

To: Council

On: 17 November 2022

Report by: Director of Finance & Resources

Heading: Audited Financial Statements 2021/22 – Common Good Funds and Coats Observatory Trust

1. Summary

- 1.1 The 2021/22 unaudited financial statements were approved by Council on 30 June 2022. Each year the appointed external auditors carry out an audit of the financial statements of the charities controlled by the Council and provide an opinion as to whether those statements provide a true and fair view of the financial position of the charities and their income and expenditure for the year; and also whether they have been prepared in accordance with the relevant regulations.
- 1.2 The audited Annual Accounts 2021/22 for the Common Good Funds and Coats Observatory Trust are now presented for approval.
- 1.3 It should be noted that this is the final set of accounts for the Common Good Funds, now that they are removed from the charities register.
- 1.4 There was one change to the property value of Trust assets and no significant changes to the Common Good accounts over the course of the audit. Minor presentational changes were agreed.
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2. Recommendations

- 2.1 The Council is requested to approve the attached 2021/22 audited financial statements for the charities controlled by the Council.
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Implications of the Report

1. **Financial** – The 2021/22 Annual Accounts demonstrate the Council continues to manage the charities it controls within the resources available and in line with relevant legislation.
2. **HR & Organisational Development** – none
3. **Community/Council Planning** – none
4. **Legal** – An audit opinion free from qualification demonstrates compliance with the relevant legislation and statutory accounting requirements.
5. **Property/Assets** – none
6. **Information Technology** – none
7. **Equality & Human Rights** – The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – none
9. **Procurement** – none
10. **Risk** – none
11. **Privacy Impact** – none
12. **Cosla Policy Position** – none
13. **Climate Risk** – none

Author: Christine McCourt, Head of Finance and Business Services

RENFREWSHIRE COUNCIL COMMON GOOD FUNDS

PAISLEY SC019478

RENFREW SC019479

JOHNSTONE SC019480

TRUSTEES' ANNUAL REPORT AND FINANCIAL
STATEMENTS

1 APRIL 2021 to 31 MARCH 2022



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Trustees' Annual Report

INTRODUCTION

Renfrewshire Council acts as sole trustee for the Common Good Funds listed below, which currently have charitable status and are registered with the Office of the Scottish Charity Regulator (OSCR):

SC019478	Paisley Common Good Fund
SC019479	Renfrew Common Good Fund
SC019480	Johnstone Common Good Fund

The principal address of the Common Good Funds is:

Renfrewshire Council
Finance and Resources Service
Renfrewshire House
Cotton Street
Paisley
PA1 1JB

Renfrewshire Council administers the Common Good Funds and separately accounts for them. 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 and housing and economic regeneration.

The Common Good Fund accounts do not form part of the Council's single entity balance sheet, although under s222 of the Local Government (Scotland) Act 1973, the property of the Common Good "vest[s]" in the relevant local authority. However they are included within the group accounts of the Council. A copy of the group accounts can be obtained from the address above, or on the Council's website at www.renfreshire.gov.uk.

Auditors:

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

Investment Managers:

abrdn plc
1 George Street
Edinburgh
EH2 2LL

Investment Advisors:

Hymans Robertson LLP
20 Waterloo Street
Glasgow
G2 6DB

TRUSTEES

The Common Good is not a Trust and is not governed by trust law. Guidance provided by OSCR advises that those who have general control and management of the charity are the charity's Trustees. Decisions regarding the general control and management of the Common Good Funds are made by the Finance, Resources and Customer Services Policy Board, which has delegated authority from the Council in this regard; but ultimately control rests with the full Council of elected members. The guidance is therefore interpreted as all elected members of Renfrewshire Council being charity Trustees.

The following individuals were the Trustees of the Common Good Funds in their capacity as elected members of Renfrewshire Council during the 2021/22 financial year:

Alison Ann-Dowling	John Hood
Alistair Mackay	John McIntyre
Andrew Doig	John McNaughtan
Andrew Steel	John Shaw
Audrey Doig	Karen Devine-Kennedy
Carolann Davidson	Kenneth MacLaren
Catherine McEwan	Kevin Montgomery
Colin McCulloch	Lisa-Marie Hughes
Derek Bibby	Lorraine Cameron
Edward Devine	Margaret MacLaren
Edward Grady	Marie McGurk
Eileen McCartin	Michelle Campbell
Emma Rodden	Natalie Don
Iain Nicolson	Neill Graham
Jacqueline Cameron	Paul Mack (until 9 May 2021)
James MacLaren	Scott Kerr
James Sheridan	Stephen Burns
Jane Strang	Tom Begg
Jennifer Marion Adam-McGregor	William Binks
Jim Harte	William Brown
Jim Paterson	William Mylet
Jim Sharkey	

Day-to-day management of the Common Good Funds is delegated to the Director of Finance and Resources of Renfrewshire Council. All Trustees 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. The list above does not reflect any changes following the most recent local government election on 5 May 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Each Common Good Fund is a fund of money and assets for which the Council has a statutory obligation (under Section 15(4) of the Local Government etc (Scotland) Act 1994) to administer 'having regard to the interests of the inhabitants of the area to which the Common Good formerly related' (i.e. the former burghs of Paisley, Renfrew and Johnstone).

Although the Common Good Funds are administered separately from mainstream local authority funding, they are owned outright by the Council (s222 of the Local Government (Scotland) Act 1973) and do not have an identity separate from the Council, nor a constitutional form distinct from the Council.

The charity test, set out in Section 7 of the Charities and Trustee Investment (Scotland) Act 2005 provides that "a body meets the charity test if:

- (a) its purposes consist of only one or more charitable purposes, and
- (b) it provides...public benefit in Scotland or elsewhere."

The Common Good Funds are not bodies separate from the Council, and the Council's purposes consist of much more than the charitable purposes listed in the Act.

In March 2022, OSCR advised that, following enquiry, the Common Good Funds do not meet the charity test and agreed that they should be removed from the OSCR charitable register. Further information is provided under 'Future Plans'.

HISTORY

The Common Good Funds comprise land granted to a Burgh by the Crown; further grants of land and buildings, mainly in the late 19th and early 20th century by local industrialists and other landowners for the common good of the inhabitants of the Burgh; and rental income and sale proceeds from such land. The bulk of the Paisley Common Good was granted to the Burgh of Paisley by the King Charles II Charter, dated 27 and 28 July 1666, and has been administered by the Burgh and its successors since that date. The bulk of the Renfrew Common Good was granted to the Royal Burgh of Renfrew by the Queen Anne Charter, dated 7 August 1703, and again has been administered by the Burgh and its successors since that date.

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 that the Common Good is owned by the Council, these specific provisions are supplemented by the 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 that 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 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 that are up to date and ensure that the financial statements comply with the Charities Accounts (Scotland) Regulations 2006.

Decisions regarding the operation, assets, processes or policies of the Common Good Funds are delegated by the Council to the Finance, Resources and Customer Services Policy Board.

Income to the Common Good Funds is solely from investment returns (both financial investments and property rental income) and bank interest; no donations to the Funds are solicited. The only other source of income, which arises periodically, is from the sale of fixed assets.

The investment performance of the Common Good Funds is monitored regularly by Council officers and is reported bi-annually to the Investment Review Board, which is comprised of five cross-party elected members. The minutes of the Investment Review Board are submitted to the Finance, Resources and Customer Services Policy Board, whose meetings are held in public. In turn, the minutes of this Board are submitted to the full Council for ratification. Therefore, all elected members are kept informed of both the performance of the funds and any decision regarding the operation of the Funds, which would be made by the Finance, Resources and Customer Services Policy Board.

Regular training is offered to members of the Investment Review Board through the information sessions at each meeting.

RISK

The Trustees have overall responsibility for the Common Good Funds' system of internal control. The 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.

The main risk for the Common Good Funds relates to investment income available for disbursement through grants. As mentioned above, investment performance is monitored quarterly by officers of the Council and they receive specialist advice in this regard from Hymans Robertson LLP, appointed investment advisors. It is acknowledged that this particular risk has been heightened because of the coronavirus pandemic; however, the potential impact on income levels is closely monitored in discussion with the investment manager and advisors, and tactical changes in investment holdings are actioned as required.

An Investment Policy Statement was agreed by the Investment Review Board on 9 June 2021, incorporating strengthened restrictions with regards climate change risks. The policy is regularly reviewed to ensure the benchmark, against which performance is monitored, remains relevant and appropriate.

OBJECTIVES AND ACTIVITIES

There is no governing document for the Common Good. The assets were gifted for the common good of the inhabitants of the burghs. The most concise statement of the administration of the Common Good is contained in a judgement by Lord Kyllachy:

“The Common Good is corporate property and falls as such to be administered by the Council – and applied by them for the benefit of the community in such a manner as, and using such reasonable judgement as, they think proper”.

Therefore, the aims of the Common Good cannot be narrowed down from that detailed above, i.e. that the funds are used for the benefit of the inhabitants of the burgh to which they are related.

GRANT MAKING

There are two types of grant awarded from Common Good Funds: recurring grants (i.e. those awarded for a period of some years) or large grant awards that are agreed by the Finance, Resources and Customer Service Policy Board.

The Finance, Resources and Customer Service Policy Board also agrees the budget available to Local Partnerships for awards to community groups. Local Partnerships were set up in an effort to involve communities more directly in the decision-making of the Council, and they are comprised of elected members of the relevant wards, along with representatives from local community groups e.g. Community Councils, Elderly Forums, Youth Groups, etc. Each Local Partnership is allocated an annual budget and considers at public meetings the grant requests they have received. Only eligible grants may be considered; further information on the eligibility criteria can be obtained from the Council's website at www.renfrewshire.gov.uk/localpartnershipfunding.

ACHIEVEMENTS AND PERFORMANCE

In 2021/22 grants totalling £135,175 (£185,655 in 2020/21) were awarded by Local Partnerships to a wide variety of community organisations. Other grant expenditure totalling £147,510 (£119,435 in 2020/21) was made throughout the year. Despite the ongoing restrictions in place due to the COVID19 pandemic, the operation of the charities continued with minimal impact. Funds continued to be disbursed and investment performance was monitored through regular reporting and remote meetings as required.

INVESTMENT PERFORMANCE

The Common Good Funds have adopted a total return policy for investment income and have agreed income targets, which the Investment Manager exceeded in the year. During the year the total return on investments was 7.7% (23.9% in 2020/21). The average return on cash balances held within Renfrewshire Council's Loans Fund was 0.11% (0.37% in 2020/21).

Overall, the Common Good Funds reported a combined net increase in funds of £1.681m (£4.158m in 2020/21), which will increase the previous fund balance brought forward. The total funds held by Paisley Common Good increased by £0.173m and the funds held by Renfrew Common Good increased by £1.508m.

FINANCIAL REVIEW

The Common Good Funds have no explicit reserves policy, but as a general principle the “capital” of the funds is held effectively as a permanent endowment, with only the annual income available for disbursement in the year. No individual Common Good Fund is in deficit.

The main funding sources for the Common Good Funds are dividend and investment income (69.5%) [64.5% in 2020/21] and property rental income (30.5%) [35.5% in 2020/21]. The Investment Review Board has agreed an Investment Policy Statement, which regulates the relationship between the Council and the Investment Manager. It details benchmark asset class holdings and also the restrictions that the Council has agreed, e.g. no direct holdings in tobacco or fossil fuel stocks, or companies involved in the manufacture of armaments; and a minimum holding of 15% of the total funds to be held in fixed interest stocks.

FUTURE PLANS

On 5 September 2018 the Finance, Resources and Customer Service Policy Board of Renfrewshire Council agreed that a formal application be submitted to the Office of the Scottish Charity Regulator (OSCR) requesting the de-registration of all three Common Good Funds.

The Council received notice from OSCR on 23 August 2022 advising that de-registration process had been completed. This means that as of that date, the Common Good Funds of Paisley, Renfrew and Johnstone are no longer registered charities. This is the final set of annual accounts.

The Common Good Funds will continue to make grants available to local organisations through Local Partnerships and will also continue to fund recurring commitments, such as Christmas lights displays. The Council will also continue to review the funding provided by the Common Good Funds to ensure it remains appropriate and in line with the objectives of the Funds and to the benefit of the inhabitants of the relevant burghs.

The Community Empowerment (Scotland) Act 2015 places new obligations on Councils with regards the recording and use of Common Good assets. As required by the Act, the Council has published a register of all Common Good properties and will assess any responses received. The Act also requires local authorities to publish any proposals and consult with community bodies before disposing of or changing the use of Common Good assets. The asset register can be found by searching for ‘Common Good Property’ on the Council’s website, at: www.renfrewshire.gov.uk.

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

Signed:

On behalf of the
Trustees:

Date:

Date:

Alastair MacArthur

Councillor John Shaw

Director of Finance and Resources,
Renfrewshire Council

Convener, Finance, Resources and Customer
Services Policy Board, Renfrewshire Council

Statement of Trustees' Responsibilities in respect of the Annual Report and Accounts

STATEMENT OF RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND ACCOUNTS

The Trustees are responsible for preparing the annual report and financial statements for each financial year in accordance with the accounting policies set out in Note 1 to the accounts and the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Accounting and Reporting by Charities: Statement of Recommended Practice (SoRP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, published on 16 July 2014. The financial statements give a true and fair view of the incoming resources and application of the resources of the charity during the year and of the charity's state of affairs at the end of the financial year. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the charity, and to enable them to ensure that the financial statements comply with the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charity and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

The Trustees who held office at the date of approval of this annual report and accounts confirm that, so far as they are each aware, there is no relevant audit information of which the auditors are unaware; and that each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the auditors are aware of this information.

Signed:

Date:

Councillor John Shaw

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

Independent Auditor's Report to the Trustees of Renfrewshire Council Common Good Funds and the Accounts Commission

Reporting on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of Renfrewshire Council Common Good Funds for the year ended 31 March 2022 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the charities as at 31 March 2022 and of their incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charities in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charities' ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charities' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees intend to discontinue the charities' operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how the charities are complying with that framework;
- identifying which laws and regulations are significant in the context of the charities;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the charities' controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Reporting on other requirements

Other information

The trustees are responsible for other information in the statement of accounts. The other information comprises the Trustees' Annual Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Trustees' Annual Report to the extent explicitly stated in the following opinion prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on the Trustees' Annual Report

In my opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Charities SORP (FRS 102).

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Mark Ferris FCCA
Senior Audit Manager
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

Mark Ferris is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973.

Statement of Financial Activities for Year Ended 31 March 2022

The Financial Statements summarise the resources that have been generated and consumed in providing services and managing the Common Good Funds during the year. It includes all day-to-day expenses and related income on an accruals basis, as well as transactions measuring the value of fixed assets actually consumed. It also includes the Statement of Total Recognised Gains and Losses, which brings together all of the gains and losses of the Funds for the year and shows the aggregate movement in their net worth. All Common Good Funds have unrestricted funds only; there were no restricted or endowment funds during 2021/22 or in 2020/21.

	Year to 31 March 2022				Year to 31 March 2021			
	Paisley SC019478	Johnstone SC019480	Renfrew SC019479	Total	Paisley SC019478	Johnstone SC019480	Renfrew SC019479	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Income and Endowments from:								
Grants, Interest & Dividend Income (Note 2A)	0.146	0.000	0.541	0.687	0.128	0.000	0.443	0.571
Rental and Other Income (Note 2B)	0.042	0.000	0.259	0.301	0.049	0.000	0.266	0.315
Total Income and Endowments	0.188	0.000	0.800	0.988	0.177	0.000	0.709	0.886
Expenditure on:								
Raising Funds								
Fundraising Trading	0.000	0.000	0.009	0.009	0.000	0.000	0.014	0.014
Investment Management Costs	0.021	0.000	0.082	0.103	0.019	0.000	0.062	0.081
Total Raising Funds	0.021	0.000	0.091	0.112	0.019	0.000	0.076	0.095
Charitable Activities								
Charitable Activities (Note 3A)	0.101	0.000	0.181	0.282	0.121	0.000	0.184	0.305
Governance Costs (Note 3B)	0.015	0.000	0.049	0.064	0.015	0.000	0.049	0.064
Depreciation and Impairment	0.082	0.000	0.010	0.092	0.071	0.000	0.433	0.504
Total Charitable Activities	0.198	0.000	0.240	0.438	0.207	0.000	0.666	0.873
Total Expenditure	0.219	0.000	0.331	0.550	0.226	0.000	0.742	0.968
Net Income / (Expenditure) and net movement in funds before gains and losses on investments	(0.031)	0.000	0.469	0.438	(0.049)	0.000	(0.033)	(0.082)
Gains/(losses) on Investment Assets (Note 5)	0.204	0.000	0.700	0.904	0.816	0.000	2.759	3.575
Net Income/(Expenditure)	0.173	0.000	1.169	1.342	0.767	0.000	2.726	3.493

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

	Year to 31 March 2022				Year to 31 March 2021			
	Paisley	Johnstone	Renfrew	Total	Paisley	Johnstone	Renfrew	Total
	SC019478	SC019480	SC019479		SC019478	SC019480	SC019479	
	£m	£m	£m	£m	£m	£m	£m	£m
Transfer between Funds	0.000	0.000	0.000		0.000	0.000	0.000	0.000
Total after funds transfer	0.173	0.000	1.169	1.342	0.767	0.000	2.726	3.493
Other Gains or Losses								
Gains/(Losses) on Revaluation of Fixed Assets	0.000	0.000	0.339	0.339	0.459	0.000	0.206	0.665
Total Other Recognised Gains or Losses	0.000	0.000	0.339	0.339	0.459	0.000	0.206	0.665
Net Movement in Funds	0.173	0.000	1.508	1.681	1.226	0.000	2.932	4.158
Total Funds Brought Forward	6.473	0.052	33.255	39.780	5.247	0.052	30.323	35.622
Total Funds Carried Forward	6.646	0.052	34.763	41.461	6.473	0.052	33.255	39.780

The notes on pages 15 onward form part of these Financial Statements.

Balance Sheet as at 31 March 2022

The Balance Sheet summarises all of the assets that the Common Good Funds own and the liabilities that they owe to others at the top of the statement. The bottom section sets out how the net assets of the Funds are allocated between usable resources and statutory reserves needed to comply with accounting rules.

At 31 March 2022					At 31 March 2021				
		Paisley SC019478	Johnstone SC019480	Renfrew SC019479	Total	Paisley SC019478	Johnstone SC019480	Renfrew SC019479	Total
Note		£m	£m	£m	£m	£m	£m	£m	£m
Fixed Assets									
Tangible Fixed Assets	4	1.009	0.000	12.611	13.620	1.090	0.000	12.283	13.373
Heritage Assets	4	0.063	0.047	0.109	0.219	0.063	0.047	0.109	0.219
Investments	5	5.260	0.000	20.075	25.335	4.757	0.000	16.079	20.836
		6.332	0.047	32.795	39.174	5.910	0.047	28.471	34.428
Current Assets									
Debtors	14	0.000	0.000	0.026	0.026	0.000	0.000	0.040	0.040
Short term deposits	13	0.320	0.005	2.021	2.346	0.568	0.005	4.852	5.425
		0.320	0.005	2.047	2.372	0.568	0.005	4.892	5.465
Less: Current Liabilities									
Creditors: Amounts Falling Due Within One Year	15	(0.005)	0.000	(0.080)	(0.085)	(0.005)	0.000	(0.108)	(0.113)
		(0.005)	0.000	(0.080)	(0.085)	(0.005)	0.000	(0.108)	(0.113)
Net Current Assets		0.315	0.005	1.967	2.287	0.563	0.005	4.784	5.352
Net Assets		6.647	0.052	34.762	41.461	6.473	0.052	33.255	39.780
Funds of the Charities:									
<u>Unrestricted Funds</u>									
Income Funds		3.629	0.036	20.859	24.524	3.622	0.036	20.338	23.996
Revaluation reserve: Investments		1.581	0.000	5.379	6.960	1.415	0.000	4.731	6.146
Revaluation reserve: Other Fixed Assets		1.437	0.016	8.524	9.977	1.436	0.016	8.186	9.638
		6.647	0.052	34.762	41.461	6.473	0.052	33.255	39.780

The unaudited accounts were issued on 30 June 2022 and the audited accounts were authorised for issue on 17 November 2022.

Signed:

Signed:

Date:

Date:

Alastair MacArthur

Councillor John Shaw

Director of Finance and Resources, Renfrewshire Council

Convener, Finance, Resources and Customer Services Policy Board, Renfrewshire Council

Cash Flow Statement for Year Ended 31 March 2022

This statement summarises the inflows and outflows of cash arising from the transactions with third parties on both day-to-day revenue transactions and expenditure on capital activities. For the purposes of this statement, cash is defined as Cash in Hand, and deposits repayable on demand.

	Year ended 31 March 2022				Year ended 31 March 2021			
	Paisley £m	Johnstone £m	Renfrew £m	Total £m	Paisley £m	Johnstone £m	Renfrew £m	Total £m
Net Cash Inflow from Operating Activities (Note 7)	0.051	0.000	0.465	0.516	(0.007)	0.000	0.400	0.393
Capital Expenditure and Financial Investment								
Cash paid for fixed asset investment	(1.425)	0.000	(7.477)	(8.902)	(0.641)	0.000	(2.168)	(2.809)
Receipts from sales of fixed asset: investments	1.212	0.000	4.557	5.769	0.606	0.000	2.073	2.679
Receipts from sales of fixed asset: property	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Payments to acquire tangible fixed assets	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net cash flow from capital expenditure and financial investments	(0.213)	0.000	(2.920)	(3.133)	(0.035)	0.000	(0.095)	(0.130)
(Increase) / decrease in cash held for investments	(0.086)	0.000	(0.376)	(0.462)	0.037	0.000	0.100	0.137
Increase / (decrease) in cash held in the year	(0.248)	0.000	(2.831)	(3.079)	(0.005)	0.000	0.405	0.400
Reconciliation of net cash flow to movement in net funds								
(Decrease) / increase in cash in year	(0.248)	0.000	(2.831)	(3.079)	(0.005)	0.000	0.405	0.400
Net funds at 1 April	0.568	0.005	4.852	5.425	0.573	0.005	4.447	5.025
Net funds at 31 March	0.320	0.005	2.021	2.346	0.568	0.005	4.852	5.425

Notes to the Financial Statements

1: ACCOUNTING POLICIES

INTRODUCTION

The Financial Statements for the year ended 31 March 2022 have been compiled in accordance with the Charities and Trustee Investment (Scotland) Act 2005, 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 applicable in the UK and Republic of Ireland (FRS 102) published on 16 July 2014. They are designed to give a true and fair view of the financial performance and position of the Common Good 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 Charities will not significantly curtail the scale of their operations. This is not affected by the charitable status of the Funds, as the activities that benefit the inhabitants of the three burghs will continue.

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 reported have been reviewed following the introduction of Financial Reporting Standard 18: Accounting Policies (FRS18).

INCOME AND ENDOWMENTS

Recognition of income and endowments

These are included in the Statement of Financial Activities when:

- The charity becomes entitled to the resources;
- The trustees are virtually certain they will receive the resources; and
- The monetary value can be measured with sufficient reliability.

Grants and Donations

Grants and donations are only included in the Statement of Financial Activities when the charity has unconditional entitlement to the resources.

Gifts in Kind

Gifts in kind are not reflected in the Statement of Receipts and Payments, but are referred to when necessary in the Trustees Annual Report.

Investment Income

This is included in the Financial Statements when receivable.

Investment Gains and Losses

This includes any gain or loss on the sale of investments, and any gain or loss resulting from revaluing investments to market value at the end of the year.

EXPENDITURE

Liability Recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Charitable Activities

Decisions regarding the way the Common Good Funds' income is spent are taken by the Finance, Resources and Customer Services Policy Board, whose membership comprises of 15 of the Trustees of the Common Good Funds. Voluntary groups are encouraged to apply for funding from the available funds allocated to Renfrewshire Council Local Partnerships.

Governance Costs

Governance costs include the:

- costs of the preparation and examination of statutory accounts;
- cost of any legal advice to trustees on governance or constitutional matters;
- cost of administering grants; and
- property maintenance.

Grants Payable without Performance Conditions

These are recognised in the accounts when the grant has been paid.

ASSETS

Valuation

Land and buildings have been valued on the basis of market value in relation to existing use, assessed either on a comparative basis or on a depreciated replacement cost basis. The valuations have been compiled by the Council valuer, who is qualified as a Member of the Royal Institute of Chartered Surveyors (MRICS). Assets under construction are shown at historic cost. Land and buildings are revalued every five years, with the last valuation being 31 March 2022. Any increases in valuation are matched by credits to the Revaluation Reserve.

Rolling valuation programmes carry a level of inherent risk with each year that passes since the most recent formal valuation, which could affect the asset values reflected in the Balance Sheet. This is mitigated to an extent by impairment reviews (noted below) that would highlight any significant adverse movements.

A de minimis level of £9,000 is applied for the capitalisation of expenditure.

The civic regalia and equipment (Heritage Assets) have been valued on a present value insurance basis.

Investments are valued at market value.

Depreciation

Depreciation is charged on a straight-line basis on all assets other than land, heritage assets and assets under construction. The Council valuer determines the useful life of property assets. Depreciation is based on expected life of costs capitalised.

Impairment

The value of each category of asset is reviewed at the end of each financial year for evidence of reductions in value. Where impairment is identified as part of this review or as a result of a revaluation exercise, the loss is charged to the Statement of Financial Activities.

DEPARTURES FROM THE CHARITIES SoRP

Operational land and buildings have been valued on a depreciated replacement costs basis, not a historic basis as per the Charities SoRP. The main reason for this is the obligation under the Code of Practice on Local Authority Accounting to apply a depreciated replacement cost valuation basis, and it is under this Code that the Common Good Fund Accounts have been audited.

EVENTS AFTER THE BALANCE SHEET DATE

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Financial Statements are authorised for issue. There are two types of events:

- Adjusting events: those that provide evidence of conditions that existed at the end of the reporting period, and the Financial Statements are adjusted to reflect such events; and
- Non-adjusting events: those that are indicative of conditions that arose after the reporting period, and for which the Financial Statements are not adjusted. Where a category of events would have a material effect, disclosure is made in the notes of the nature of the event and its estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statements. Note 16 provides further information.

2: INCOME AND ENDOWMENTS

A INVESTMENTS

	2021/22				2020/21			
	Paisley	Johnstone	Renfrew	Total	Paisley	Johnstone	Renfrew	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Grant income	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Dividend income	0.146	0.000	0.538	0.684	0.126	0.000	0.426	0.552
Interest income	0.000	0.000	0.003	0.003	0.002	0.000	0.017	0.019
Total grant and investment income	0.146	0.000	0.541	0.687	0.128	0.000	0.443	0.571

B RENTAL AND OTHER INCOME

	2021/22				2020/21			
	Paisley £m	Johnstone £m	Renfrew £m	Total £m	Paisley £m	Johnstone £m	Renfrew £m	Total £m
Rental income from properties	0.042	0.000	0.259	0.301	0.049	0.000	0.266	0.315
Other Income	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total rental and other income	0.042	0.000	0.259	0.301	0.049	0.000	0.266	0.315

3: EXPENDITURE

A CHARITABLE ACTIVITIES

	2021/22				2020/21			
	Paisley £m	Johnstone £m	Renfrew £m	Total £m	Paisley £m	Johnstone £m	Renfrew £m	Total £m
Voluntary organisation grants	0.030	0.000	0.105	0.135	0.050	0.000	0.136	0.186
Civic related grants	0.071	0.000	0.076	0.147	0.071	0.000	0.048	0.119
Total charitable activities grants	0.101	0.000	0.181	0.282	0.121	0.000	0.184	0.305

B GOVERNANCE COSTS

	2021/22				2020/21			
	Paisley £m	Johnstone £m	Renfrew £m	Total £m	Paisley £m	Johnstone £m	Renfrew £m	Total £m
Accountancy and Administrative Services	0.011	0.000	0.034	0.045	0.011	0.000	0.034	0.045
Property Services	0.004	0.000	0.015	0.019	0.004	0.000	0.015	0.019
Total Governance Costs	0.015	0.000	0.049	0.064	0.015	0.000	0.049	0.064

4: TANGIBLE FIXED ASSETS

A PAISLEY COMMON GOOD FUND

	Operational Land and Buildings	Non-Operational Assets: Surplus Assets	Total Tangible Fixed Assets	Heritage Assets
	£m	£m	£m	£m
Gross Book Value				
At 1 April 2021	0.816	0.275	1.091	0.063
Additions	0.000	0.000	0.000	0.000
Disposals	0.000	0.000	0.000	0.000
Revaluations	0.000	0.000	0.000	0.000
At 31 March 2022	0.816	0.275	1.091	0.063
Depreciation				
At 1 April 2021	0.001	0.000	0.001	0.000
Depreciation for Year	0.081	0.000	0.081	0.000
Depreciation writeback on Revaluation	0.000	0.000	0.000	0.000
At 31 March 2022	0.082	0.000	0.082	0.000
Net Book Value at 31 March 2022	0.734	0.275	1.009	0.063
Net Book Value at 31 March 2021	0.815	0.275	1.090	0.063

B RENFREW COMMON GOOD FUND

	Operational Land and Buildings £m	Plant and Equipment £m	Non- operational Assets: Investment Properties £m	Non- Operational Assets: Surplus Assets £m	Total Tangible Fixed Assets £m	Heritage Assets £m
Gross Book Value						
At 1 April 2021	9.642	3.284	0.540	0.015	13.481	0.109
Additions	0.000	0.000	0.000	0.000	0.000	0.000
Disposals	0.000	0.000	0.000	0.000	0.000	0.000
Transfers	0.000	0.000	0.000	0.000	0.000	0.000
Revaluations	0.298	0.000	(0.113)	0.000	0.185	0.000
At 31 March 2022	9.940	3.284	0.427	0.015	13.666	0.109
Depreciation						
At 1 April 2021	0.586	0.598	0.014	0.000	1.198	0.000
Depreciation for year	0.197	0.235	0.006	0.000	0.438	0.000
Impairment	0.000	0.000	0.000	0.000	0.000	0.000
Depreciation writeback on revaluations	(0.561)	0.000	(0.020)	0.000	(0.581)	0.000
Impairment losses written out on revaluation	0.000	0.000	0.000	0.000	0.000	0.000
At 31 March 2022	0.222	0.833	0.000	0.000	1.055	0.000
Net Book Value at 31 March 2022	9.718	2.451	0.427	0.015	12.611	0.109
Net Book Value at 31 March 2021	9.056	2.686	0.526	0.015	12.283	0.109

C JOHNSTONE COMMON GOOD FUND

	Heritage Assets £m
Gross Book Value	
At 1 April 2021	0.047
Additions	0.000
Disposals	0.000
Revaluations	0.000
At 31 March 2022	0.047
Depreciation	
At 1 April 2021	0.000
Depreciation for year	0.000
At 31 March 2022	0.000
Net Book Value at 31 March 2022	0.047
Net Book Value at 31 March 2021	0.047

HERITAGE ASSETS

Heritage Assets include items of civic regalia and equipment formerly used by the Provost of the Council on civic occasions. The assets are now held in Renfrewshire museums.

5: FIXED ASSET INVESTMENTS

Investments are held specifically to provide the funds from which donations and civic activities can be funded.

ANALYSIS OF MARKET VALUES

	2021/22			2020/21		
	Paisley	Renfrew	Total	Paisley	Renfrew	Total
Market Value	£m	£m	£m	£m	£m	£m
At 1 April 2021	4.757	16.079	20.836	3.943	13.326	17.269
Additions	1.425	7.477	8.902	0.642	2.168	2.810
Disposals	(1.212)	(4.557)	(5.769)	(0.606)	(2.073)	(2.679)
Net gain/(loss) on revaluation	0.204	0.700	0.904	0.815	2.759	3.574
Increase/(decrease) in cash in bank awaiting investment	0.086	0.376	0.462	(0.037)	(0.101)	(0.138)
At 31 March 2022	5.260	20.075	25.335	4.757	16.079	20.836

ASSET ALLOCATION ANALYSIS

	2021/22			2020/21		
	Paisley	Renfrew	Total	Paisley	Renfrew	Total
	£m	£m	£m	£m	£m	£m
Bonds:						
UK Government Bonds	0.275	0.950	1.225	0.247	0.833	1.080
Other UK Bonds	0.277	1.169	1.446	0.342	1.098	1.440
Overseas Bonds	0.104	0.395	0.499	0.134	0.510	0.644
Equities:						
UK Equities	1.632	6.547	8.179	1.633	5.505	7.138
Overseas Equities	2.725	10.341	13.066	2.261	7.628	9.889
Non-Region Specific	0.000	0.000	0.000	0.000	0.000	0.000
Property Investments	0.083	0.000	0.083	0.061	0.206	0.267
Cash	0.161	0.664	0.825	0.075	0.287	0.362
Accrued Interest	0.003	0.009	0.012	0.004	0.012	0.016
Total Investment Assets	5.260	20.075	25.335	4.757	16.079	20.836

All investments were held in unrestricted funds during 2021/22 and 2020/21.

6: RESERVES COVER

Funds tied up in fixed assets are represented by investments held by the Common Good Funds.

	2021/22				2020/21			
	Paisley £m	Johnstone £m	Renfrew £m	Total £m	Paisley £m	Johnstone £m	Renfrew £m	Total £m
Free Reserves								
Unrestricted Funds	3.629	0.036	20.859	24.524	3.622	0.036	20.340	23.998
Allocation Adjustment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Unrestricted Funds from SOFA	(0.031)	0.000	0.469	0.438	(0.049)	0.000	(0.032)	(0.081)
Total Unrestricted Funds	3.598	0.036	21.328	24.962	3.573	0.036	20.308	23.917
Less Funds tied up in fixed assets	(5.260)	0.000	(20.076)	(25.336)	(4.757)	0.000	(16.079)	(20.836)
Total Free Reserves	(1.662)	0.036	1.252	(0.374)	(1.184)	0.036	4.229	3.081
Annual Running Costs exclude impairment	0.227	0.000	0.773	1.000	0.226	0.000	0.756	0.982
Number of months held in reserve	0	0	19		0	0	67	

7: CASH FLOW STATEMENT

A RECONCILIATION OF NET INCOME/EXPENDITURE TO NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES

	Year to 31 March 2022			Year to 31 March 2021		
	Paisley £m	Johnstone £m	Renfrew £m	Paisley £m	Johnstone £m	Renfrew £m
Net Incoming / (Expenditure) and net movement in funds before gains and losses on investments	(0.031)	0.000	0.469	(0.049)	0.000	(0.033)
Depreciation and impairment	0.082	0.000	0.010	0.071	0.000	0.433
Decrease/(increase) in debtors	0.000	0.000	0.014	0.000	0.000	(0.032)
Increase/(decrease) in creditors	0.000	0.000	(0.028)	(0.029)	0.000	0.032
Net cash (inflow)/outflow from operating activities	0.051	0.000	0.465	(0.007)	0.000	0.400

B ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2021	Movement in net funds	At 31 March 2022	At 1 April 2020	Movement in net funds	At 31 March 2021
	£m	£m	£m	£m	£m	£m
Short term deposits						
Paisley	0.568	(0.248)	0.320	0.573	(0.005)	0.568
Johnstone	0.005	0.000	0.005	0.005	0.000	0.005
Renfrew	4.852	(2.831)	2.021	4.447	0.405	4.852
	5.425	(3.079)	2.346	5.025	0.400	5.425

8: TRUSTEES' REMUNERATION AND EXPENSES

Neither the Trustees of the Common Good 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 2021/22 (nil 2020/21).

9: RELATED PARTIES

During the year, the Common Good Fund balances were invested by Renfrewshire Council, who manage the administration of the Funds on behalf of the Trustees. The costs of this are disclosed in note 3B: Governance Costs. The Council also acts as banker for the Common Good Funds and all transactions, incoming and outgoing, are made via the Council's accounts. This creates a debtor, as detailed in the respective Funds' balance sheets.

There are no outstanding balances due to or from Renfrewshire Council other than those that appear in the balance sheet.

There were no transactions with any of the Trustees during the year.

10: COMMITMENTS

As at 31 March 2022, no Common Good Fund had outstanding commitments on capital contracts. There were no outstanding commitments for operating lease rentals.

11: STAFF COSTS AND EMOLUMENTS

No members of staff were employed directly by the Common Good Funds during 2021/22 (2020/21 nil). All costs were incurred by Renfrewshire Council and recharged as detailed in note 3B: Governance Costs. There are therefore no employees with emoluments above £60,000 (2020/21 nil).

12: AUDIT COSTS

Costs of £5,000 were incurred in relation to the audit of the 2021/22 financial statements (£4,660 for 2020/21).

13: SHORT-TERM DEPOSITS

Short-term deposits are held with Renfrewshire Council, who process receipts, payments and accounting entries on behalf of the Common Good Funds.

14: DEBTORS

	Year to 31 March 2022				Year to 31 March 2021			
	Paisley £m	Johnstone £m	Renfrew £m	Total £m	Paisley £m	Johnstone £m	Renfrew £m	Total £m
Accrued Income	0.000	0.000	0.026	0.026	0.000	0.000	0.040	0.040
Grant	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Debtors	0.000	0.000	0.026	0.026	0.000	0.000	0.040	0.040

15: CREDITORS

	Year to 31 March 2022				Year to 31 March 2021			
	Paisley £m	Johnstone £m	Renfrew £m	Total £m	Paisley £m	Johnstone £m	Renfrew £m	Total £m
Trade Creditors	0.005	0.000	0.067	0.072	0.005	0.000	0.104	0.109
Rents in Advance	0.000	0.000	0.013	0.013	0.000	0.000	0.004	0.004
Total Creditors	0.005	0.000	0.080	0.085	0.005	0.000	0.108	0.113

16: EVENTS AFTER THE BALANCE SHEET DATE

Events taking place after the authorised issue date per the balance sheet are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2022, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. There are no non-adjusting events.

RENFREWSHIRE COUNCIL

COATS OBSERVATORY TRUST FUND

SC019454

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

1 APRIL 2021 to 31 MARCH 2022



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Trustees' Report

INTRODUCTION

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

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

The principal address of the Trust Fund 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 Fund "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, or on the Council's website at www.renfrewshire.gov.uk.

Independent Auditors:

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

TRUSTEES

Guidance provided by OSCR advises that those who have general control and management of the charity are the charity's Trustees. Decisions regarding the general control and management of the Trust Fund are made by the Finance, Resources and Customer Services Policy Board (FRCSPB), which has delegated authority from the Council in this regard; but ultimately control rests with the full Council of elected members at Renfrewshire Council. The guidance is therefore interpreted as all elected members of Renfrewshire Council being charity Trustees.

The following individuals were Trustees of the Coats Observatory Trust Fund in their capacity as elected members of Renfrewshire Council during the 2021/22 financial year:

Alison Ann-Dowling	John Hood
Alistair Mackay	John McIntyre
Andrew Doig	John McNaughtan
Andrew Steel	John Shaw
Audrey Doig	Karen Devine-Kennedy
Carolann Davidson	Kenneth MacLaren
Catherine McEwan	Kevin Montgomery
Colin McCulloch	Lisa-Marie Hughes
Derek Bibby	Lorraine Cameron
Edward Devine	Margaret MacLaren
Edward Grady	Marie McGurk
Eileen McCartin	Michelle Campbell
Emma Rodden	Natalie Don
Iain Nicolson	Neill Graham
Jacqueline Cameron	Paul Mack (until 9 May 2021)
James MacLaren	Scott Kerr
James Sheridan	Stephen Burns
Jane Strang	Tom Begg
Jennifer Marion Adam-McGregor	William Binks
Jim Harte	William Brown
Jim Paterson	William Mylet
Jim Sharkey	

Day-to-day management of the Trust Fund is delegated to the Director of Finance and Resources of Renfrewshire Council. All Trustees 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. The list above does not reflect any changes following the most recent local government election on 5 May 2022.

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, owns the buildings comprising the Coats Observatory. These buildings are leased to OneRen Ltd for nil consideration.

HISTORY

The original purpose of the Trust Fund when it was set up was: "for the upkeep of Coats Observatory equipment". This purpose was relevant while cash funds were available; however, these funds have now 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 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 that the Trust Fund is 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 that 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 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 that are up to date and 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 (SoRP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014.

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

FINANCIAL REVIEW

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

FUTURE PLANS

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

Renfrewshire Council Coats Observatory Trust Fund Trustees' Report



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

Signed:

Date:

Alastair MacArthur
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 Coats Observatory Trust Fund and the Accounts Commission

Reporting on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the statement of accounts of Coats Observatory Trust Fund for the year ended 31 March 2022 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the Statement of Receipts and Payments, the Statement of Balances and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and a receipts and payments basis.

In my opinion the accompanying financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2022 and its statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1),(2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the trustees for the financial statements

The trustees are responsible for the preparation of financial statements that properly present the receipts and payments of the charity, and for such internal control as the trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how the charity is complying with that framework;
- identifying which laws and regulations are significant in the context of the charity;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the charity's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Reporting on other requirements

Other information

The trustees are responsible for other information in the statement of accounts. The other information comprises the Trustees' Annual Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Trustees' Annual Report to the extent explicitly stated in the following opinion prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on the Trustees' Annual Report

In my opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' Annual Report for the financial year for which the financial statements are

prepared is consistent with the financial statements and that report has been prepared in accordance with The Charity Accounts (Scotland) Regulations 2006.

Matters on which I am required to report by exception

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Mark Ferris FCCA
Senior Audit Manager
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

Mark Ferris is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973.

Trust Accounts Financial Statements Overview

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.

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.

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.

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 31 March 2022

2021 Total £		Unrestricted £	Restricted £	2022 Total £
0	Total receipts	0	0	0
0	Total payments	0	0	0
0	Surplus / (deficit) for period	0	0	0

Statement of Balances as at 31 March 2022

2021 Total £		Unrestricted £	Restricted £	2022 Total £
	Cash funds			
	<i>Balances held with Renfrewshire Council:</i>			
0	Opening balance	0	0	0
0	Surplus / (deficit) for period	0	0	0
0		0	0	0
	Other assets (at current valuation)			
	<i>Land and buildings:</i>			
770,227	Coats Observatory, Paisley	0	700,213	700,213
0	Long Term Investments	0	0	0
770,227		0	700,213	700,213

The unaudited accounts were issued on 30 June 2022 and the audited accounts were authorised for issue on 17 November 2022.

Signed:

Signed:

Date:

Date:

Alastair MacArthur

Councillor John Shaw

Director of Finance and Resources
Renfrewshire Council

Convenor, Finance, Resources and Customer
Services Policy Board
Renfrewshire Council

Notes to the Financial Statements

ACCOUNTING POLICIES

INTRODUCTION

The Financial Statements for the year ended 31 March 2022 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 102, 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 Fund 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 Trust Fund will not continue indefinitely. This has no impact on the financial statements, as the assets of the fund 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 accounting policies reported 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.

Audited 2020/21 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 when the money is actually received.

Recognition of expenditure

Expenditure is recognised and included in the Statement of Receipts and Payments when it is paid out.

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 of £340, 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. Valuation is provided by the Council Valuer, who is MRICS qualified, and updated as a minimum every five years. The latest valuation of the Observatory building was 31 March 2021, and it is depreciated on a straight-line basis over 30 years.

ANALYSIS OF RECEIPTS/PAYMENTS

No income was received in the year.

TRUSTEES' REMUNERATION AND EXPENSES

Neither the trustees of the Trust Fund, 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 year (2020/21 nil).

RELATED PARTIES

During the year, Renfrewshire Council acted as banker for the Trust Fund, and all transactions, incoming and outgoing, were made via the Council's bank accounts. There are no outstanding balances due to or from Renfrewshire Council at 31 March 2022, nor were there any cash transactions during the year.

There were no transactions with any of the Trustees during the year.