

RENFREWSHIRE COUNCIL

COATS OBSERVATORY TRUST FUND

SC019454

TRUSTEES' REPORT

AND FINANCIAL STATEMENTS

1 APRIL 2017 to 31 MARCH 2018



Renfrewshire
Council

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Trustees' Report

1. INTRODUCTION

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

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

The principal address of the Trust Funds 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 "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.

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

TRUSTEES

In terms of the “Trustees” of the Trust, the guidance provided by OSCR is that those who have “general control and management” of the charity are the charity trustees. Decisions regarding the general control and management of the Trust Funds are made by the Finance and Resources Policy Board of the Council(FRPB), which has delegated authority from the Council in this regard; but ultimately control rests with the full Council of elected members. We have therefore interpreted the above guidance as meaning all elected members are charity trustees. Following the recent local government elections the Finance and Resources Policy Board was succeeded by the Finance, Resources and Customer Services Policy Board (FRCSPB) on 18 May 2017.

The following individuals were the Trustees of the Trust Funds in their capacity as elected members of Renfrewshire Council during the 2017/18 financial year:

William Brown	Audrey Doig
Lisa-Marie Hughes (elected 05/05/17)	Alison Dowling (elected 05/05/17)
John Shaw (elected 05/05/17)	Scott Kerr (elected 05/05/17)
Jane Strang (elected 05/05/17)	James Sheridan (elected 05/05/17)
Edward Grady (elected 05/05/17)	Natalie Don (elected 05/05/17)
Catherine McEwan	Colin McCulloch (elected 05/05/17)
Jim Paterson	James MacLaren
Jennifer Adam-McGregor (elected 05/05/17)	Tom Begg (elected 05/05/17)
Neill Graham (elected 05/05/17)	Michelle Campbell (elected 05/05/17)
Jim Sharkey	Jim Harte
Karen Kennedy (elected 05/05/17)	Iain Nicolson
John McIntyre (elected 05/05/17)	Alexander Murrin (resigned 04/05/17)
Kenneth MacLaren	Bill Perrie (resigned 04/05/17)
Margaret MacLaren	Edward Grady (resigned 04/05/17)
Carolann Davidson (elected 05/05/17)	Brian Lawson (resigned 04/05/17)
John McNaughtan (elected 05/05/17)	Terry Kelly (resigned 04/05/17)
William Mylet	Tommy Williams (resigned 04/05/17)
Edward Devine	Mark MacMillan (resigned 04/05/17)
Marie McGurk	John Caldwell (resigned 04/05/17)
Paul Mack	Iain McMillan (resigned 04/05/17)
Stephen Burns (elected 05/05/17)	Anne Hall (resigned 04/05/17)
Lorraine Cameron	Allan Noon (resigned 04/05/17)
Eileen McCartin	Michael Holmes (resigned 04/05/17)
Kevin Montgomery (elected 05/05/17)	James McQuade (resigned 04/05/17)
Jacqueline Cameron (elected 05/05/17)	Sam Mullin (resigned 04/05/17)
John Hood	Roy Glen (resigned 04/05/17)
Alistair MacKay (elected 05/05/17)	Margaret Devine (resigned 04/05/17)
Andrew Steel (elected 05/05/17)	Maureen Sharkey (resigned 04/05/17)
Derek Bibby	Jacqueline Henry (resigned 04/05/17)
William Binks (elected 05/05/17)	Chris Gilmour (resigned 04/05/17)
Andrew Doig	Stephen McGee (resigned 04/05/17)
Emma Rodden (elected 05/05/17)	Maria Brown (resigned 04/05/17)

Day to day management of the Trust Funds is delegated to the Director of Finance and Resources of Renfrewshire Council. All of the trustees for the accounts 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.

2. 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 own the buildings comprising the Coats Observatory. These buildings are leased to Renfrewshire Leisure Ltd for zero consideration.

HISTORY

The original purpose of the Trust when it was set up was: “for the upkeep of Coats Observatory equipment”. This purpose was relevant while there were cash funds available; however these funds have 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 the 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 the Trust Funds are 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 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 would be 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 which are up to date and which 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 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16th July 2014.

Decisions regarding the operation, assets, processes or policies of the Trust Funds 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.

3. FINANCIAL REVIEW

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

4. FUTURE PLANS

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

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

Signed:

Date: .

Alan Russell
Director of Finance and Resources
Renfrewshire Council

On behalf of the Trustees:

Date:

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

Independent Auditor's Report to the Trustees of Renfrewshire Council Trust Funds and the Accounts Commission for Scotland

The accounts are still subject to audit. The appointed auditor is:

Mark Ferris FCCA

Audit Scotland

4th Floor, 8 Nelson Mandela Place,

Glasgow.

G2 1BT

Date

Trust Accounts Financial Statements Overview

1. 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.

2. 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.

3. 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.

4. 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 31st March 2018

year ended 31st March 2018				
2017 Total £		Unrestricted £	Restricted £	2018 Total £
	Receipts			
0.00	Income from other charities	0.00	0.00	0.00
0.00	Income from investments other than land and buildings	0.00	0.00	0.00
0.00	Other receipts	0.00	0.00	0.00
0.00	Total receipts	0.00	0.00	0.00
	Receipts from investment sales			
0.00	Proceeds from sale of investments	0.00	0.00	0.00
0.00	Total receipts from investment sales	0.00	0.00	0.00
	Payments			
0.00	Charitable activities	0.00	0.00	0.00
0.00	Governance costs	0.00	0.00	0.00
0.00	Building maintenance costs	0.00	0.00	0.00
0.00	Total payments	0.00	0.00	0.00
0.00	Transfer between funds	0.00	0.00	0.00
0.00	Surplus / (deficit) for period	0.00	0.00	0.00

Statement of Balances as at 31st March 2018

As at 31 st March 2018				
2017 Total		Unrestricted	Restricted	2018 Total
	Cash funds			
	<i>Balances held with Renfrewshire Council:</i>			
0.00	Opening balance	0.00	0.00	0.00
0.00	Surplus / (deficit) for period	0.00	0.00	0.00
0.00		0.00	0.00	0.00
	Other assets (at current valuation)			
	<i>Land and buildings:</i>			
652,344.16	Coats Observatory, Paisley	0.00	631,597.46	631,597.46
0.00	<i>Long Term Investments</i>	0.00	0.00	0.00
652,344.16		0.00	631,597.46	631,597.46

Signed
Date:
Alan Russell
Director of Finance and Resources

Renfrewshire Council

Signed
Date:
Councillor John Shaw
Convenor – Finance, Resources and Customer
Services Policy Board
Renfrewshire Council

Notes to the Financial Statements

1. ACCOUNTING POLICIES

INTRODUCTION

The Financial Statements for the year ended 31 March 2018 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 for Smaller Entities published on 16th July 2014, the Financial Reporting Standard for Smaller Entities (FRSSE), 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 Funds 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 Observatory Funds will not continue indefinitely. This has no impact on the financial statements as the assets of these Funds 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 following accounting policies used in its preparation 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.

The 2016-17 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 (SoRP) when the money is actually received.

Recognition of expenditure

Expenditure is recognised and included in the Statement of Receipts and Payments (SoRP) when it is paid for.

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 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. Valuations are provided by the Council Valuer who is MRICS qualified, and are updated as a minimum every five years. The Observatory building is being depreciated on a straight-line basis over 30 years.

2. ANALYSIS OF RECEIPTS/PAYMENTS

No income was received in the year.

3. TRUSTEES' REMUNERATION AND EXPENSES

Neither the trustees of the Trust Funds 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 period (2016-17 nil).

4. RELATED PARTIES

During the period the Council also acted as the banker for the Trust Funds and all transactions, incoming and outgoing, are made via the Council's bank accounts. There are no outstanding balances due to or from Renfrewshire Council.