

# Committee on the Jean F. Watson Bequest

10.00am, Friday, 15 December 2017

## Jean F. Watson Financial Statement 2017/18

Item number	5.1
Report number	
Executive/routine	
Wards	
Council Commitments	

### Executive Summary

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This report provides an update on the financial position of the Miss Jean Fletcher Watson (known as Jean F. Watson) Charitable Trust (SC018971) since the last Committee meeting on 29 April 2016.

## Jean F. Watson Financial Statement 2017/18

### 1. Recommendations

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- 1.1 Members of the Committee on the Jean F. Watson Bequest are asked to note the content of this report.

### 2. Background

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- 2.1 The purpose of this report is to update the Committee with the financial position of the Jean F. Watson Charitable Trust.
- 2.2 The Committee last met on 29 April 2016 when a financial statement was included which provided an expected out-turn position for the 2015/16 financial year.
- 2.3 The City of Edinburgh Council Charitable Trusts Audited Trustee's Annual Report and Accounts for 2015/16 was approved by Finance and Resources Committee on 29 September 2016 and submitted to the Office of the Scottish Charity Regulator (OSCR) in October 2016.
- 2.4 The City of Edinburgh Council Charitable Trusts Audited Trustee's Annual Report and Accounts for 2016/17 was approved by Finance and Resources Committee on 28 September 2017 and submitted to OSCR in October 2017.

### 3. Main report

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- 3.1 Appendix 1 of this report provides an update on the 2016/17 outturn financial position of the Trust as well as providing a forecast for the 2017/18 financial year.
- 3.2 Appendix 1 shows that the funds available at the start of the 2017/18 financial year were £88,918 and that is forecast to grow to £119,994 by the end of the 2017/18 financial year. This is subject to investment income remaining stable for the final quarter of the financial year and no purchases of art being completed within the financial year.
- 3.3 The value of the investments held by the Trust as at 31 March 2017 was £913,899 and the value of the artwork was recorded as £5,274,624.

#### **4. Measures of success**

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- 4.1 The Jean F. Watson Charitable Trust continues to serve its purpose and purchase works of art by artists who have connections with the city of Edinburgh.

#### **5. Financial impact**

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- 5.1 There is no direct financial impact arising from the contents of this report but it sets out the financial position of the Jean F. Watson Charitable Trust.

#### **6. Risk, policy, compliance and governance impact**

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- 6.1 Not applicable.

#### **7. Equalities impact**

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- 7.1 Not applicable.

#### **8. Sustainability impact**

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- 8.1 Not applicable.

#### **9. Consultation and engagement**

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- 9.1 Not applicable.

#### **10. Background reading/external references**

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- 10.1 [‘Financial Statement’](#), Committee on the Jean F Watson Bequest, 29 April 2016
- 10.2 [‘Charitable Trusts Reserves Policy’](#), Finance and Resources Committee, 17 March 2016
- 10.3 [‘The City of Edinburgh Council Charitable Trusts – Report to those charged with Governance on the 2015/16 Audit’](#), Finance and Resources Committee, 29 September 2016
- 10.4 [‘The City of Edinburgh Council Charitable Trusts – Report to those charged with Governance on the 2016/17 Audit’](#), Finance and Resources Committee, 28 September 2017

10.5 '[Miss Jean Fletcher Watson Bequest](#)', OSCR Website

10.6 '[Guidance and good practice for Charity Trustees](#)', OSCR Website

**Stephen S. Moir**

Executive Director of Resources

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Executive Director of Place

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## **11. Appendices**

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Appendix 1 – Jean F. Watson Committee Financial Statement 2017/18

	£	£	Notes
<b>Funds Available as at 1 April 2016</b>		<b>83,894</b>	<b>1</b>
Income from Investments 2016/17		<u><b>32,822</b></u>	<b>2</b>
Acquisitions 2016/17	(39,164)		<b>3</b>
<b>Less: Grants Received 2016/17</b>	<u>14,500</u>		<b>4</b>
Net Acquisitions 2016/17		<u><b>(24,664)</b></u>	
Investment Advice 2016/17	(1,825)		
Governance Costs 2016/17	<u>(1,309)</u>		
		<u><b>(3,134)</b></u>	<b>5</b>
<b>Funds Available as at 1 April 2017</b>		<u><b>88,918</b></u>	<b>6</b>
Forecast Income from Investments 2017/18		35,176	<b>7</b>
Forecast Governance Costs 2017/18	<u>(4,100)</u>		
		(4,100)	<b>8</b>
<b>Forecast Funds Available as at 1 April 2018</b>		<u><b>119,994</b></u>	<b>9</b>

**Notes :**

- 1** £83,894 is the accumulated surplus carried forward from previous years. This differs slightly to what was reported here as these figures were reported before the accounts for 2015/16 had closed.
- 2** £32,822 is the income from interest on investments held with CCLA and M&G, as well as a small amount from the bank account for 2016/17.
- 3** The only acquisition in 2016/17 was the work "Moon" by Alison Watt, approved by the Committee on 29 April 2016.
- 4** A grant award of £9,500 towards the above purchase was received from the National Fund for Acquisitions administered by the National Museums of Scotland and £5,000 was received from Friends of City Art Centre. The net cost of the work was therefore £24,664.
- 5** An allocation of one-off investment advice for £1,825 in 2016/17 resulted in an investment in the COIF Charities Investment Fund managed by CCLA. Central support charges were £1,309 relating to an allocation for audit of the accounts and other support charges.
- 6** As a result, the funds available as at 1 April 2017 were £88,918.
- 7** The forecast income from investments in 2017/18, subject to market conditions, is £35,176.
- 8** The forecast governance costs (audit fee and central support costs) are £4,100 for 2017/18.
- 9** As a result, the forecast funds available as at 1 April 2018 are £119,994. This is subject to change based on timing of purchases of new artwork.
- 10** The value of the investments held by the Trust as at 31 March 2017 was £913,899. The value of the artwork was recorded as £5,274,624.
- 11** The 2016/17 Audited Accounts were approved by Finance and Resources Committee on 28 September 2017.