

Committee on the Jean F. Watson Bequest

2pm, Thursday 2 February 2023

Jean F. Watson Financial Statement 2021/22 and Forecast 2022/23

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.

Richard Carr

Interim Executive Director of Corporate Services

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Report

Jean F. Watson Financial Statement 2021/22 and Forecast 2022/23

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 17 December 2021.

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 17 December 2021 when a financial statement was included which provided an expected outturn position for the 2021/22 financial year.
- 3.3 The City of Edinburgh Council Charitable Trusts Audited Trustee's Annual Report and Accounts for 2021/22 were approved by Finance and Resources Committee on 10 November 2022 and were submitted to OSCR in December 2022.

4. Main report

- 4.1 Appendix 1 of this report provides an update on the actual 2021/22 outturn financial position of the Trust as well as providing a forecast for the 2022/23 financial year.
- 4.2 Appendix 1 shows that the funds available at the start of the 2022/23 financial year were £153,973 and are forecast to be £172,092 by the end of the 2022/23 financial year. This is subject to investment income remaining stable for the remaining quarter of the financial year.
- 4.3 If the recommended acquisitions were to be approved, and the purchases and grant receipts completed by 31 March 2023, the revised forecast funds available by the end of the 2022/23 financial year will be £131,592.
- 4.4 If the recommended inaugural Scottish Landscape Awards prize of £5,000 is approved the available funds would reduce by an equivalent amount, revising the forecast to £126,592.

- 4.5 The value of the investments held by the Trust as at 31 March 2022 was £1,178,531 and the value of the artwork was recorded as £5,419,419.

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 2020/22’](#), Committee on the Jean F Watson Bequest, 17 December 2021
- 8.3 [‘2021/22 Audited Accounts’](#), Finance and Resources Committee, 10 November 2022
- 8.4 [‘Miss Jean Fletcher Watson Bequest’](#), OSCR Website
- 8.5 [‘Guidance and good practice for Charity Trustees’](#), OSCR Website

9. Appendices

Appendix 1 – Jean F. Watson Committee Financial Statement 2021/22 and forecast 2022/23

	£	£	Notes
Funds Available as at 1 April 2021		154,260	1
Income from Investments 2021/22	30,990		2
	<hr/>	30,990	
Net Acquisitions 2021/22	(20,011)		3
Grant (<i>received in advance in 2020/21</i>)	(5,000)		4
Governance Costs 2021/22	(6,266)		5
	<hr/>	(31,277)	
Funds Available as at 1 April 2022		153,973	
Forecast Income from Investments 2022/23		31,532	6
Net Acquisitions 2022/23	(6,998)		7
Governance Costs 2022/23	(6,415)		8
	<hr/>	(13,413)	
Forecast Funds Available by 31 March 2023		172,092	9

Notes :

- 1 £154,260 is the accumulated surplus carried forward from previous years.
 - 2 £30,990 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 2021/22 are listed in the Table 1 below, approved by the **Committee on 28 August 2020**. Total acquisition in 2021/22 were £36,986 and total grant aid received was £16,975.
 - 4 A grant of £5,000 was received in advance for art purchases made in 2021/22.
 - 5 The governance costs cover audit fee and central support costs.
 - 6 The forecast income from investments in 2022/23, subject to market conditions, is £31,532.
 - 7 The total acquisitions already made in 2022/23 are listed in Table 2, approved by the **Committee on 17 December 2021**, are £13,995 and the total grant aid received is £6,998.
 - 8 The governance costs expected to be paid in 2022/23 are £6,415.
 - 9 The forecast funds available by 31 March 2023 are £172,092.
- 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 2023 the revised Forecast Funds Available, as shown in table 2 below, will be £131,592 (or £91,092 without grants).
If the recommended offer of the inaugural Scottish Landscape Awards prize of £5,000 were to be approved the available funds would reduce by a corresponding amount.
 - The value of the investments held by the Trust as at 31 March 2022 was £1,178,531 (2020/21 was £1,107,550). The value of the artwork was recorded as £5,419,419 (2020/21 £5,382,433).
 - The **2021/22 Audited Accounts** were approved by Finance and Resources Committee on 10 November 2022.

Jean F. Watson Committee Financial Statement 2021/22 and forecast for 2022/23

Table 1

Acquisitions made in 2021/22

Name of Artwork	Name of Artist	Gross Cost
<i>Disunion, Green and Pleasant Land & Apparition</i>	Rachel MacLean	£36,986
Total		£36,986

Table 2

Acquisitions made in 2022/23

Name of Artwork	Name of Artist	Gross Cost
<i>Marriage in Ankara & Handle with Care</i>	Olivia Irvine	£1,340
<i>Walk of Faith</i>	David McCulloch	£4,000
<i>Study for a Kiss</i>	Virginia Hutchison	£2,100
<i>Perdendosi</i>	Norman MacBeath	£3,000
<i>Fisherman with Creels</i>	Donald Smith	£3,555
Total		£13,995

Table 3

Revised Forecast Funds Available

	£	£
Forecast Funds Available by 31 March 2023		172,092
Total Recommended Acquisitions	(81,000)	
		<u>(81,000)</u>
		91,092
Grants (if awarded)		<u>40,500</u>
Revised Forecast Funds Available by 31 March 2023		<u>131,592</u>