

RENFREWSHIRE COUNCIL

COATS OBSERVATORY TRUST FUND

SC019454

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

1 APRIL 2021 to 31 MARCH 2022



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Trustees' Report

INTRODUCTION

Renfrewshire Council acts as sole trustee for the Coats Observatory Trust Fund ("the Trust Fund"), which has charitable status and is registered with the Office of the Scottish Charity Regulator (OSCR):

The financial statements of the Trust Fund are included in this report:

The principal address of the Trust Fund is:

Renfrewshire Council
Finance and Resources
Renfrewshire House
Cotton Street
Paisley
PA1 1JB

Renfrewshire Council administers the Trust Fund and separately accounts for it. Renfrewshire Council was established by the Local Government (Scotland) Act 1994 and came into being on 1 April 1996. The Council provides a wide range of public services such as education, social services, environmental services, council housing and economic regeneration.

The Trust Accounts do not form part of Renfrewshire Council's single entity balance sheet, although under s222 of the Local Government (Scotland) Act 1973, the property of the Trust Fund "vest[s]" in the relevant local authority. However, the Trust Fund accounts are included within the group accounts of the Council. A copy of the group accounts can be obtained from the address above, or on the Council's website at www.renfrewshire.gov.uk.

Independent Auditors:

Audit Scotland
4th Floor, South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow G2 1BT

TRUSTEES

Guidance provided by OSCR advises that those who have general control and management of the charity are the charity's Trustees. Decisions regarding the general control and management of the Trust Fund are made by the Finance, Resources and Customer Services Policy Board (FRCSPB), which has delegated authority from the Council in this regard; but ultimately control rests with the full Council of elected members at Renfrewshire Council. The guidance is therefore interpreted as all elected members of Renfrewshire Council being charity Trustees.

The following individuals were Trustees of the Coats Observatory Trust Fund in their capacity as elected members of Renfrewshire Council during the 2021/22 financial year:

Alison Ann-Dowling	John Hood
Alistair Mackay	John McIntyre
Andrew Doig	John McNaughtan
Andrew Steel	John Shaw
Audrey Doig	Karen Devine-Kennedy
Carolann Davidson	Kenneth MacLaren
Catherine McEwan	Kevin Montgomery
Colin McCulloch	Lisa-Marie Hughes
Derek Bibby	Lorraine Cameron
Edward Devine	Margaret MacLaren
Edward Grady	Marie McGurk
Eileen McCartin	Michelle Campbell
Emma Rodden	Natalie Don
Iain Nicolson	Neill Graham
Jacqueline Cameron	Paul Mack (until 9 May 2021)
James MacLaren	Scott Kerr
James Sheridan	Stephen Burns
Jane Strang	Tom Begg
Jennifer Marion Adam-McGregor	William Binks
Jim Harte	William Brown
Jim Paterson	William Mylet
Jim Sharkey	

Day-to-day management of the Trust Fund is delegated to the Director of Finance and Resources of Renfrewshire Council. All Trustees are normally elected or re-elected at local government elections. By-elections are held to elect new members in the event of existing members vacating their position. New members automatically become trustees. The list above does not reflect any changes following the most recent local government election on 5 May 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Coats Observatory Fund was inherited by the local authority in early 1963 from the Paisley Philosophical Society. The Council, as Trustees, owns the buildings comprising the Coats Observatory. These buildings are leased to OneRen Ltd for nil consideration.

HISTORY

The original purpose of the Trust Fund when it was set up was: “for the upkeep of Coats Observatory equipment”. This purpose was relevant while cash funds were available; however, these funds have now been exhausted, and only the property assets remain.

GOVERNANCE AND MANAGEMENT

The Council is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has responsibility for the administration of those affairs. The Director of Finance and Resources has been designated as that officer in Renfrewshire Council. They manage the affairs of the Council to secure the economic, efficient and effective use of resources and safeguard its assets and those of any charitable trust it controls. Given that the Trust Fund is controlled by the Council, these specific provisions are supplemented by general provisions relating to the administration of local authority monies, i.e. the duty to obtain best value.

The Director of Finance and Resources has responsibility for ensuring that an effective system of internal financial control is maintained and operated. This system of internal financial control can only provide reasonable and not absolute assurance that assets are safeguarded, transactions are recorded and properly authorised, and that material errors or irregularities are either prevented, or detected within a timely period. The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures and a system of delegation and accountability. The Director of Finance and Resources is responsible for keeping proper accounting records that are up to date and ensure that the financial statements comply with the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice (SoRP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014.

Decisions regarding the operation, assets, processes or policies of the Trust Fund are delegated by the Council to the Finance, Resources and Customer Services Policy Board (FRCSPB).

RISK

The Trustees have overall responsibility for the Trust Funds' system of internal control. This system is designed by senior management to ensure effective and efficient operation, including financial reporting and compliance with laws and regulations. The Trustees acknowledge that such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

FINANCIAL REVIEW

The Trust Fund has no explicit reserves policy. The Trust Fund is not in deficit and no donations to the Fund are solicited.

FUTURE PLANS

Given that there are no cash funds remaining, nor anticipated, the Council is currently exploring with OSCR the future of the charity, always considering the ongoing sustainability of the Observatory and ensuring appropriate governance arrangements remain in place.

Renfrewshire Council Coats Observatory Trust Fund Trustees' Report

The Trustees wish to thank Renfrewshire Council officers involved in producing the Report and Financial Statements.

Signed:

Date: 17 November 2022

Alastair MacArthur

Alastair MacArthur
Director of Finance and Resources
Renfrewshire Council

On behalf of the Trustees:

Date: 17 November 2022



Councillor John Shaw
Convener – Finance, Resources and Customer Services Policy Board
Renfrewshire Council

Independent auditor's report to the trustees of Coats Observatory Trust Fund and the Accounts Commission

Reporting on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of Coats Observatory Trust Fund for the year ended 31 March 2022 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Receipts and Payments, the Statement of Balances and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

In my opinion the accompanying financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2022 and its statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1),(2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation of financial statements that properly present the receipts and payments of the charity, and for such internal control as the trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how the charity is complying with that framework;
- identifying which laws and regulations are significant in the context of the charity;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the charity's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

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

Reporting on other requirements

Other information

The trustees are responsible for other information in the statement of accounts. The other information comprises the Trustees' Annual Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Trustees' Annual Report to the extent explicitly stated in the following opinion prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on the Trustees' Annual Report

In my opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' Annual Report for the financial year for which the financial statements are

prepared is consistent with the financial statements and that report has been prepared in accordance with The Charity Accounts (Scotland) Regulations 2006.

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Mark Ferris

Mark Ferris FCCA
Senior Audit Manager
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

Mark Ferris is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973.

17 November 2022

Trust Accounts Financial Statements Overview

INTRODUCTION

The following pages detail the Statement of Receipts and Payments, the Statement of Balances and relevant Notes to the Accounts, as required by the Charities Accounts (Scotland) Regulations 2006. A Cash Flow Statement is not required as the charity is classified as a small charity as defined in the Charities Statement of Recommended Practice (SoRP) and therefore is exempt from producing a Cash Flow Statement.

STATEMENT OF RECEIPTS AND PAYMENTS

The Statement of Receipts and Payments provides an analysis of the incoming and outgoing cash and bank transactions for the period. If applicable, the Statement would also show any cash movements in relation to fixed assets. In the case of the Trust Fund, there have been no purchases or sales of fixed assets.

STATEMENT OF BALANCES

The Statement of Balances reconciles the cash and bank balances at the beginning and end of the financial year with the surpluses or deposits shown in the Statement of Receipts and Payments. The Statement of Balances also summarises final closing balances at the end of the period.

NOTES TO THE ACCOUNTS

Notes to the accounts expand on or explain the information contained in the Statement of Receipts and Payments and the Statement of Balances.

Statement of Receipts and Payments for the year ended 31 March 2022


2021 Total £		Unrestricted £	Restricted £	2022 Total £
0	Total receipts	0	0	0
0	Total payments	0	0	0
0	Surplus / (deficit) for period	0	0	0

Statement of Balances as at 31 March 2022

2021 Total £		Unrestricted £	Restricted £	2022 Total £
	Cash funds			
	<i>Balances held with Renfrewshire Council:</i>			
0	Opening balance	0	0	0
0	Surplus / (deficit) for period	0	0	0
0		0	0	0
	Other assets (at current valuation)			
	<i>Land and buildings:</i>			
770,227	Coats Observatory, Paisley	0	700,213	700,213
0	Long Term Investments	0	0	0
770,227		0	700,213	700,213

The unaudited accounts were issued on 30 June 2022 and the audited accounts were authorised for issue on 17 November 2022.

Signed: *Alastair MacArthur*

Signed: 

Date: 17 November 2022

Date: 17 November 2022

Alastair MacArthur

Councillor John Shaw

Director of Finance and Resources
Renfrewshire Council

Convenor, Finance, Resources and Customer
Services Policy Board
Renfrewshire Council

Notes to the Financial Statements

ACCOUNTING POLICIES

INTRODUCTION

The Financial Statements for the year ended 31 March 2022 have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard 102, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are designed to give a true and fair view of the financial performance and position of the Trust Fund and comparative figures for the previous financial year are provided. There are no significant departures from accounting standards other than that outlined specifically below.

The accounting concepts of materiality and going concern have been considered in the application of accounting policies. In this regard the materiality concept means that information is included where the information is of such significance as to justify its inclusion. The accounts have been prepared on a going concern basis. The going concern concept assumes that the Trustees will not significantly curtail the scale of the charities' operations; however, it is anticipated that the Trust Fund will not continue indefinitely. This has no impact on the financial statements, as the assets of the fund comprise solely of the Observatory buildings, which are independently valued.

The accounting concept of accruals is not relevant to these statements, which have been prepared on a receipts and payments basis.

The accounts have been prepared under the historic cost convention, other than changes resulting from the revaluation of certain categories of assets. The accounting policies reported have been reviewed following the introduction of Financial Reporting Standard 18: Accounting Policies (FRS18).

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor, or when funds are raised for particular restricted purposes.

Further explanations of the nature and purpose of each fund is included in the notes to the financial statements.

Audited 2020/21 comparative figures have been brought forward unchanged.

INCOMING/OUTGOING RESOURCES

Recognition of incoming resources

All income is recognised and included in the Statement of Receipts and Payments when the money is actually received.

Recognition of expenditure

Expenditure is recognised and included in the Statement of Receipts and Payments when it is paid out.

Charitable Activities

Decisions regarding the way the Trust Funds' income is spent are taken by the Finance, Resources and Customer Services Policy Board, whose membership comprises 15 of the Trustees of the Trust Fund.

Costs of Generating Funds

The cost of administering the Trust Fund, including the audit fee of £340, is borne entirely by Renfrewshire Council.

Governance Costs

Governance costs, where applicable, include the:

- costs of the preparation and examination of statutory accounts;
- cost of any legal advice to trustees on governance or constitutional matters; and
- cost of administering grants.

ASSETS

The Fund includes the land and buildings of Coats Observatory, Paisley. The valuation is based on fair value, determined as the market value that would be paid for the asset in its current use. Valuation is provided by the Council Valuer, who is MRICS qualified, and updated as a minimum every five years. The latest valuation of the Observatory building was 31 March 2021, and it is depreciated on a straight-line basis over 30 years.

ANALYSIS OF RECEIPTS/PAYMENTS

No income was received in the year.

TRUSTEES' REMUNERATION AND EXPENSES

Neither the trustees of the Trust Fund, nor any associated person connected with them have received any remuneration for their services. Further, no directly incurred expenses were reimbursed to the Trustees during the year (2020/21 nil).

RELATED PARTIES

During the year, Renfrewshire Council acted as banker for the Trust Fund, and all transactions, incoming and outgoing, were made via the Council's bank accounts. There are no outstanding balances due to or from Renfrewshire Council at 31 March 2022, nor were there any cash transactions during the year.

There were no transactions with any of the Trustees during the year.