

Registered number: SC200851
Charity number: SC029608

NORTH AYRSHIRE VENTURES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

NORTH AYRSHIRE VENTURES TRUST
(A Company Limited by Guarantee)

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NORTH AYRSHIRE VENTURES TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2019

Trustees

William John Kirkwood
Audrey Sutton
Louise McPhater
Alan McDonald
Margaret Broadley (resigned 8 November 2018)
Ann Robertson
Alan Hill
Derek McCrindle
Craig Hatton (appointed 26 November 2018)
Zoe Nix (appointed 15 May 2019)

Company registered number

SC200851

Charity registered number

SC029608

Registered office and principal trading address

Cunninghame House
Friars Croft
Irvine
North Ayrshire
KA12 8EE

Company secretary

Aileen Craig

Independent auditors

French Duncan LLP
Chartered Accountants & Statutory Auditors
133 Finnieston Street
Glasgow
G3 8HB

Bankers

Santander
Bridle Road
Bootle
Merseyside
L39 4GB

NORTH AYRSHIRE VENTURES TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2019**

Advisers (continued)

Solicitors

North Ayrshire Council
Legal Services
Cunninghame House
Irvine
KA12 8EE

NORTH AYRSHIRE VENTURES TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The Trustees (who are also directors of the charity for the purpose of Company Law) present their annual report together with the audited financial statements of North Ayrshire Ventures Trust for the year 1 April 2018 to 31 March 2019. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

OBJECTIVES AND ACTIVITIES

Policies and objectives

The principal activity of the Trust is the promotion, for public benefit, of urban or rural regeneration in areas of social or economic deprivation in North Ayrshire.

Its main objectives are to support the following purposes:

- 1) To relieve poverty among the residents of the local government area of North Ayrshire.
- 2) To advance education among the residents of North Ayrshire, particularly among the unemployed.
- 3) To promote other schemes of a charitable nature for the benefit of the residents of North Ayrshire.
- 4) To promote the advancement of citizenship or community development, including rural or urban regeneration and the promotion of civic responsibility, volunteering, the voluntary sector or the effectiveness or efficiency of charities
- 5) To promote training in skills of all kinds, particularly such skills as will assist residents of North Ayrshire in obtaining paid employment.

Strategies for achieving objectives

North Ayrshire Ventures Trust operates a grant programme to enable voluntary, community and social enterprises in North Ayrshire to explore new opportunities to help them grow in size, improve long term sustainability and increase their impact, through grants of up to £30,000.

The fund focuses on projects and ideas which have the potential to make a difference to the lives of North Ayrshire residents. The fund complements other grant funds already in existence, and invites ambitious applications, which promote changing the way things are currently done, or which are far reaching in their outcomes.

Activities for achieving objectives

Success is measured through the outcomes delivered by the projects supported by the Fund. This will be assessed through post project evaluations which will be used to demonstrate the tangible benefits derived from each of the projects and will be subject to Board reports throughout the year.

NORTH AYRSHIRE VENTURES TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

Grant making policy

The emphasis of the fund is on transformation and on developing ways of working which provide long term sustainable solutions for the residents of North Ayrshire.

The fund is intended to enable projects or services to either become more self-sustaining or to deliver a lasting legacy for the local community. Applications are considered for projects lasting for multiple years but the fund is not available as a long-term source of funding for projects or services.

The beneficiaries of the grant making programme are charities, voluntary organisations, social enterprises, community based organisations, volunteering bodies, co-operatives, housing associations, and credit unions whose annual income is £200,000 or less.

Details of how to apply to this fund, together with the relevant forms, are available on the Trust's website:

<http://www.north-ayrshire.gov.uk/resident/your-community/community-funding.aspx#navt>

ACHIEVEMENTS AND PERFORMANCE

Review of activities and key financial indicators

During the year to 31 March 2019 the trust has continued to utilise the income from investment properties to provide grant support to a variety of Community Groups and Social Enterprises in furtherance of its main objectives. In addition, the Trust continued to commit funds transferred from the former Irvine Bay Urban Regeneration Company in support of a range of regeneration projects with the geographical area covered by the former Company.

FINANCIAL REVIEW

Results

The total income for the year was £568,187 (2018 - £4,821,390). In 2018, the charity received £4,262,478 in cash as part of the transfer of trade and assets from the Irvine Bay Urban Regeneration Company.

The total expenditure for the year was £1,495,147 (2018 - £3,646,988). Most of the expenditure relates to the payment of committed grants from the funds transferred from Irvine Bay Urban Regeneration Company in prior years. These funds are restricted.

During the current year the charity generated a deficit of £1,443,888 (2018 - a surplus of £1,174,402).

Going Concern

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

NORTH AYRSHIRE VENTURES TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

Reserves policy

Funds are classed as unrestricted and restricted and are used for the furtherance of the charity's activities to meet objectives noted above.

At 31 March 2019, the total unrestricted funds were £3,126,224 (2018 - £3,348,687) and total restricted funds were £6,169,141 (2018 - £7,390,566).

In line with the Trust's reserves policy, a balance equivalent to one year's operating costs will be maintained, with all remaining funds available for utilisation in line with the Trust's objectives.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The company, which is a recognised charity in Scotland, is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 11 October 1999.

The principal object of the company is to provide grant funding to allow organisations to focus on transformation and on developing ways of working which provide long term sustainable solutions for the residents of North Ayrshire.

Method of appointment or election of Trustees

The Trust can have a maximum of 9 directors at any given time, 4 appointed directors and 5 co-opted directors. Appointed directors are nominated by North Ayrshire Council in accordance with the provisions contained in the Articles of Association. Co-opted directors are nominated by the existing directors but their appointment must be ratified by North Ayrshire Council. In considering potential Trustees consideration is given to the skills of existing board members.

Policies adopted for the induction and training of Trustees

New Trustees are given an extensive briefing on the objectives and activities of the Trust by the Chairperson.

Organisational structure and decision making

The Trust is managed entirely by its Trustees.

The work of the Trust Board is underpinned by the officers of North Ayrshire Council who provide information and support the administration of the grant application process for the board.

The Board of Trustees are the key management personnel of the Trust who direct and control the organisation. The Trustees give their time freely and no Trustee remuneration was made during the year. No Trustees expenses were paid during the year.

The day to day operations of the Trust are performed by officers of North Ayrshire Council. These officers give their time freely and no officer remuneration was made during the year.

NORTH AYRSHIRE VENTURES TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

The following provide services to the Trust:

Connected Communities: provide the administrative support to process all the applications and awards of the grant. They also monitor the expenditure by following up with the grant awardees.

Finance and Corporate Support: provide the board with financial advice as well as recording and monitoring all income and expenditure.

Legal Services: acts as company secretary and advise on all legal matters.

Estates Services: manage the properties owned by the Trust.

Asset and risk management

The principle risks faced by the Trust lie in the capacity of the fund to support projects and the risk that projects fail to deliver their key objectives and meet the objectives of the Trust. Mitigations have been put in place to ensure that these risks are managed and controlled and include: -

- Ensuring projects are only funded which can be supported by the resources of the fund
- Having robust application, vetting and post project review processes in place including the reporting of key milestones and outcomes.

Plans for the future

The Trust continues to build on the significant investment in Community Groups and Social Enterprises already undertaken and looks forward to supporting future grant applications which further the main objectives of the Trust.

The Trust will also continue to work closely with North Ayrshire Council to identify investment opportunities in suitable regeneration projects within the geographical area covered by the former Irvine Bay Urban Regeneration Company.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of North Ayrshire Ventures Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

NORTH AYRSHIRE VENTURES TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

French Duncan LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees, on 10/12/19 and signed on their behalf by:

Audrey Sutton

Audrey Sutton
Trustee

NORTH AYRSHIRE VENTURES TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF NORTH AYRSHIRE VENTURES TRUST

OPINION

We have audited the financial statements of North Ayrshire Ventures Trust (the 'charitable company') for the year ended 31 March 2019 set out on pages 11 to 23. 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 Reporting Standard applicable in the UK and Republic of Ireland' (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 2019 and of its incoming resources and application of resources, including 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the 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 other 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 opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

NORTH AYRSHIRE VENTURES TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF NORTH AYRSHIRE VENTURES TRUST

OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

OPINION 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- 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 our 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 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires 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' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company 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.

NORTH AYRSHIRE VENTURES TRUST
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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF NORTH AYRSHIRE VENTURES TRUST

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.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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 Auditors' 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. 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 and Trustees those matters we are required to state to them in an Auditors' 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, its members, as a body, and its trustees, as a body for our audit work, for this report, or for the opinions we have formed.



Antony J Sinclair (Senior Statutory Auditor)

for and on behalf of

French Duncan LLP

Chartered Accountants and Statutory Auditors

133 Finnieston Street

Glasgow

G3 8HB

Date:

18/12/2019.

French Duncan LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

NORTH AYRSHIRE VENTURES TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:					
Donations and legacies	2	-	-	-	4,262,478
Investments	3	560,687	-	560,687	553,383
Other income		7,500	-	7,500	5,529
TOTAL INCOME		568,187	-	568,187	4,821,390
EXPENDITURE ON:					
Charitable activities:					
Governance	5	6,108	-	6,108	4,312
Other charitable activities	4	267,614	1,221,425	1,489,039	3,642,676
TOTAL EXPENDITURE	6	273,722	1,221,425	1,495,147	3,646,988
NET INCOME BEFORE INVESTMENT LOSSES		294,465	(1,221,425)	(926,960)	1,174,402
Net losses on investment property		(516,928)	-	(516,928)	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(222,463)	(1,221,425)	(1,443,888)	1,174,402
NET MOVEMENT IN FUNDS		(222,463)	(1,221,425)	(1,443,888)	1,174,402
RECONCILIATION OF FUNDS:					
Total funds brought forward		3,348,687	7,390,566	10,739,253	9,564,851
TOTAL FUNDS CARRIED FORWARD		3,126,224	6,169,141	9,295,365	10,739,253

The notes on pages 14 to 23 form part of these financial statements.

NORTH AYRSHIRE VENTURES TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: SC200851

BALANCE SHEET
AS AT 31 MARCH 2019

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Investment property	10		2,596,000		3,312,928
CURRENT ASSETS					
Debtors	11	7,366,143		8,309,109	
Cash at bank and in hand	17	246,200		245,371	
		<u>7,612,343</u>		<u>8,554,480</u>	
CREDITORS: amounts falling due within one year	12	<u>(309,121)</u>		<u>(305,216)</u>	
NET CURRENT ASSETS			<u>7,303,222</u>		<u>8,249,264</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,899,222</u>		<u>11,562,192</u>
CREDITORS: amounts falling due after more than one year	13		<u>(603,857)</u>		<u>(822,939)</u>
NET ASSETS			<u>9,295,365</u>		<u>10,739,253</u>
CHARITY FUNDS					
Restricted funds	14	6,169,141		7,390,566	
Unrestricted funds	14	3,126,224		3,348,687	
TOTAL FUNDS			<u>9,295,365</u>		<u>10,739,253</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and constitute the annual financial statements required by the Companies Act 2006 and for circulation to the members.

The financial statements, which constitute the annual financial statements required by the Companies Act 2006 and for the circulation to the members, were approved and authorised for issue by the Trustees on 10/12/19 and signed on their behalf, by:

Audrey Sutton

Audrey Sutton
Trustee

The notes on pages 14 to 23 form part of these financial statements.

NORTH AYRSHIRE VENTURES TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	16	<u>31,006</u>	<u>(6,043,288)</u>
Cash flows from investing activities:			
Proceeds from the sale of tangible fixed assets		<u>185,000</u>	<u>-</u>
Net cash provided by investing activities		<u>185,000</u>	<u>-</u>
Cash flows from financing activities:			
Repayments of borrowings		<u>(215,177)</u>	<u>(211,341)</u>
Net cash used in financing activities		<u>(215,177)</u>	<u>(211,341)</u>
Change in cash and cash equivalents in the year		829	(6,254,629)
Cash and cash equivalents brought forward		<u>245,371</u>	<u>6,500,000</u>
Cash and cash equivalents carried forward	17	<u><u>246,200</u></u>	<u><u>245,371</u></u>

The notes on pages 14 to 23 form part of these financial statements.

NORTH AYRSHIRE VENTURES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES

The financial statements were prepared in Sterling and rounded to the nearest £.

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

North Ayrshire Ventures 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.

1.2 Company status

The charity is a company limited by guarantee and the registered office is Cunninghame House, Friars Croft, Irvine, North Ayrshire, KA12 8EE. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.3 Going concern

In common with other charitable organisations, North Ayrshire Ventures Trust is dependent on income from its donors, grant givers and other supporters to ensure its objectives continue to be achieved for the longer term. It is also dependent on the rental income generated from its investment properties. The accounts have been prepared on a going concern basis on the understanding that the charity has the continued support of its funders in the current and future years and that investment properties continue to be fully let.

1.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

NORTH AYRSHIRE VENTURES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount paid in advance for future periods.

1.8 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

NORTH AYRSHIRE VENTURES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES (continued)

1.10 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.12 Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from any revaluation is shown in the heading 'Gain/(losses) on investment assets' in the Statement of financial activities.

1.13 Critical accounting estimates and areas of judgment

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires the charity trustees to exercise judgement in applying the charity's accounting policies. The charity trustees have reviewed these and there is one critical accounting estimate in relation to the investment property valuation:

Investment property

Investment properties are revalued annually in line with RICS valuation standards, and the charity trustees use an expert who is qualified with RICS. Assumptions used include matters such as occupancy, tenancy details, property conditions, prevailing market yields and comparable market conditions.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	-	-	-	4,262,478
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2018	-	4,262,478	4,262,478	
	<hr/>	<hr/>	<hr/>	

NORTH AYRSHIRE VENTURES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

3. INVESTMENT INCOME

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest receivable	40,482	-	40,482	42,408
Rental income	520,205	-	520,205	510,975
	<u>560,687</u>	<u>-</u>	<u>560,687</u>	<u>553,383</u>
<i>Total 2018</i>	<u>553,383</u>	<u>-</u>	<u>553,383</u>	

4. DIRECT COSTS

	Charitable activities £	Total 2019 £	Total 2018 £
Loan and bank interest payable	16,977	16,977	20,837
Other expenditure	545	545	8,405
Property costs	40,184	40,184	44,058
Restricted grants payable	1,221,425	1,221,425	3,371,912
Grants payable	173,078	173,078	175,898
Property insurance	2,852	2,852	2,396
Loss on disposal of investment property	15,000	15,000	-
Recharged wages and salaries	18,002	18,002	18,193
Recharged national insurance	976	976	977
	<u>1,489,039</u>	<u>1,489,039</u>	<u>3,642,676</u>
<i>Total 2018</i>	<u>3,642,676</u>	<u>3,642,676</u>	

5. GOVERNANCE COSTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Governance fee	6,108	-	6,108	4,312

NORTH AYRSHIRE VENTURES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

6. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2019 £	Other costs 2019 £	Total 2019 £	Total 2018 £
Direct costs	18,978	1,470,061	1,489,039	3,642,676
Expenditure on governance	-	6,108	6,108	4,312
	<u>18,978</u>	<u>1,476,169</u>	<u>1,495,147</u>	<u>3,646,988</u>
<i>Total 2018</i>	<u>19,170</u>	<u>3,627,818</u>	<u>3,646,988</u>	

7. NET INCOME/(EXPENDITURE)

During the year, no Trustees received any remuneration (2018 - £NIL).

During the year, no Trustees received any benefits in kind (2018 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2018 - £NIL).

8. AUDITORS' REMUNERATION

	2019 £	2018 £
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>5,435</u>	<u>5,000</u>

9. STAFF COSTS

The staff costs represent a North Ayrshire Council employee time that has been recharged to the Trust.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

10. INVESTMENT PROPERTY

	Freehold investment property £
Valuation	
At 1 April 2018	3,312,928
Disposals	(200,000)
Deficit on revaluation	(516,928)
	<u>2,596,000</u>
At 31 March 2019	<u>2,596,000</u>

Investment properties are included at open market value. The historic cost of the investment properties as at 31 March 2019 amounted to £3,355,000 (2018: £3,555,000). A formal valuation was carried out in March 2019 by North Ayrshire Council Asset Management and Estates Team.

11. DEBTORS

	2019 £	2018 £
North Ayrshire Council	7,345,144	8,309,109
Other debtors	20,999	-
	<u>7,366,143</u>	<u>8,309,109</u>

12. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Loan from North Ayrshire Council	219,082	215,177
Other taxation and social security	200	93
Other creditors	15,060	-
Accruals and deferred income	74,779	89,946
	<u>309,121</u>	<u>305,216</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

12. CREDITORS: Amounts falling due within one year (continued)

	£
Deferred income	
Deferred income at 1 April 2018	84,946
Resources deferred during the year	69,780
Amounts released from previous years	(84,946)
	<u>69,780</u>
Deferred income at 31 March 2019	<u><u>69,780</u></u>

Deferred income relates to rental income received in advance from the investment properties owned by North Ayrshire Ventures Trust.

13. CREDITORS: Amounts falling due after more than one year

	2019 £	2018 £
Loan from North Ayrshire Council	<u>603,857</u>	<u>822,939</u>

The loan from North Ayrshire Council is supported by a floating charge in favour of North Ayrshire Council in respect of all borrowings. At the balance sheet date the total amount for which security has been granted is £822,939 (2018 - £1,038,116).

14. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2018 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2019 £
Unrestricted funds					
General Funds	<u>3,348,687</u>	<u>568,187</u>	<u>(273,722)</u>	<u>(516,928)</u>	<u>3,126,224</u>
Restricted funds					
Irvine Bay Urban Regeneration	<u>7,390,566</u>	<u>-</u>	<u>(1,221,425)</u>	<u>-</u>	<u>6,169,141</u>
Total of funds	<u><u>10,739,253</u></u>	<u><u>568,187</u></u>	<u><u>(1,495,147)</u></u>	<u><u>(516,928)</u></u>	<u><u>9,295,365</u></u>

822,939

NORTH AYRSHIRE VENTURES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

14. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 April 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 March 2018 £</i>
General Funds	3,064,851	558,912	(275,076)	3,348,687
Restricted funds				
Irvine Bay Urban Regeneration	6,500,000	4,262,478	(3,371,912)	7,390,566
Total of funds	9,564,851	4,821,390	(3,646,988)	10,739,253

SUMMARY OF FUNDS - CURRENT YEAR

	<i>Balance at 1 April 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2019 £</i>
General funds	3,348,687	568,187	(273,722)	(516,928)	3,126,224
Restricted funds	7,390,566	-	(1,221,425)	-	6,169,141
	10,739,253	568,187	(1,495,147)	(516,928)	9,295,365

SUMMARY OF FUNDS - PRIOR YEAR

	<i>Balance at 1 April 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 March 2018 £</i>
General funds	3,064,851	558,912	(275,076)	3,348,687
Restricted funds	6,500,000	4,262,478	(3,371,912)	7,390,566
	9,564,851	4,821,390	(3,646,988)	10,739,253

Irvine Bay Urban Regeneration is a restricted fund to provide grants to projects previously committed by Irvine Bay Urban Regeneration Company. As per the transfer agreement North Ayrshire Ventures Trust have acknowledged that grants are committed to ongoing projects.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Investment property	2,596,000	-	2,596,000
Current assets	1,443,202	6,169,141	7,612,343
Creditors due within one year	(309,121)	-	(309,121)
Creditors due in more than one year	(603,857)	-	(603,857)
	<u>3,126,224</u>	<u>6,169,141</u>	<u>9,295,365</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Investment property	3,312,928	-	3,312,928
Current assets	1,163,914	7,390,566	8,554,480
Creditors due within one year	(305,216)	-	(305,216)
Creditors due in more than one year	(822,939)	-	(822,939)
	<u>3,348,687</u>	<u>7,390,566</u>	<u>10,739,253</u>

16. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(1,443,888)	1,174,402
Adjustment for deficit:		
Revaluation gain on investment properties	516,928	-
Loss on the sale of fixed assets	15,000	-
Decrease/ (Increase) in debtors	942,966	(7,225,274)
(Decrease)/ Increase in creditors	-	7,584
Net cash provided by/(used in) operating activities	<u>31,006</u>	<u>(6,043,288)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

17. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	246,200	245,371
Total	<u>246,200</u>	<u>245,371</u>

18. GRANTS COMMITTED

In prior years the Trust received £10,762,478 in cash as part of the transfer of trade and assets from the Irvine Bay Urban Regeneration Company. As per the transfer agreement North Ayrshire Ventures Trust have acknowledged that grants are committed to ongoing projects. The maximum aggregate grant still to be advanced to ongoing projects is £3,522,838 (2018 - £1,413,688)

At 31 March 2019, North Ayrshire Ventures Trust had grants committed to be paid outwith the next financial year totalling £200,451 (2018 - £69,759). The conditions for these grants have not been met at 31 March 2019 and therefore these have not been provided for in these accounts.

19. RELATED PARTY TRANSACTIONS

During the year, the charity made loan repayments totalling £215,177 (2018 - £211,321) to North Ayrshire Council. Interest paid on the loan totalled £16,917 (2018 - £20,752). At the year end, North Ayrshire Ventures Trust has a loan balance with North Ayrshire Council of £822,939 (2018 - £1,038,116). The loan from North Ayrshire Council is supported by a floating charge in favour of North Ayrshire Council in respect of all borrowings.

There was an outstanding debtor balance owed by North Ayrshire Council to North Ayrshire Ventures Trust of £7,345,144 (2018 - £8,309,016). Amounts owed by North Ayrshire Council are unsecured, interest free and repayable on demand.

Payroll costs incurred by North Ayrshire Council on behalf of the charity totalled £18,978 (2018 - £19,170). These have been fully settled by the year end.

During the year, North Ayrshire Council paid VAT liabilities to HMRC on behalf of North Ayrshire Ventures Trust totalling £4,680 (2018 - £7,554).

20. CONTROLLING PARTY

In the opinion of the Trustees there is no ultimate controlling party of the charity.