

# Committee on the Jean F. Watson Bequest

10.30am, Friday, 28 August 2020

## Jean F. Watson Financial Statement 2019/20

Executive/routine  
Wards  
Council Commitments

### 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.

**Stephen S. Moir**

Executive Director of Resources

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# Report

## Jean F. Watson Financial Statement 2019/20

### 2. Executive Summary

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- 2.1 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 7 February 2020. A more detailed report, including commentary on investment performance, will be provided after the completion of audit work and the approval of the 2019/20 Charitable Trusts Accounts by the Finance and Resources Committee.

### 3. Background

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- 3.1 The purpose of this report is to update the Committee with the financial position of the Jean F. Watson Charitable Trust.
- 3.2 The Committee last met on 7 February 2020 when a financial statement was included which provided an expected out-turn position for the 2019/20 financial year.

### 4. Main report

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- 4.1 Appendix 1 of this report provides an update on the provisional 2019/20 outturn financial position of the Trust as well as providing a forecast for the 2020/21 financial year. Audit work for the 2019/20 accounts is still on-going and the accounts are yet to be approved by the Finance and Resources Committee.
- 4.2 Appendix 1 shows that the funds available at the start of the 2020/21 financial year were £127,845 and are forecast to be £149,006 by the end of the 2020/21 financial year. This is subject to investment income remaining stable for the remaining quarters of the financial year.
- 4.3 If the recommended acquisitions were to be approved, and the purchases completed by 31 March 2021, the revised forecast funds available by the end of the 2020/21 financial year will be £125,470.

- 4.4 The value of the investments held by the Trust as at 31 March 2020 was £949,598 and the value of the artwork was recorded as £5,373,974.

## **5. Next Steps**

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

## **6. Financial impact**

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- 6.1 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, with investment income exceeding governance costs allowing the on-going expansion of the Edinburgh Museums and Galleries collections.

## **7. Stakeholder/Community Impact**

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- 7.1 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.

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

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- 8.1 [‘Charitable Trusts Reserves Policy’](#), Finance and Resources Committee, 17 March 2016
- 8.2 [‘Miss Jean Fletcher Watson Bequest’](#), OSCR Website
- 8.3 [Guidance and good practice for Charity Trustees’](#), OSCR Website

## **9. Appendices**

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Appendix 1 – Jean F. Watson Committee Financial Statement 2019/20

**Jean F. Watson Committee Financial Statement 2019/20****Appendix 1**

	£	£	Notes
<b>Funds Available as at 1 April 2019</b>		<b>128,623</b>	<b>1</b>
Income from Investments 2019/20	31,412		<b>2</b>
	<hr/>	<b>31,412</b>	
Net Acquisitions 2019/20	(29,149)		<b>3</b>
Governance Costs 2019/20	(3,041)		<b>4</b>
	<hr/>	<b>(32,190)</b>	
<b>Funds Available as at 1 April 2020</b>		<b>127,845</b>	
Forecast Income from Investments 2020/21		<b>31,224</b>	<b>5</b>
Net Acquisitions 2020/21	(2,072)		<b>6</b>
Forecast Governance Costs 2020/21	(7,990)		<b>7</b>
	<hr/>	<b>(10,063)</b>	
<b>Forecast Funds Available by 31 March 2021</b>		<b>149,006</b>	<b>8</b>

**Notes :**

- 1 £128,623 is the accumulated surplus carried forward from previous years.
  - 2 £31,412 represents the income from interest on investments held with CCLA and M&G, as well as a small amount from the bank account.
  - 3 Acquisitions made in 2019/20 are listed in the table 1 below, approved by the Committee on 26 September 2019. Total acquisitions in 2019/20 were £56,580 and total grant aid received was £27,430.
  - 4 The governance costs covers audit fee. In addition there was central support costs of £2686 for 2019/20 but the payment was not made as at year-end and had to be carried forward to be paid in 2020/21.
  - 5 The forecast income from investments in 2020/21, subject to market conditions, is £31,224.
  - 6 The total acquisitions already made in 2020/21, approved by the Committee on 7 February 2020, is £18,214 and total grant aid received was £9,107. A refund of £7,035 is expected from Edinburgh Council for over-reimbursement of artwork purchases paid for in the previous year.
  - 7 The forecast governance costs (audit fee and central support costs) are £7,990 for 2020/21. This includes central support costs of £2686 brought forward from 2019/20.
  - 8 The forecast funds available by 31 March 2021 are £149,006.
- If the recommended acquisitions were to be approved and the purchases completed by 31 March 2021 the revised Forecast Funds Available, as shown in table 2 below, will be £125,470 (or £109,780 without NFA grants).
  - The value of the investments held by the Trust as at 31 March 2020 was £949,598. The value of the artwork was recorded as £5,373,974.
  - Audit work for the 2019/20 Charitable Trusts Accounts is still on-going and the accounts are yet to be approved by the Finance and Resources Committee.

**Table 1****Acquisitions made in 2019/20**

<b>Name of Artwork</b>	<b>Name of Artist</b>	<b>Financial Year</b>
<i>Suite of Photographs</i>	David Eustace	2019/20
<i>Three Photograph Artworks</i>	Kevin McCollum	2019/20
<i>The Schism – Final Diagnosis</i>	Edwin G. Lucas	2019/20
<i>Glass vase 'Korean Glass 2'</i>	Choi Keeryong	2019/20
<i>Hammer raised Silver Beaker</i>	William Kirk	2019/20
<i>Silver Beaker with gilt interior</i>	Malcolm Appleby	2019/20
<i>Cast Silver Bowl 'Hurricane 12'</i>	Malcolm Appleby	2019/20
<i>3 Bowls &amp; A Vase</i>	V.Higginson, R.Hunter & G.Burnett	2019/20
<i>Ceramic Teapot</i>	Tricia Thom	2019/20

**Table 2****Revised Forecast Funds Available**

	£	£
<b>Forecast Funds Available by 31 March 2021</b>		<b>149,006.45</b>
<b>Recommended Acquisitions:</b>		
Three digital prints by Rachel Maclean	(36,975.00)	
Carriage	(2,251.86)	
	_____	(39,226.86)
		109,779.59
<b>Grants (if awarded)</b>		15,690.74
<b>Revised Forecast Funds Available by 31 March 2021</b>		<b>125,470.33</b>