

Committee on the Jean F. Watson Bequest

10am, Friday, 17 December 2021

Jean F. Watson Financial Statement 2020/22

Executive/routine
Wards
Council Commitments

1. Recommendations

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

Stephen S. Moir

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Report

Jean F. Watson Financial Statement 2020/22

2. Executive Summary

- 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 28 August 2020.

3. Background

- 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 28 August 2020 when a financial statement was included which provided an expected outturn position for the 2020/21 financial year.
- 3.3 The City of Edinburgh Council Charitable Trusts Audited Trustee's Annual Report and Accounts for 2020/21 were approved by Finance and Resources Committee on 18 November 2021 and will be submitted to OSCR in December 2021.

4. Main report

- 4.1 Appendix 1 of this report provides an update on the actual 2020/21 outturn financial position of the Trust as well as providing a forecast for the 2021/22 financial year.
- 4.2 Appendix 1 shows that the funds available at the start of the 2021/22 financial year were £154,260 and are forecast to be £159,710 by the end of the 2021/22 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 2022, the revised forecast funds available by the end of the 2021/22 financial year will be £152,712.
- 4.4 The value of the investments held by the Trust as at 31 March 2021 was £1,107,550 and the value of the artwork was recorded as £5,382,433.

Future Plans

- 4.5 The Council is currently conducting a review of its administration of trusts. At the Finance and Resources Committee meeting of 12 August 2021, details were provided of the principal findings of an external review of the effectiveness of current governance arrangements in discharging the Council's responsibilities under the Deed of Trust for Lauriston Castle Trust (LCT). In considering the report's recommendations, members agreed to receive a further report to full Council early in the new year including a routemap on a proposed way forward for the Trust, as well as reviewing the arrangements for the other trusts including Jean F. Watson of which the Council is currently sole trustee.

5. Next Steps

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

6. Financial impact

- 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

- 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

- 8.1 ['Charitable Trusts Reserves Policy'](#), Finance and Resources Committee, 17 March 2016.
- 8.2 ['Jean F. Watson Financial Statement 2019/20'](#), Committee on the Jean F Watson Bequest, 28 August 2020.
- 8.3 ['2020/21 Audited Accounts'](#), Finance and Resources Committee, 18 November 2021.
- 8.4 ['Miss Jean Fletcher Watson Bequest'](#), OSCR Website.
- 8.5 ['Guidance and good practice for Charity Trustees'](#), OSCR Website.

9. Appendices

9.1 Appendix 1 – Jean F. Watson Committee Financial Statement 2020/22.

Jean F. Watson Committee Financial Statement 2020/22**Appendix 1**

	£	£	Notes
Funds Available as at 1 April 2020		127,846	1
Income from Investments 2020/21	31,477		2
	<hr/>	31,477	
Net Acquisitions 2020/21	(2,072)		3
Grant (<i>received in advance</i>)	5,000		4
Governance Costs 2020/21	(7,990)		5
	<hr/>	(5,063)	
Funds Available as at 1 April 2021		154,260	
Forecast Income from Investments 2021/22		31,716	6
Net Acquisitions 2021/22	(20,000)		7
Governance Costs 2021/22	(6,266)		8
	<hr/>	(26,266)	
Forecast Funds Available by 31 March 2022		159,710	9

Notes :

- 1 £127,846 is the accumulated surplus carried forward from previous years.
 - 2 £31,477 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 2020/21 are listed in the table 1 below, **approved by the Committee on 7 February 2020**. Total acquisitions in 2020/21 were £18,214 and total grant aid received was £9,107. A refund of £7,035 was received from City of Edinburgh Council for over-reimbursement of art purchases paid for in the previous year.
 - 4 Grant of £5,000 was received in advance for art purchases to be made in 2021/22.
 - 5 The governance costs cover audit fee and central support costs. In addition there were central support costs of £2,686 for 2019/20 brought forward and paid in 2020/21.
 - 6 The forecast income from investments in 2021/22, subject to market conditions, is £31,716.
 - 7 The total acquisitions already made in 2021/22, **approved by the Committee on 28 August 2020**, are £36,975 and the total grant aid expected is £16,975 including the £5,000 already received in the prior year.
 - 8 The governance costs expected to be paid in 2021/22 are £6,266.
 - 9 The forecast funds available by 31 March 2022 are £159,710.
- The financial statement and notes have been rounded to the nearest whole number, and as such, are subject to rounding differences.
 - If the recommended acquisitions were to be approved and the purchases completed by 31 March 2022 the revised Forecast Funds Available, as shown in table 2 below, will be £152,712 (or £145,715 without grants).
 - The value of the investments held by the Trust as at 31 March 2021 was £1,107,550 (2019/20 was £949,598). The value of the artwork was recorded as £5,382,433 (2019/20 £5,373,974).
 - The **2020/21 Audited Accounts** were approved by Finance and Resources Committee on 18 November 2021.

Table 1

Acquisitions made in 2020/21

Name of Artwork	Name of Artist	Gross Cost
<i>Vestige 2019_45</i>	Michael Craik	£1,500
<i>Portfolio of prints</i>	Castle Mills Printmakers- Various Artist	£10,854
<i>Three untitled paintings</i>	Eric Cruikshank	£3,960
<i>Fugue (17/11) & Fugue (30/11)</i>	James Lumsden	£1,900
Total		£18,214

Table 2

Revised Forecast Funds Available

	£	£
Forecast Funds Available by 31 March 2022		159,710
Total Recommended Acquisitions	(13,995)	
		(13,995)
		145,715
Grants (if awarded)		6,997
Revised Forecast Funds Available by 31 March 2022		152,712