

RENFREWSHIRE COUNCIL

COATS OBSERVATORY TRUST FUND
SC019454

TRUSTEES' REPORT
AND FINANCIAL STATEMENTS
1 APRIL 2025 to 31 MARCH 2026



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Trustees' Report

1. Introduction

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

The financial statements of the Trust 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, children's 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 "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: Azets
 Titanium 1
 King's Inch Place
 Renfrew
 Glasgow
 PA4 8WF

Trustees

Guidance provided by OSCR indicates that those who have "general control and management" of the charity are the charity 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. We have therefore interpreted the above guidance as meaning that all elected members of Renfrewshire Council are charity trustees.

The following individuals were the Trustees of the Trust Fund in their capacity as elected members of Renfrewshire Council during the 2025/26 financial year:

Jennifer Adam	Neill Graham	Jamie McGuire
Fiona Airlie-Nicolson	John Gray	Marie McGurk
Stephen Burns	Anne Hannigan	Iain McMillan
Jacqueline Cameron	John Hood	John McNaughtan
Lorraine Cameron	Lisa-Marie Hughes	Kevin Montgomery
Michelle Campbell	Robert Innes	Sam Mullin
Graeme Clark	Alec Leishman	Will Mylet
Carolann Davidson	Bruce MacFarlane	Iain Nicolson
Eddie Devine	James MacLaren	Jim Paterson
Andy Doig	Kenny MacLaren	Emma Rodden
Audrey Doig	Mags MacLaren	John Shaw
Alison Ann-Dowling	Colin McCulloch	Ben Smith
Chris Gilmour	Janis McDonald	Andy Steel
Edward Grady	Cathy McEwan	
Gillian Graham	David McGonigle	

Day to day management of the Trust Fund is delegated to the Director of Finance and Resources of Renfrewshire Council. All of these 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 of this fund.

2. 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 at nil consideration.

History

The original purpose of the Trust when it was set up was: "for the upkeep of Coats Observatory equipment". This purpose was relevant while there were cash funds available; however these funds have 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 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 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 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 would be 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 which are up to date and which 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 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16th 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.

3. 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. Since 2021, the assets of the Trust have been under refurbishment as part of the Paisley Museum Reimagined project, funded by Renfrewshire Council. This is disclosed within the Statement of Financial Activities.

4. Future Plans

Given there are no cash funds remaining, nor are any anticipated, the Council will explore with OSCR the future of the charity, always considering the ongoing sustainability of the Observatory and ensuring appropriate governance arrangements remain in place. The £45m Paisley Museum Reimagined project will create a new, world-class museum space, shaped by and for the people of Paisley. As part of this project, expected to complete in 2025, the Observatory is currently under refurbishment and will open to the public with improved accessibility upon completion. A full revaluation of the Observatory will be carried out when it is reopened.

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

Signed:

On behalf of the Trustees:

Alastair MacArthur
Director of Finance and Resources

Renfrewshire Council
Date:

Councillor John Shaw
Convener – Finance, Resources and Customer
Services Policy Board
Renfrewshire Council
Date:

Trust Accounts Financial Statements Overview

1. Introduction

The following pages detail the Statement of Financial Activities, 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 Cashflow Statement.

2. Statement of Financial Activities

The Statement of Financial Activities provides an analysis of the income and expenditure for the period. If applicable, the Statement would also show any movements in relation to fixed assets

3. 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 Financial Activities. The Coats Observatory is classed as an Asset Under Construction, which means there is a pause in depreciation until the asset is back in use.

4. Notes to the Accounts

Notes to the accounts expand on or explain the information contained in the Statement of Financial Activities and the Statement of Balances.

Statement of Financial Activities for the year ended 31 March 2026

2024/25 Total £		Note	Unrestricted £	Restricted £	2025/26 Total £
	Income				
(352,221)	Donation from Renfrewshire Council re refurbishment of Trust assets	2	0	(523,170)	(523,170)
	Expenditure				
0	Expenditure relating directly to charitable activities		0	0	0
0	Expenditure relating to Trust assets	2	0	0	0
(352,221)	(Surplus) / Deficit for period		0	(523,170)	(523,170)
	Reconciliation of Funds				
(1,492,273)	Total Funds brought forward		0	(1,845,494)	(1,845,494)
(1,845,494)	Total Funds Carried Forward		0	(2,368,664)	(2,368,664)

Statement of Balances as at 31 March 2026

As at 31 March 2025 Total £		Note	Unrestricted £	Restricted £	As at 31 March 2026 Total £
	Fixed Assets				
	Assets Under Construction				
	<i>Buildings at Coats Observatory, Paisley</i>				
1,421,073	Opening balance		0	1,773,294	1,773,294
352,221	Additions	1	0	523,170	523,170
1,773,294	Closing balance		0	2,296,464	2,296,464
	Other Assets				
	<i>Land at Coats Observatory, Paisley</i>				
72,200	Opening balance		0	72,200	72,200
0	Additions	1	0	0	0
72,200	Closing balance		0	72,200	72,200
1,845,494			0	2,368,664	2,368,664
	Represented By				
1,845,494	Restricted Funds		0	2,368,664	2,368,664
1,845,494			0	2,368,664	2,368,664

Signed

Signed

Alastair MacArthur
Director of Finance and Resources

Councillor John Shaw
Convenor – Finance, Resources and Customer
Services Policy Board

Renfrewshire Council
Date

Renfrewshire Council
Date

Notes to the Financial Statements

1. Accounting Policies

Introduction

The Financial Statements for the year ended 31 March 2026 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 Observatory Fund will not continue indefinitely. This has been no impact on the financial statements as the assets of the Fund comprise solely of the Observatory buildings which are independently valued.

The accounts have been prepared using the accruals basis whereby total income and expenditure have been recorded when they were earned or incurred.

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 used in its preparation 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.

Incoming/Outgoing Resources

Recognition of incoming resources

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Recognition of expenditure

All expenditure is accounted for on an accruals basis.

Charitable Activities

Decisions regarding the way the Trust Funds' income is spent are taken by the Finance, Resources and Customer Services Policy Board of Renfrewshire Council, whose membership comprises 15 of the trustees of the Trust Fund.

Costs of Generating Funds

The cost of administering the Trust Fund 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 latest valuations were carried out in 2021/22 for the office and 2020/21 for the observatory. Depreciation is paused due to the asset being categorised as an Asset Under Construction during the period of refurbishment (commenced in June 2021) currently underway as part of the Paisley Museum Reimagined project. Refurbishment spend is disclosed as asset additions in the Statement of Balances. The assets will be revalued when the refurbishment is complete, anticipated to be during 2026/27.

2. Analysis of income/expenditure

The value of expenditure represents an estimate of in-year spend on the Paisley Museum Reimagined project that relates directly to the refurbishment of the Coats Observatory and associated buildings.

The spend was directly incurred by Renfrewshire Council, but the property is owned by the Trust, so corresponding income has been disclosed as though donated to the Trust to fund the related spend.

3. 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 period (nil in 2025/26).

4. Related parties

During the period, the Council also acted as the banker for the Trust Fund and all transactions, incoming and outgoing, are made via the Council's bank accounts. There are no outstanding balances due to or from Renfrewshire Council nor were there any direct cash transactions during 2025/26.