshire Council Council Headquarters London Road Kilmarnock Ayrshire KA3 7BU
Independent examiner	Stephen Bargh William Duncan & Co Ltd Chartered Accountants 30 Miller Road Ayr Ayrshire KA7 2AY
Bankers	Bank of Scotland 43/45 Townhead Street Cumnock Ayrshire KA18 1LF
Solicitors	James Guthrie & Co 3 Portland Road Kilmarnock East Ayrshire Scotland KA1 2AN

CUMNOCK & DOON VALLEY MINERALS TRUST

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CUMNOCK & DOON VALLEY MINERALS TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The Trustees present their report and financial statements for the year ended 31 March 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Trust's Deed of Trust, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities & Trustee Investment (Scotland) Act 2005 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS102) issued on 16th July 2014.

Objectives and activities

The Trusts objects are to support projects in the former local government area of Cumnock and Doon Valley which would benefit communities within that area which have been and continue to be adversely affected by the opencast mining industry.

The policies adopted in furtherance of these objects are to apply trust funds to provide leisure and environmental improvements which help compensate communities for the disturbance caused by opencast mining activity and there has been no change in these during the year.

The Trust's objectives have been well publicised within the Cumnock and Doon Valley area and local community organisations have been encouraged to submit applications for Trust funding for projects falling within the Trust's charitable purposes. Numerous applications for Trust funding were received during the year and grants totalling £207,819 were approved during the year (a list of grants approved is contained in the notes to the accounts). Most projects supported have been located within the communities most directly affected by opencast coal activity: New Cumnock, Muirkirk, Patna Dalmellington/Bellsbank and Skares. A number of the grants have been made to projects serving the wider area of the former Cumnock and Doon Valley District.

Achievements and performance

In the year under review grants totalling £207,819 were awarded by the Trustees, with total income received for the year of £152,620. During the year grants totalling £290,546 were paid out and £21,590 written back (see note 5).

A further £136,535 of grants were awarded in April 2019, after the financial year end.

The Trustees are aware of the gradual decline in open cast mining works within the Trust's geographic area, and the insolvency of Scottish Coal and ATH Resources in recent years have had a significant impact on income. The Trustees note that future grant awards may need to reflect the reduction in income streams. The Trust does not have an infinite lifespan and the Trustees are aware that at some point in the coming years the financial reserves will be exhausted. However it is expected that this point will be several years away.

Financial review

The Trustees consider the Trust's financial position to be good as reserves are sufficient to meet all the grants which have been awarded.

It is the policy of the Trust that unrestricted funds which have not been designated for a specific use should be maintained at a level consistent with the expenditure of the charity for day to day running and the Trustees funding strategy. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Trust's current activities and satisfy grants awarded but unpaid. This level of reserves has been maintained throughout the year.

The Trustees have assessed the major risks to which the Trust is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

As the Trust is charitable in intent, the Trustees have no beneficial interest in the accumulated surplus of the Trust.

CUMNOCK & DOON VALLEY MINERALS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

The Trustees consider that grants awarded have contributed substantially to the amenity of large sections of the communities affected by mineral operations. It is anticipated that in the coming year the Trustees will make further awards to assist in the provision of leisure and environmental improvement for the benefit of those residing within the affected areas.

Structure, governance and management

The Trust was established by a charitable trust deed on 1 June 1995 in order to hold funds contributed to the Trust and apply them for the benefit or furtherance of the charitable provisions of the Trust which is to offset the adverse affects caused within the former District of Cumnock and Doon Valley by shallow mining operations.

The Trustees who served during the year and up to the date of signature of the financial statements were:

Councillor E Dinwoodie

Councillor J Bell

Mrs K McNeillie (Dalrymple Community Council) (Resigned 8 June 2018)

Mr J Rooney (Drongan Community Council) (Resigned 8 June 2018)

Mrs N Murray (Dalmellington Community Council) (Resigned 8 November 2018)

Mr T Smith (Kier Mining) (Resigned 14 June 2019)

Mrs M Zingone (Hargreaves)

Mr B Broadley (Logan and Lugar Community Council) (Resigned 8 June 2018)

Mr D Rush (New Cumnock Community Council)

Ms C Ross (Ochiltree Community Council)

Councillor C Leitch

Councillor W Crawford

Councillor J Todd

Councillor A Simmons

Ms M Pirie (Drongan, Rankinston & Stair Community Council) (Appointed 8 June 2018 and resigned 31 May 2019)

Mrs L Mair (Dalmellington Community Council) (Appointed 31 May 2019)

The Nominated Trustees were appointed by East Ayrshire Council and Co-opted Trustees were appointed by the Nominated Trustees. Three of the Co-opted Trustees are representatives of Community Councils of settlements affected by mineral operations and the remainder are representatives of mineral operators operating within the area of the former Cumnock and Doon Valley District.

There are currently three vacancies from Community Councils ('Drongan, Rankinston & Stair', Dalrymple and 'Cronberry, Lugar & Logan')

The six councillors are termed the Nominated Trustees with the remaining nine members being the Co-opted Trustees.

Other than the decision to appoint the Chairman, Secretary and Independent examiner's and to co-opt Trustees, all decisions of the Trust are made by a majority of Trustees present at a meeting. The quorum for the transaction of the business of the Trust is five Trustees. In the case of equality of votes, the Chairman of the meeting has a casting vote.

All related parties are disclosed within the 'Transactions with Trustees' note to the accounts or within the donations note.

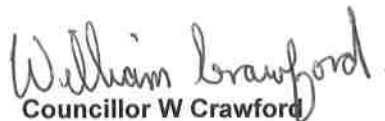
CUMNOCK & DOON VALLEY MINERALS TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

The Trustees' report was approved by the Board of Trustees.



Councillor E Dinwoodie
Trustee
Dated: 24 June 2019



Councillor W Crawford
Trustee
Dated: 24 June 2019

CUMNOCK & DOON VALLEY MINERALS TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF CUMNOCK & DOON VALLEY MINERALS TRUST

I report on the financial statements of the Trust for the year ended 31 March 2019, which are set out on pages 5 to 14.

Respective responsibilities of Trustees and examiner

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). You consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations (as amended); and
 - (ii) to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations (as amended);have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Stephen Bargh CA, MAAT

Chartered Accountants
William Duncan & Co Ltd
Chartered Accountants
30 Miller Road
Ayr
Ayrshire
KA7 2AY

Dated:

CUMNOCK & DOON VALLEY MINERALS TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

		Unrestricted funds 2019 £	Total 2018 £
	Notes		
<u>Income and endowments from:</u>			
Donations	3	152,620	221,165
Investments	4	162	-
Other income	5	21,590	15,678
Total income		<u>174,372</u>	<u>236,843</u>
<u>Expenditure on:</u>			
Charitable activities	6	223,869	169,772
Net (expenditure)/income for the year/ Net movement in funds		(49,497)	67,071
Fund balances at 1 April 2018		353,298	286,227
Fund balances at 31 March 2019		<u>303,801</u>	<u>353,298</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.


CUMNOCK & DOON VALLEY MINERALS TRUST

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Current assets					
Debtors	12	10,632		139,488	
Cash at bank and in hand		357,965		370,584	
		<u>368,597</u>		<u>510,072</u>	
Creditors: amounts falling due within one year	13	(64,796)		(156,774)	
Net current assets			<u>303,801</u>		<u>353,298</u>
Income funds					
Unrestricted funds			<u>303,801</u>		<u>353,298</u>
			<u>303,801</u>		<u>353,298</u>

The financial statements were approved by the Trustees on 24 June 2019


Councillor E Dinwoodie
Trustee


Councillor W Crawford
Trustee

CUMNOCK & DOON VALLEY MINERALS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Charity information

Cumnock & Doon Valley Minerals Trust is a charitable trust. The principle address is East Ayrshire Council, Council Headquarters, London Road, Kilmarnock, Ayrshire, KA3 7BU

1.1 Accounting convention

These accounts have been prepared in accordance with the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities and Trustee Investment (Scotland) Act 2005, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The Trust is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the Trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

1.4 Incoming resources

Income is recognised when the Trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

Expenditure is included on an accruals basis, inclusive of VAT, if applicable.

Grants awarded are provided for in full when approved by the Board of Trustees. Grants awarded not paid out at the balance sheet date are reflected in creditors falling due within one year.

Grants awarded but not taken up within 18 months of the award will be written off (subject to extension, in appropriate circumstances, at the Trustees discretion).

CUMNOCK & DOON VALLEY MINERALS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Trust's balance sheet when the Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Trust's contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

In the application of the Trust's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

CUMNOCK & DOON VALLEY MINERALS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

3 Donations

	Unrestricted funds	Total
	2019 £	2018 £
Donations and gifts	152,620	221,165
Donations and gifts		
OCCW Limited/Hargreaves	120,809	116,060
Kier Mining	31,811	105,105
	152,620	221,165

Donations derive from charitable donations made by mineral extraction operators in Cumnock and Doon Valley based on their extraction tonnage in the year under review.

4 Investments

	Unrestricted funds	Total
	2019 £	2018 £
Income from listed investments	162	-

£162 has been received relating to historic investments, this amount represents final payments made in regards to a members voluntary liquidation.

5 Other income

	Unrestricted funds	Total
	2019 £	2018 £
Other grant movement	21,590	15,678

Other grant income relates to a write back of grants awarded in prior years which have not been fully claimed and are therefore no longer deemed payable. This arises on grants that have been cancelled due to projects not obtaining planning permission and/or additional funding support, and also balances on grants awarded in excess of actual project cost, when the full grant was not required.

CUMNOCK & DOON VALLEY MINERALS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

6 Charitable activities

	Project support 2019 £	Project support 2018 £
Grant funding of activities (see note 7)	207,819	152,902
Share of support costs (see note 8)	11,550	12,250
Share of governance costs (see note 8)	4,500	4,620
	<u>223,869</u>	<u>169,772</u>

CUMNOCK & DOON VALLEY MINERALS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

7 Grants payable

	2019	2018
	£	£
Grants to institutions:		
Afton Lily, New Cumnock	11,700	-
Auchinleck Community Council	2,600	2,400
Auchinleck Community Development Initiative	6,500	4,000
Auchinleck Outdoor Bowling Club	9,600	-
CAMPS	-	2,000
Catrine Community Trust	500	-
Catrine Community Council	2,000	1,500
Craigmark Burntonians FC	-	1,000
Cumnock Juniors Community Enterprise	8,000	-
Cumnock Widows Group	500	500
Dalmellington Community Council	-	500
Dalmellington Community Association	5,631	2,930
Dalrymple Bowling Club	2,500	1,595
Glenafton Community Dev Group	-	7,460
Logan Lesiure Group	200	-
Muirkirk Bowling Club	-	1,000
Muirkirk Community Association	1,000	1,700
Netherthird Hizkidz	1,358	-
Netherthird Community Development Group	-	14,048
New Cumnock Golf Club	5,450	-
New Cumnock Community Council	-	18,005
Ochiltree Old Peoples Welfare	-	800
Ochiltree Community Council	-	1,570
Ochiltree Community Hub	10,000	40,000
Rankinston Community Association	2,700	900
3rd Mauchline Brownies	500	-
Ayrshire Railway	1,000	-
Cumnock & District Canine Club	400	400
Cumnock Highland Games	2,232	-
Cumnock & Tryst Festival	500	-
Mauchline Community Council	2,000	1,800
New Cumnock Events Group	2,500	-
Old Cumnock Old Church	6,480	-
Ochiltree Bowling Club	7,171	15,000
Sorn Community Council	-	1,000
St Thomas Hall Management Committee	-	950
Glenafton Athletic Football Club	38,880	20,378
Glaisnock Valley Bowling Club	3,536	-
Auchinleck Indoor Bowling Club	10,000	-
Auchinleck Talbot F.C	900	-
Simone Clark Dalmellington	-	315
Logan Gala Committee	300	-
Ochiltree Childrens Xmas Party	-	706
New Cumnock Age Concern	900	500
Mauchline Holy Fair Events Group	1,500	-
Coloursplash Artspace	500	-
Friends of Patna Church	465	-

CUMNOCK & DOON VALLEY MINERALS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

7	Grants payable	(Continued)			
	Mima Junior Youth Club	-	500		
	Art in Action	-	500		
	The Heritage Hall Committee	-	3,100		
	Cumnock Juniors 2008 Football Team	-	400		
	Auchinleck Academy Parent Council	-	400		
	Drongan United	-	400		
	33rd Ayrshire Scout Group	-	2,000		
	Cumnock & District Blind Club	-	500		
	Cumnock & District Curling Club	-	107		
	New Cumnock Baptist Church	-	838		
	Drongan, Rankiston & Stair Regeneration Group	-	1,000		
	Cronberry S.W.I	500	200		
	EPIC East Ayrshire Pipe Band Academy	930	-		
	Art for Adults	500	-		
	New Cumnock Primary School Parent Council	1,000	-		
	Pathhead Activity Group	1,000	-		
	Glenafton Youth Academy	5,000	-		
	Netherthird Initiative for Community Empowerment	20,000	-		
	Netherthird & District Community Council	1,500	-		
	Four Connections Youth and Toddler Group	10,941	-		
	Lugar Boswell Thistle Football Club	4,000	-		
	Lugar Parish Church Guild	500	-		
	New Cumnock Scout Group	4,000	-		
	Drongan Golf Club	500	-		
	Ochiltree SWI	265	-		
	St Andrew's United Free Church	3,450	-		
	Ochiltree & Skares Community Action Plan	880	-		
	Lugar Bowling Club	2,350	-		
	Muirkirk Elderly Club	500	-		
		<u>207,819</u>	<u>152,902</u>		
8	Support costs	Support costs	Governance costs	2019	2018
		£	£	£	£
	Insurances	3,550	-	3,550	3,647
	Professional charges	8,000	-	8,000	8,000
	Sundry expenses	-	-	-	603
	Accountancy fees	-	2,000	2,000	2,120
	Independent examination fees	-	2,500	2,500	2,500
		<u>11,550</u>	<u>4,500</u>	<u>16,050</u>	<u>16,870</u>
	Analysed between				
	Charitable activities	<u>11,550</u>	<u>4,500</u>	<u>16,050</u>	<u>16,870</u>

CUMNOCK & DOON VALLEY MINERALS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year. No trustees were reimbursed for any travelling expenses in the year (2018- 0 were reimbursed £0).

Trustees are required to notify the awards committee of applications in which they have an interest to ensure that they do not unduly influence the appraisal process. In the year under review such intimations were received as follows:

B Broadley - Lugar Boswell Thistle Football Club - £4,000
D Rush - Afton Lily - £11,700
D Rush - New Cumnock Events, Charity Events and Fun Day - £1,500
D Rush - New Cumnock Events, Charity Events and Fun Day - £1,000
C Ross - Ochiltree SWI - £265
C Ross - Ochiltree & Skares Community Action Plan - £880
C Ross - Ochiltree Community Hub - £10,000
J Todd - Ochiltree Community Hub - £10,000
W Crawford - St Andrew's United Free Church - £3,500

10 Employees

There were no employees during the year.

11 Financial instruments	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	9,595	138,463
Carrying amount of financial liabilities		
Measured at amortised cost	64,796	156,774
12 Debtors	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	9,595	138,463
Prepayments and accrued income	1,037	1,025
	10,632	139,488
13 Creditors: amounts falling due within one year	2019 £	2018 £
Other creditors	48,627	152,274
Accruals and deferred income	16,169	4,500
	64,796	156,774

CUMNOCK & DOON VALLEY MINERALS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

14 Designated funds

The unrestricted funds of the charity are allocated by the Board 50% to a general fund and the remaining 50% between those communities where the coal extraction took place. The Board have ultimate discretion to apply the funds as they see fit.

15 Events after the reporting date

Since the year end, the trustees have approved community grant applications in the sum of £136,535. The accounts do not include provision for these grants.