

CUMNOCK & DOON VALLEY MINERALS TRUST

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

Charity Registration No. SC027645 (Scotland)

CUMNOCK & DOON VALLEY MINERALS TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Councillor E Dinwoodie Councillor J Bell Councillor C Leitch Councillor W Crawford Councillor J Todd Councillor A Simmons Ms C Ross (Ochiltree Community Council) Ms M Pirie (Drongan, Rankinston & Stair Community Council) Mrs L Mair (Dalmellington Community Council) (Appointed 31 May 2019) Mr T Esquierdo (Lugar & Logan Community Council) (Appointed 15 November 2019) Mrs M Zingone (Hargreaves)
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 2020

The Trustees present their report and financial statements for the year ended 31 March 2020.

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"), and "Accounting and Reporting by Charities" the 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" ("FRS 102") (as issued in October 2019 for accounting periods commencing from 1 January 2019). The Trust is a Public Benefit Entity as defined by FRS 102.

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 £276,691 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 Dallmellington/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 £276,691 were awarded by the Trustees, with total income received for the year of £99,153. During the year grants totalling £206,589 were paid out and £3,360 written back (see note 5).

Due to the Coronavirus (Covid19) outbreak the trust meeting in April 2020 was cancelled, as a result no grants have been awarded after the year end.

The trustees have cash reserves in excess of outstanding grants and will adjust future awards to suit the income received ensuring the charity remains a going concern through the pandemic.

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.

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.

CUMNOCK & DOON VALLEY MINERALS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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.

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

Councillor C Leitch

Councillor W Crawford

Councillor J Todd

Councillor A Simmons

Ms C Ross (Ochiltree Community Council)

Ms M Pirie (Drongan, Rankinston & Stair Community Council)

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

Mr T Esquierdo (Lugar & Logan Community Council) (Appointed 15 November 2019)

Mrs M Zingone (Hargreaves)

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

Mr D Rush (New Cumnock Community Council) (Deceased 24 May 2020)

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 two vacancies from Community Councils (Dalrymple and New Cumnock)

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 2020

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

Councillor E Dinwoodie
Trustee
Dated: 23 September 2020



Councillor W Crawford
Trustee
Dated: 23 September 2020



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 2020, 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.

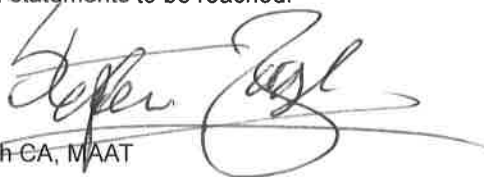
Basis of independent examiner's statement

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: 26/10/2020

CUMNOCK & DOON VALLEY MINERALS TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted funds 2020 £	Total 2019 £
<u>Income and endowments from:</u>			
Donations	3	99,153	152,620
Investments	4	2	162
Other income	5	3,360	21,590
Total income		<u>102,515</u>	<u>174,372</u>
<u>Expenditure on:</u>			
Charitable activities	6	<u>291,277</u>	<u>223,869</u>
Net expenditure for the year/ Net movement in funds		(188,762)	(49,497)
Fund balances at 1 April 2019		303,801	353,298
Fund balances at 31 March 2020		<u><u>115,039</u></u>	<u><u>303,801</u></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 2020

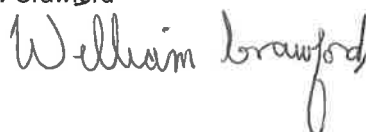
	Notes	2020 £	£	2019 £	£
Current assets					
Debtors	11	37,488		10,632	
Cash at bank and in hand		199,219		357,965	
		<u>236,707</u>		<u>368,597</u>	
Creditors: amounts falling due within one year	12	(121,668)		(64,796)	
Net current assets			<u>115,039</u>		<u>303,801</u>
Income funds					
Unrestricted funds			<u>115,039</u>		<u>303,801</u>
			<u>115,039</u>		<u>303,801</u>

The financial statements were approved by the Trustees on 23 September 2020

Councillor E Dinwoodie
Trustee



Councillor W Crawford
Trustee



CUMNOCK & DOON VALLEY MINERALS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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"), and "Accounting and Reporting by Charities" the 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" ("FRS 102") (as issued in October 2019 for accounting periods commencing from 1 January 2019). 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 assessed the financial implications arising from the Coronavirus (Covid-19) outbreak, which has affected the UK. The trustees have reviewed forecasts for the 12 months based on any anticipated change in the charity's activities in the short term. 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.

CUMNOCK & DOON VALLEY MINERALS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

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).

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 2020

3 Donations

	Unrestricted funds	Total
	2020 £	2019 £
Donations and gifts	99,153	152,620
Donations and gifts		
OCCW Limited/Hargreaves	99,153	120,809
Kier Mining	-	31,811
	99,153	152,620

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
	2020 £	2019 £
Income from listed investments	2	162

5 Other income

	Unrestricted funds	Total
	2020 £	2019 £
Other grant movement	3,360	21,590

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 2020

6 Charitable activities

	Project support 2020 £	Project support 2019 £
Grant funding of activities (see note 7)	276,691	207,819
Share of support costs (see note 8)	11,586	11,550
Share of governance costs (see note 8)	3,000	4,500
	<u>291,277</u>	<u>223,869</u>

CUMNOCK & DOON VALLEY MINERALS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

7 Grants payable

	2020 £	2019 £
Grants to institutions:		
Afton Lily Social Club	9,800	11,700
Auchinleck Community Council	2,343	2,600
Auchinleck Community Development Initiative	3,000	6,500
Auchinleck Outdoor Bowling Club	-	9,600
CAMPS	6,625	-
Beechwood Regeneration Committee	5,000	-
Catrine Community Trust	-	500
Catrine Community Council	-	2,000
Craigmark Burntonians FC	2,950	-
Cumnock Juniors Community Enterprise	-	8,000
Cumnock Widows Group	500	500
Dalmellington Community Council	500	-
Dalmellington Community Association	3,000	5,631
Dalrymple Bowling Club	-	2,500
Logan Lesiure Group	-	200
Muirkirk Bowling Club	1,635	-
Muirkirk Community Association	-	1,000
Muirkirk Golf Club	2,360	-
New Cumnock Working Mens Club	5,000	-
Netherthird Hizkidz	500	1,358
New Cumnock Golf Club	26,000	5,450
Ochiltree Old Peoples Welfare	800	-
Ochiltree Community Hub	-	10,000
Rankinston Community Association	900	2,700
St Johns Community Hall	14,700	-
3rd Mauchline Brownies	-	500
Ayrshire Railway	-	1,000
Cumnock & District Canine Club	200	400
Cumnock & District Handbell Ringers	834	-
Cumnock Highland Games	4,000	2,232
Cumnock & Tryst Festival	-	500
Mauchline Community Council	-	2,000
New Cumnock Events Group	1,000	2,500
Old Cumnock Old Church	3,940	6,480
Ochiltree Bowling Club	3,010	7,171
Sorn Community Council	100	-
Glenafton Athletic Football Club	25,000	38,880
Pathhead Activity Group	1,000	-
Auchinleck Anglers Association	500	-
Coalfield Community Transport	2,102	-
Glaisnock Valley Bowling Club	-	3,536
Auchinleck Indoor Bowling Club	-	10,000
Auchinleck Talbot F.C	-	900
Simone Clark Dalmellington	340	-
Sarah Jamieson, Dalmellington	400	-
Logan Gala Committee	-	300
Drongan and District Canine Society	250	-

CUMNOCK & DOON VALLEY MINERALS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

7 Grants payable	(Continued)	
New Cumnock Age Concern	-	900
Mauchline Holy Fair Events Group	-	1,500
Coloursplash Artspace	-	500
Friends of Patna Church	-	465
New Cumnock Bowling Club	37,500	-
Heritage Hall, Cumnock	1,842	-
Cronberry S.W.I	360	500
EPIC East Ayrshire Pipe Band Academy	3,368	930
Art for Adults	-	500
New Cumnock Primary School Parent Council	1,000	1,000
Pathhead Activity Group	-	1,000
Glenafton Youth Academy	4,000	5,000
Netherthird Initiative for Community Empowerment	41,646	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
Cumnock Juniors Football Club Social Club	9,500	-
Dunaskin Doon Bowling Club	1,000	-
Afton Court Social Club	500	-
Ayrshire Rivers Trust	5,756	-
Mauchline & Ballochmyle Angling Club	5,000	-
East Ayrshire Pedigree Whippet Racing	3,700	-
Cumnock Bowling Club	10,000	-
New Cumnock Angling Association	9,480	-
Glenafton Amateurs Football Club	10,000	-
Sweet Afton Water	500	-
Cumnock & District Angling Association	3,250	-
	<u>276,691</u>	<u>207,819</u>

CUMNOCK & DOON VALLEY MINERALS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

8 Support costs

	Support costs	Governance costs	2020	2019
	£	£	£	£
Insurances	3,575	-	3,575	3,550
Professional charges	8,000	-	8,000	8,000
Sundry expenses	11	-	11	-
Accountancy fees	-	500	500	2,000
Independent examination fees	-	2,500	2,500	2,500
	<u>11,586</u>	<u>3,000</u>	<u>14,586</u>	<u>16,050</u>
Analysed between Charitable activities	<u>11,586</u>	<u>3,000</u>	<u>14,586</u>	<u>16,050</u>

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 (2019- 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:

D Rush - New Cumnock Events Group - £1,000
 W Crawford - Coalfield Community Transport - £2,102
 W Crawford - The Heritage Hall - £1,842
 J Bell - New Cumnock Golf Club - £26,000
 D Rush - Afton Lily Social Club - £9,800
 W Crawford - Cumnock and District Angling Association - £3,250

10 Employees

There were no employees during the year.

11 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	36,449	9,595
Prepayments and accrued income	1,039	1,037
	<u>37,488</u>	<u>10,632</u>

CUMNOCK & DOON VALLEY MINERALS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

12 Creditors: amounts falling due within one year

	2020	2019
	£	£
Other creditors	117,168	48,627
Accruals and deferred income	4,500	16,169
	<u>121,668</u>	<u>64,796</u>

13 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.

14 Events after the reporting date

Non-Adjusting Post Balance Sheet Event

At the date on which the financial statements were approved, the financial implications arising from the Coronavirus (Covid-19) outbreak, which affected the UK, have been assessed by the trustees. The trustees have reviewed forecasts for any anticipated change in the charity's activities in the short term. The trustees are of the opinion that the Covid-19 outbreak is a non-adjusting Post Balance Sheet Event and that the charity remains a going concern.

Due to the Coronavirus (Covid-19) outbreak, the trust meeting in April was cancelled and no grant applications have been approved after the year end.