

CUMNOCK & DOON VALLEY MINERALS TRUST

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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) Mr T Esquierdo (Lugar & Logan Community Council) Ms S Anderson (Dalmellington Community Council) (Appointed 23 September 2020) Mr I Allan (New Cumnock Community Council) (Appointed 23 September 2020)
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

CONTENTS

	Page
Trustees' report	1 - 3
Independent examiner's report	4
Statement of financial activities	5
Balance sheet	6
Notes to the financial statements	7 - 14

CUMNOCK & DOON VALLEY MINERALS TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their report and financial statements for the year ended 31 March 2021.

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 £92,246 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 £92,246 were awarded by the Trustees, with total income received for the year of £31,787. During the year grants totalling £116,712 were paid out and £110 written back (see note 5).

The trust meeting in April 2021 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.

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 Hargreaves income has now also ceased in this financial year. The Trustees note that future grant awards will only be paid out from existing reserves. The Trust does not have an infinite lifespan and with no future funding streams available to them, Trustees are aware that the financial reserves will be exhausted within the next year.

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 are aware that reserves at this level are no longer achievable.

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.

CUMNOCK & DOON VALLEY MINERALS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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)

(Resigned 23 September 2020)

Mr T Esquierdo (Lugar & Logan Community Council)

Mrs M Zingone (Hargreaves)

Mr D Rush (New Cumnock Community Council)

(Resigned 24 May 2020)

Ms S Anderson (Dalmellington Community Council)

(Appointed 23 September 2020)

Mr I Allan (New Cumnock Community Council)

(Appointed 23 September 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 one vacancy from Dalrymple Community Council.

The six councillors are termed the Nominated Trustees with the remaining six 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 2021

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

Councillor E Dinwoodie

Trustee

Dated: 11 June 2021



Councillor W Crawford

Trustee

Dated: 11 June 2021



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 2021, 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:

25th June 2021.

CUMNOCK & DOON VALLEY MINERALS TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Income and endowments from:</u>			
Donations	3	31,787	99,153
Investments	4	-	2
Other income	5	110	3,360
Total income		<u>31,897</u>	<u>102,515</u>
<u>Expenditure on:</u>			
Charitable activities	6	106,652	291,277
Net expenditure for the year/ Net movement in funds		(74,755)	(188,762)
Fund balances at 1 April 2020		115,039	303,801
Fund balances at 31 March 2021		<u>40,284</u>	<u>115,039</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 2021

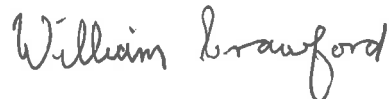
	Notes	2021 £	£	2020 £	£
Current assets					
Debtors	11	1,211		37,488	
Cash at bank and in hand		136,164		199,219	
		<u>137,375</u>		<u>236,707</u>	
Creditors: amounts falling due within one year	12	<u>(97,091)</u>		<u>(121,668)</u>	
Net current assets			<u>40,284</u>		<u>115,039</u>
Income funds					
Unrestricted funds			<u>40,284</u>		<u>115,039</u>
			<u>40,284</u>		<u>115,039</u>

The financial statements were approved by the Trustees on 11 June 2021

Councillor E Dinwoodie
Trustee



Councillor W Crawford
Trustee



CUMNOCK & DOON VALLEY MINERALS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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 continued Coronavirus (Covid-19) outbreak, which has affected the UK, along with the confirmation that all income streams have now ceased. 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 but will consider cessation of the charity in the next financial year as the reserves are exhausted.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

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.

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 2021

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 2021

3 Donations

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	31,787	99,153
Donations and gifts		
OCCW Limited/Hargreaves	31,787	99,153
	<u>31,787</u>	<u>99,153</u>

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

	Total	Unrestricted funds
	2021	2020
	£	£
Income from listed investments	-	2

5 Other income

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Other grant movement	110	3,360

Other grant movement 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 2021

6 Charitable activities

	Project support 2021 £	Project support 2020 £
Grant funding of activities (see note 7)	92,246	276,691
Share of support costs (see note 8)	11,886	11,586
Share of governance costs (see note 8)	2,520	3,000
	<u>106,652</u>	<u>291,277</u>

CUMNOCK & DOON VALLEY MINERALS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Grants payable

	2021	2020
	£	£
Grants to institutions:		
Afton Lily Social Club	-	9,800
Auchinleck Community Council	200	2,343
Auchinleck Community Development Initiative	500	3,000
CAMPS	8,500	6,625
Beechwood Regeneration Committee	-	5,000
Craigmark Burntonians FC	-	2,950
Cumnock History Group	1,500	-
Cumnock Juniors Community Enterprise	4,000	-
Cumnock Widows Group	-	500
Dalleagles WRI	500	-
Dalmellington Community Council	-	500
Dalmellington Community Association	1,098	3,000
Muirkirk Bowling Club	-	1,635
Muirkirk Golf Club	-	2,360
New Cumnock Working Mens Club	-	5,000
Netherthird Hizkidz	500	500
New Cumnock Golf Club	-	26,000
New Cumnock Art Club	400	-
Ochiltree Old Peoples Welfare	-	800
Rankinston Community Association	-	900
St Johns Community Hall	-	14,700
Cumnock & District Canine Club	-	200
Cumnock & District Handbell Ringers	-	834
Cumnock Highland Games	-	4,000
New Cumnock Baptist Church	1,000	-
New Cumnock Events Group	-	1,000
Old Cumnock Old Church	-	3,940
Ochiltree Bowling Club	-	3,010
Sorn Community Council	-	100
Glenafton Athletic Football Club	-	25,000
Pathhead Activity Group	1,000	1,000
Auchinleck Anglers Association	-	500
Coalfield Community Transport	-	2,102
Ness Glen Angling Club	400	-
Glaisnock Valley Bowling Club	5,000	-
Simone Clark Dalmellington	-	340
Sarah Jamieson, Dalmellington	-	400
Drongan and District Canine Society	-	250
Cumnock Rugby Club	1,832	-
Netherthird Community Action Training	5,000	-
New Cumnock Bowling Club	-	37,500
Heritage Hall, Cumnock	4,150	1,842
Drongan, Rankiston & Stair Regeneration Group	14,000	-
Cronberry S.W.I	500	360
EPIC East Ayrshire Pipe Band Academy	-	3,368
New Cumnock Primary School Parent Council	-	1,000
Glenafton Youth Academy	-	4,000

CUMNOCK & DOON VALLEY MINERALS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Grants payable				(Continued)		
Netherthird Initiative for Community Empowerment		-		41,646		
Lugar Parish Church		400		-		
New Cumnock Scout Group		2,650		-		
Cumnock Juniors Football Club Social Club		9,000		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		3,000		9,480		
Glenafton Amateurs Football Club		-		10,000		
Sweet Afton Water		-		500		
Cumnock & District Angling Association		-		3,250		
Dalmellington Angling Club		1,176		-		
Drongan: The Schaw Kirk		5,000		-		
Auchinleck Community Shed Project		925		-		
Dalmellington Band		8,127		-		
Afton Lily Lodge 247, New Cumnock		3,988		-		
Netherthird Early Childhood Centre		900		-		
Brother James Gillespie Memorial LOL No 47		6,000		-		
New Cumnock Sewing Group		1,000		-		
				<u>92,246</u>	<u>276,691</u>	
8 Support costs						
	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Insurances	3,886	-	3,886	3,575	-	3,575
Professional charges	8,000	-	8,000	8,000	-	8,000
Sundry expenses	-	-	-	11	-	11
Accountancy fees	-	520	520	-	500	500
Independent examination fees	-	2,000	2,000	-	2,500	2,500
	<u>11,886</u>	<u>2,520</u>	<u>14,406</u>	<u>11,586</u>	<u>3,000</u>	<u>14,586</u>
Analysed between Charitable activities	<u>11,886</u>	<u>2,520</u>	<u>14,406</u>	<u>11,586</u>	<u>3,000</u>	<u>14,586</u>

CUMNOCK & DOON VALLEY MINERALS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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 (2020- 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:

M Pirie - Dalmellington Angling Club - £1,175
W Crawford - Heritage Hall Committee - £4,150
E Dinwoodie - Ness Glen Angling Club - £400

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Total	-	-

11 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	-	36,449
Prepayments and accrued income	1,211	1,039
	<u>1,211</u>	<u>37,488</u>

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	92,591	117,168
Accruals and deferred income	4,500	4,500
	<u>97,091</u>	<u>121,668</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.

CUMNOCK & DOON VALLEY MINERALS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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 continued Coronavirus (Covid-19) outbreak, which affected the UK, along with the knowledge that no new income will be received, have been assessed by the trustees. The trustees have reviewed forecasts for any anticipated change in the charity's activities in the short term and are satisfied that the charity will continue to exhaust the reserves through grant payments then look to apply to cease at some point in the next financial year.

The trust meeting in April 2021 was cancelled and no grant applications have been approved after the year end.

