
Report To:	Inverclyde Council as Trustee of Council's Charities	Date:	1 December 2022
Report By:	Honorary Treasurer	Report No:	FIN/73/22/AP/KJ
Contact Officer:	Kevin Jackson	Contact No:	01475 712226
Subject:	Trust Funds Annual Accounts 2021-22		

1.0 PURPOSE AND SUMMARY

1.1 For Decision For Information/Noting

1.2 The purpose of this report is to ask the Council, in its capacity as the sole trustee (the Trustee) of the Birkmyre Trust and the Watt Institution Trust Fund, to adopt the examined Annual Accounts of the Birkmyre Trust and the Watt Institution Trust Fund for 2021/22.

1.3 The financial statements have been compiled in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (the "Code"), the same basis as the Council

1.4 The Trustee of the Birkmyre Trust previously agreed funding of £40,000 towards works to upgrade the multi-use games area at Birkmyre Park, this funding was drawn down in 2022/23.

1.5 In June 2022, the Trustee of the Watt Institution Trust Fund approved a proposal to use £25,500 from the Fund to improve the safety and security of collections at the Watt Institution.

1.6 The Watt Institution Trust Fund received a donation of £8,000 from Dr Daniel Temianka and his wife Dr Zeinab Dabbah, this will be reflected in the 2022/23 Annual Accounts. There is a separate item on the agenda for this meeting to consider a proposal that the Watt Institution Trust Fund meet the cost of the removal of the Dardanelles Memorial Fund Window, at the Watt Institution.

2.0 RECOMMENDATION

2.1 It is recommended that the Council, in its capacity as the sole trustee of the Birkmyre Trust and the Watt Institution Trust Fund, review and approve, respectively, the Annual Accounts for the Birkmyre Trust and Watt Institution Trust Fund for the year ended 31 March 2022 included in the attached appendices.

2.2 It is recommended that Council, in its capacity as the sole trustee of the Watt Institution Trust Fund, welcome the donation received from the Temianka Foundation received during 2022/23 Accounting period.

Alan Puckrin
Honorary Treasurer

3.0 BACKGROUND AND CONTEXT

3.1 It is good practice for Council, in its capacity as the sole trustee of the Birkmyre Trust and the Watt Institution Trust Fund to approve the examined Annual Accounts and ask that the Provost and Treasurer sign and date the Trustee's Annual Report and Balance Sheet no later than 9 months after the financial year end. These Trusts are not registered charities and accordingly do not require to be filed with an external agency. The Independent Examiner has confirmed that the financial statements present fairly the finances of the Trusts.

3.2 The two Trusts concerned are:

- Birkmyre Trust
- Watt Institution Trust Fund

Birkmyre Trust

3.3 The Accounts of the Birkmyre Trust show that the Trust's expenditure exceeded income during the year and a deficit of £33,941 was drawn down from the reserves brought forward, £4,174 was added to the Usable Revenue Reserve and £38,115 deducted from the Unusable Reserves. In addition, £7,324 was added to the Unusable Reserves as a result of an enhancement to the Trust fixed assets.

3.4 The Usable Revenue Reserves, available to support services at the discretion of Trustee, now stands at £108,633. The Unusable Revaluation Reserve holds unrealised gains or losses where the amounts would only become available to provide services if the underlying assets were sold and now stands at £1,217,359.

3.5 Previously the Trustee agreed to allocate £40,000 funding towards upgrade works for the multi-use games area at Birkmyre Park, funding will be drawn down in 2022/23.

Watt Institution Trust Fund

3.6 The Accounts of the Watt Institution Trust Fund show that the Trust's expenditure exceeded income during the year and the deficit of £259 was deducted from the reserves brought forward. The Trust has a balance of £56,887 on its Revenue Reserve available to provide services in accordance with the objects of the Trust.

3.7 A report has been requested by the Education and Communities Committee on installing electronic donations terminal at the Watt Museum to help generate more income. Officers will provide a report back to Committee with timelines and costings of the proposal.

3.8 In June 2022, the Trustee approved the use of £25,500 from the Fund to improve the safety and security of collections at the Watt institution.

3.9 During 2022/23, the Watt Institution Trust Fund received a substantial donation from Dr Daniel Temianka and his wife Dr Zeinab Dabbah of £8,000. The funding will be recorded as a receipt in the 2022/23 Financial Accounts. There is a separate item on the agenda for this meeting to consider a proposal that the Watt Institution Trust Fund meet the cost of the removal of the Dardanelles Memorial Fund Window, at the Watt Institution.

3.10 The independent examination of the accounts of the said Trusts has been completed by Alison Bell ACMA, an employee of the Council, free of charge. In both cases, the certificate will confirm that the financial statements present fairly the finances of the said Trusts for the period.

3.11 The financial statements of both Trusts continue to be included within the audited Annual Accounts for Inverclyde Council under the Local Authority Accounts (Scotland) Regulations 2014.

4.0 IMPLICATIONS

4.1 The table below shows whether risks and implications apply if the recommendations are agreed:

SUBJECT	YES	NO	N/A
Financial	x		
Legal/Risk		x	
Human Resources		x	
Strategic (LOIP/Corporate Plan)		x	
Equalities & Fairer Scotland Duty			x
Children & Young People's Rights & Wellbeing			x
Environmental & Sustainability			x
Data Protection			x

4.2 Finance

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
Watt Trust	Income	22/23	(8)		Donation received from Temianka Foundation

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
N/A					

4.3 Legal/Risk

There are no legal implications arising from this report aside from those highlighted regarding the approval of the accounts. The legal background to the Council's status as sole trustee of the said Trusts is detailed in the appendices to this report. Elected members have separately been given training on the legal duties of charity trustees.

4.4 Human Resources

There are no human resources implications arising from this report.

4.5 Strategic

There are no strategic implications arising from this report.

5.0 CONSULTATIONS

5.1 The Head of Legal and Democratic Services has been consulted about the matters in this report.

6.0 LIST OF BACKGROUND PAPERS

6.1 None.

Birkmyre Trust

Annual Report and Financial Statements 2021-22



Year ended 31 March 2022

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Birkmyre Trust Background

Adam Birkmyre (1848-1906) of Shallot, Kilmacolm was a generous benefactor to Kilmacolm and donated to them Birkmyre Park. He also paid for the reading room and the library in the village.

In 1889 he purchased land in the middle of the village to provide a public park for the inhabitants of the Parish of Kilmacolm for their "use, benefit, enjoyment and recreation".

The following year after work to lay out footpaths, play areas for children and pitches for sports, Birkmyre Park was formally opened to the public. In addition to the parkland, four cottages on the land were donated.

The cottages were subsequently converted into what became known as the Pavilion. A feature of this building was the decoration of the Birkmyre name and family emblem on its end walls. The Pavilion served various purposes over the years including a children's nursery and accommodation for the park keepers.

By the turn of the Millennium, and after over 100 years of service, the Pavilion was in need of renovation. Starting in 2005, capital improvements were made to the Pavilion and its surroundings by the local authority.

In 2009, with financial assistance from the Council, a further programme of very extensive refurbishment to the Pavilion was successfully completed. The building now houses modern leisure facilities.

The trust for the Birkmyre Park was established under the trust disposition of Adam Birkmyre to the Parish of Kilmacolm in 1897.

As the successor local authority Inverclyde Council is the sole trustee. The Chief Financial Officer of Inverclyde Council in his capacity as the Section 95 Officer is responsible for making arrangements for the proper administration of the Council's financial affairs and, as part of that responsibility, administers the trust and reports to Council.

Trustees' Annual Report

The trustees present their report together with the financial statements and the Independent Examiner's report for the year ended 31 March 2022.

Reference and Administrative Information

- Trust Name Birkmyre Trust
- Principal Offices C/o Inverclyde Council, Municipal Buildings,
Clyde Square, Greenock, PA15 1LY

Current Trustees

- Councillor Pam Armstrong
- Councillor Francesca Brennan
- Councillor Graeme Brooks
- Councillor Paul Cassidy
- Councillor Jim Clocherty
- Councillor John Crowther
- Councillor Christopher Curley
- Councillor James Daisley
- Councillor Colin Jackson
- Councillor Kirsty Law
- Councillor Stephen McCabe
- Councillor Martin McCluskey
- Councillor Michael McCormick
- Councillor Drew McKenzie
- Councillor Tommy McVey
- Councillor Robert Moran
- Councillor Natasha McGuire
- Councillor Innes Nelson
- Councillor Lynne Quinn
- Councillor Sandra Reynolds
- Councillor Elizabeth Robertson
- Councillor David Wilson

Other Trustees During The Year

- Councillor Ronnie Ahlfeld (resigned 4 May 2022)
- Councillor Martin Brennan (resigned 4 May 2022)
- Councillor Gerry Dorrian (resigned 4 May 2022)
- Councillor Jim MacLeod (resigned 4 May 2022)
- Councillor Chris McEleny (resigned 4 May 2022)
- Councillor Jim McEleny (resigned 4 May 2022)
- Councillor Luciano Rebecchi (resigned 4 May 2022)

Chair

- Provost Drew McKenzie (appointed 19 May 2022)
- Former Provost Martin Brennan (resigned 4 May 2022)

Honorary Secretary

- Role fulfilled by officers in Inverclyde Council's Legal & Democratic Services

Honorary Treasurer

- Role fulfilled by Alan Puckrin CPFA, Chief Financial Officer (Section 95 Officer)

Bankers

- All monies are held and managed by Inverclyde Council.

Independent Examiner

- Alison Bell ACMA

Structure, Governance and Management

Governing Document

The legal name of the charity is Birkmyre Trust. It is an unincorporated trust governed on the basis of the available evidence of its constitution. The trust was established in terms of a disposition granted by Adam Birkmyre on 1 November 1897 and recorded in 1908.

In this deed, he conveyed to himself and others, including the Parish Council of Kilmacolm, as trustees of the trust, an area of ground known as Birkmyre Park, four cottages known as the Park Cottages and some related areas of ground. After his death, Mr. Birkmyre's testamentary trustees conveyed further ground to the trustees of the trust in terms of two further dispositions recorded in 1908 and 1916 respectively. The terms of the trust have been amended by court approved *cy pres* schemes in 1995 and in 2005.

Appointment of Trustees

The councillors of Inverclyde Council are assumed as trustees on their appointment to the Council. Councillors receive training on the responsibilities of being a trustee and the accounts of the trust.

Organisational Structure

The trustees meet to consider applications for support and that sufficient funding is available. At a special annual meeting of the Council, trustees consider the income and expenditure levels during the financial year and that suitable arrangements are in place to manage the funds of the trust.

The trustees, in order to discharge their responsibilities, rely on the advice and expertise of the officers of Inverclyde Council. The Council provides all administrative support to the trust including financial, legal and secretarial support. The Council also administers the payments from the trust.

The Council makes a charge for these services as agreed by the trustees at the meeting of 4 October 2012. There are no other costs in connection with governance.

Related Parties

Trustees hold this position because they are elected councillors of Inverclyde Council. Inverclyde Council provides support services to the trust.

Risk Management

The Council has assessed the major risks to which the trust is exposed, in particular those related to its operation and finances, and is satisfied that the systems are in place to mitigate the exposure to the major risk.

Management of Funds and Investment Policy

The trustees rely upon the expertise of officers of Inverclyde Council to manage the investments to ensure the maximum return at least risk to the trust. In this way, the income stream for the future benefit of the charity is protected while allowing income for the current year's expenditure.

The funds of the trust are deposited with Inverclyde Council and receive interest at the average market rate for the short-term borrowing. The interest received from Inverclyde Council is shown in the Income and Expenditure Statement.

Objective and Activities

Objective

Its purpose is

"the said park . . . shall be kept open and free (except as mentioned) every day Sundays and holidays included for the use, benefit, enjoyment and recreation of the public for all time coming.

The area of the park so far as not occupied by walks, trees, buildings and other fixtures shall be devoted to the purpose of games and the inhabitants of the Parish of Kilmacolm shall have the sole use of the said area for that purpose"

The end of the financial year is 31 March 2022.

Activities

The trust meets the costs of the Park and its buildings not otherwise defrayed by the Council, and receives income from chargeable activities. The balance of funds is invested with the Council.

Performance and Achievements

Birkmyre Park Fitness Gym has maintained its state-of-the-art Fitness Gym equipment due the continuing partnership with the global leader of gym equipment – Technogym. The facility at Birkmyre Park houses 60+ gym stations and hosts gym-based classes including spin, metafit, kettlebells, circuits, and a silver session class. For larger group fitness classes, we work closely with

Kilmacolm Community Centre. Several staff within Birkmyre have been mainstays for several years, and as such the relationship between staff and members is second to none. As part of our membership offering, IL Fitness+, our members can use all the sites within our portfolio, from group fitness at Greenock Sports Centre to the Health Suite at the Waterfront. Birkmyre continued to be a leading light when it came to audit performance, by scoring the highest in the latest round of annual health and safety audits. This allowed the team and facility to receive this award at the Inverclyde Leisure Recognition Evening. This is testament to the hard work by the staff each day. Recently Brian Gilmour has taken over the day to day running of the facility taking the role of Fitness Co-Ordinator. Brian has worked at near all the Inverclyde Leisure gym's and brings a wealth of experience to the role.

In addition to the excellent gym facility, Birkmyre Café by Nardini is still an important partner which is a great feature of the facility. Alessia and her team are a welcome treat and refuge point after working out in the fitness facility. Alessia recently extended her stay at Birkmyre by renewing her lease agreement over the next coming years. The café also attracts many visitors to the area which may not normally come, not all with the good intentions of also using the gym!

Within the fitness facility, we have 2 external personal trainers. Colin Cox Fitness (ran by Colin Cox) and Smart Fitness Solutions (ran by Lesley Handley). Both have worked with us at Birkmyre for many years. They are a familiar face for the members, and many of our members utilise them for Personal Training.

The Technogym equipment with the Mywellness system continues to be successful at Birkmyre Fitness Gym. This technology is used as a tool to help motivate and encourage people to "get active, be active and stay active" for longer by enabling users to track their activity. Staff can update programmes and offer advice in text or video form that the members can access through their MyWellness accounts at the gym, or on their mobile phone or laptop/PC wherever they are in the world. This system has and will continue to play a key role in retention at Birkmyre Park Fitness Gym and ensuring everyone is training towards their goals.

During the year 2021-22, Birkmyre Gym like all facilities in the UK continued its recovery from the COVID-19 pandemic. Membership numbers over the year have grown as we continue to work hard in getting members back into the gym. We are confident of achieving this

target, due to the dedication and stellar customer service that our team ensure to offer.

Birkmyre Fitness gym views itself very much part of the community in Kilmacolm, and as such our partnerships with the Birkmyre Bears Rugby Club, St Columba's school and local business' is very important. With sports now no longer being restricted to virus guidelines, the rugby club are back in full of weekend matches and using the changing facilities twice weekly for their training sessions. The Duke of Edinburgh programme is also something that we offer for the St Columba's pupils, with a physical activity badge often targeted by many of its pupils.

The Running Festival continued its annual gathering, with record numbers competing in the Half-Marathon event. Throughout the 3 events (Half-Marathon 10K and 3K) we had over 350 runners, while also seeing 25 future stars take part in the Toddle Waddle to start the day. The Kilmacolm Unofficial Running Club (KURC) as every year were a fantastic support, taking care of a large stretch of the course with marshals and providing a well needed water station for the runners.

2021-22 was a positive year for the facility which shown growth following the tough times that we have all been through. With plans in place to further enhance the centre, we are sure that we can continue this positive trajectory for year 2022-23, and the future years to come.

Financial Review

Income and Expenditure for the Year ended 31 March 2022

The Income and Expenditure Statement on page 8 provides an analysis of the income and expenditure for the twelve months from 1 April 2021 to 31 March 2022.

The Trust incurred expenditure of £59,349 (2020-21: £40,371) covering insurance £491 (2020-21: £588), loan interest £2,104 (2020-21: £2,459), governance costs £333 (2020-21: £333) and annual depreciation charge £49,097 (2020-21: £36,991). Income of £25,408 (2020-21: £17,868) was received; £25,270 from rents and pitch hires (2020-21: £17,814) and £138 (2020-21: £54) from interest on short-term deposits with Inverclyde Council.

The deficit for the year of £33,941 (2020-21: £22,503) was deducted from the reserves brought forward: £4,174 was added to the Usable Revenue Reserves (2020-21: £3,965 added) and £30,791 was deducted

from the Unusable Reserves (2020-21: £26,468 deducted). There was no deduction from the Unusable Reserves due to revaluations (2020-21: £99,665).

Assets and Liabilities at 31 March 2022

The balance sheet on page 9 provides an analysis for the trust of the assets and liabilities as at 31 March 2022.

The reserves of the trust are £1,348,966 (2020-21: £1,375,583). Usable revenue reserves are £108,633 (2020-21: £104,459), the unusable Revaluation Reserve stands at £1,217,359 (2020-21: £1,263,929) and the unusable Capital Adjustment Account balance is £22,974 (2020-21: £7,195).

The carrying value of the land and buildings held by the trust is £1,290,725 (2020-21: £1,332,498). Within the year, £7,324 of additions were added to the land and buildings held (2020-21: £0). Inverclyde Council holds cash of £108,633 (2020-21: £104,459) on behalf of the trust. The trust has borrowings for capital investment of £50,392 (2020-21: £61,374) advanced by Inverclyde Council of which £11,462 (2020-21: £10,982) is repayable in the next financial year.

Reserves Policy

The trust has been in existence for some time and the trustees consider that its reserves are sufficient.

The trust has always maintained a healthy balance of revenue reserves and as such there had been to-date no requirement to adopt a formal reserves policy. The free reserves at the financial year-end were £108,633 (2020-21: £104,459).

Future Plans

The Birkmyre Trust will continue to work in partnership with the local authority to support the continued operation of the parkland and buildings in the Park.

The £40,000 allocation from the trust for Birkmyre Park will be drawn down in 2022/23 to fund works on the MUGA and works previously carried out on the Putting Green reinstatement and the creation of a small football pitch area including fixed goals.

Conclusion

The trust's expenditure exceeded income during the reporting period and the deficit of £33,941 (2020-21: £22,503) has been deducted from the reserves brought forward.

The trustees look forward with some confidence. The trust has a balance of £108,633 (2020-21: £104,459) of usable revenue reserves. Funding is in place for the future with income from rents. The buildings have been extensively refurbished and house modern nursery and leisure facilities to serve the local community.

Approved by the trustees on 1st December 2022 and signed on behalf of all trustees.

Provost Drew McKenzie

Chair of the Trustees

This Trustees' Report is also counter-signed by the Chief Financial Officer of Inverclyde Council in his capacity as the Honorary Treasurer.

Alan Puckrin CPFA

Honorary Treasurer

Independent Examiner's Report to the Trustees of the Birkmyre Trust

I report on the accounts of the Trust for the year ended 31 March 2022 which are set out on pages 8 to 16.

Respective Responsibilities of Trustees and Examiner

The trustees are responsible for the preparation of the accounts in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union, and interpreted and adopted by the Code of Practice on local authority accounting in the United Kingdom 2021-22 (The "Code"). The Chief Financial Officer of Inverclyde Council in his capacity as the Section 95 Officer is responsible for making arrangements for the proper administration of the Council's financial affairs and, as part of that responsibility, administers the trust and reports to trustees. On the advice of the Honorary Treasurer, the trustees have determined that an independent examination be conducted. My responsibility is to examine the accounts as requested and to state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination includes a review of the accounting records kept by the trust and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

In the course of my examination, no matter has come to my attention which gives me reasonable cause to believe that in any material aspect the requirements:

- To keep accounting records, and
- To prepare accounts which accord with the accounting records have not been met, or
- To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Alison Bell ACMA

Income and Expenditure Statement

This statement shows the cost of the operations of the trust in accordance with accounting standards. It shows the movement in the year on the two reserves held by the trust; usable reserves that can be applied to fund expenditure, and unusable reserves, the unrealised gains on the revaluation of the trust's land and buildings.

Total 2020-21	Note	Total 2021-22
£		£
588	Insurance Costs 3	491
0	Property Repairs	0
333	Governance Costs 4	333
36,991	Annual Depreciation Charge 5	49,097
0	Other Property Costs	7,324
37,912	Gross Expenditure	57,245
(2,761)	Hire of Pitches	(10,058)
(3,053)	Rental for Nursery School	(3,212)
(12,000)	Rental for Leisure Centre 3	(12,000)
(17,814)	Gross Income	(25,270)
20,098	Cost of Services	31,975
2,459	Interest Paid 3	2,104
(54)	Interest Received 3	(138)
2,405		1,966
22,503	(Surplus) or Deficit on the Provision of Services	33,941
22,503	Net (Increase) or Decrease before Transfers	33,941

Balance Sheet as at 31st March 2022

The balance sheet is a snapshot of the value at the reporting date of the assets and liabilities recognised by the trust. The net assets of the trust (assets less liabilities) are matched by the reserves held by the trust. Reserves are reported in two categories. The first category of reserves is usable reserves i.e. those reserves that the trust may use to provide services. The second category of reserves is those that the trust is not able to use to provide services. This category of reserves holds unrealised gains or losses where the amounts would only become available to provide services if the underlying assets are sold (in for example the Revaluation Reserve) and timing differences (as detailed in the Movement in Reserves Statement).

31 March 2021	Note	31 March 2022
£		£
Non-current Assets		
1,332,498	Property, Plant and Equipment 5	1,290,725
Current Assets		
104,459	Cash and Cash Equivalents 6	108,633
Current Liabilities		
(10,982)	Short-term Borrowing 7	(11,462)
Long-term Liabilities		
(50,392)	Long-term Borrowing 7	(38,930)
1,375,583	Net Assets	1,348,966
Reserves		
104,459	Usable Reserves	108,633
1,271,124	Unusable Reserves	1,240,333
1,375,583	Total Reserves	1,348,966
<p>The notes on pages 13 to 16 form part of the accounts. Approved by the trustees on 1st December 2022 and signed on their behalf by:</p>		
<p>Provost Drew McKenzie Chair of the Trustees</p>		<p>Alan Puckrin CPFA Honorary Treasurer</p>

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Trust, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and 'unusable reserves'. The Movement in Reserves Statement shows how the movements in year of the Council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and statutory adjustments required to return to amounts chargeable to the fund balance for the year. The net Increase/(Decrease) line shows the statutory Fund Balance movement in the year following those adjustments.

Year ended 31 March 2022

	Fund Balance (£)	Revaluation Reserve (£)	Capital Adjustment Account (£)	Total Reserves (£)
Balance at 1 April	104,459	1,263,929	7,195	1,375,583
Movement in reserves in the year				
Total income and expenditure	(33,941)	0	0	(33,941)
Charges for depreciation of non-current assets	49,097	0	(49,097)	0
Addition/Enhancement to Fixed Assets	0	0	7,324	7,324
Revaluation adjustment to Revaluation Reserve	0	0	0	0
Statutory provision for the principal repayment of loan charges	(10,982)	0	10,982	0
Total adjustments between accounting basis and funding basis under regulations	38,115	0	(30,791)	7,324
Net increase or (decrease) before Transfers to other Statutory Reserves	4,174	0	(30,791)	(26,617)
Difference between fair value depreciation and historical cost depreciation written off to Capital Adjustment Account	0	(46,570)	46,570	0
Balance at 31 March carried forward	108,633	1,217,359	22,974	1,348,966

Comparative Figures for Year ended 31 March 2021

	Fund Balance (£)	Revaluation Reserve (£)	Capital Adjustment Account (£)	Total Reserves (£)
Balance at 1 April	100,494	1,398,809	(1,552)	1,497,751
Movement in reserves in the year				
Total income and expenditure	(22,503)	0	0	(22,503)
Charges for depreciation of non-current assets	36,991	0	(36,991)	0
Addition/Enhancement to Fixed Assets	0	0	0	0
Revaluation adjustment to Revaluation Reserve	0	(99,665)	0	(99,665)
Statutory provision for the principal repayment of loan charges	(10,523)	0	10,523	0
Total adjustments between accounting basis and funding basis under regulations	26,468	(99,665)	(26,468)	(99,665)
Net increase or (decrease) before Transfers to other Statutory Reserves	3,965	(99,665)	(26,468)	(122,168)
Difference between fair value depreciation and historical cost depreciation written off to Capital Adjustment Account	0	(35,215)	35,215	0
Balance at 31 March carried forward	104,459	1,263,929	7,195	1,375,583

Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources by the Trust in comparison with those resources consumed or earned by the Trust in accordance with generally accepted accounting practices. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Income and Expenditure Statement.

Expenditure and Funding Analysis 2021-22

	Expenditure chargeable to the Fund balance (£)	Adjustment between the Funding and Accounting Basis (£)	Net Expenditure in the Income and Expenditure Statement (£)
Net Cost of Service – Trust	(17,122)	49,097	31,975
Financing and Investment (Income) and Expenditure	12,948	(10,982)	1,966
(Surplus) or Deficit on the Provision of Service	(4,174)	38,115	33,941
Opening Fund Balance at 1 April	104,459		
Surplus/(Deficit) on Fund Balance in the year	4,174		
Closing Fund Balance at 31 March	108,633		

Note

	Adjustments for Capital purposes (£)	Other Differences (£)	Total Adjustments (£)
Net Cost of Service – Trust	49,097		49,097
Financing and Investment (Income) and Expenditure		(10,982)	(10,982)
Difference between General Fund (Surplus)/Deficit and Income & Expenditure Statement (Surplus)/Deficit on the Provision of Service	49,097	(10,982)	38,115

Comparative Figures for 2020-21

	Expenditure chargeable to the Fund balance (£)	Adjustment between the Funding and Accounting Basis (£)	Net Expenditure in the Income and Expenditure Statement (£)
Net Cost of Service – Trust	(16,893)	36,991	20,098
Financing and Investment (Income) and Expenditure	12,928	(10,523)	2,405
(Surplus) or Deficit on the Provision of Service	(3,965)	26,468	22,503
Opening Fund Balance at 1 April	100,494		
Surplus/(Deficit) on Fund Balance in the year	3,965		
Closing Fund Balance at 31 March	104,459		

Note

	Adjustments for Capital purposes (£)	Other Differences (£)	Total Adjustments (£)
Net Cost of Service – Trust	36,991		36,991
Financing and Investment (Income) and Expenditure		(10,523)	(10,523)
Difference between General Fund (Surplus)/Deficit and Income & Expenditure Statement (Surplus)/Deficit on the Provision of Service	36,991	(10,523)	26,468

Notes to the Accounts

Note 1 Accounting Policies:

Basis of Preparation

The financial statements have been compiled in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22 (the "Code"). The Code is based on International Financial Reporting Standards with interpretation appropriate to the public sector. The principal policies adopted in the preparation of the financial statements are set out below.

Going Concern

The accounts have been prepared on a "going concern" basis as it is expected revenue reserves will provide sufficient resources to finance future liabilities.

Incoming Resources

All incoming resources are included in the Income and Expenditure Statement when the trust is entitled to the income. All incoming resources are applied to usable reserves funds. Interest is included when receivable.

Resources Expended

All expenditure is included in the Income and Expenditure Statement on an accruals basis and is recognised when there is a legal or constructive obligation to pay.

Charges to Revenue for Non-current Assets

Depreciation, revaluation and impairment losses are charged to record the cost of holding fixed assets during the year. Depreciation is charged on a straight-line basis over the useful life of the assets, assessed as 15 years for the recent refurbishment work to the Pavilion building and 10 years for the improvements to the nursery school area. No depreciation is charged in the year of acquisition; a full year's depreciation is charged in the year of disposal.

Cash and Cash Equivalents

Cash is represented by deposits with the Council repayable immediately. The trust has no cash equivalents. The Council acts as the banker for the trust and all transactions are made via the Council's accounts.

Debtors

Debtors are recognised at the settlement amount due.

Borrowing

The amounts presented on the balance sheet are the outstanding principal repayable plus any accrued interest. The interest chargeable to the Income and Expenditure Statement is the amount payable for the year.

Property, Plant and Equipment

Assets that have physical substance and are held for use in the supply of services, for rental to others or for administrative purposes and that are expected to be used for more than one financial year are classified as Property.

Plant and Equipment. Assets, including donated assets are included at fair value (that would be paid for the asset in its existing use) and are revalued sufficiently regularly to ensure their carrying value is not materially different from their fair value at the year-end (but as minimum every five years) by external independent professional valuers. The last valuation was conducted at 31 March 2021. Decreases in valuation are matched by debits to the Revaluation Reserve to recognise unrealised losses.

Reserves

The trust has two reserve funds. The Usable Reserves (Revenue) is a fund available to support services at the discretion of Trustees. The Unusable Reserves (Revaluation) holds unrealised gains or losses where the amounts would only become available to provide services if the underlying assets are sold and the Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

Comparative Figures and Taxation

Figures for 2020-21 are shown as appropriate for purposes of comparison. Irrecoverable tax is included in the expense or income to which it refers.

Taxation

The Birkmyre Trust is included by HMRC as part of Inverclyde Council. The trust is not liable to income tax or capital gains tax. VAT is recovered by Inverclyde Council.

Note 2 Staff Numbers and Costs:

The Birkmyre Trust has no staff. All support functions are provided by Inverclyde Council.

Note 3 Related Party Disclosures:

During the year, Inverclyde Council recharged insurance premiums of £491 to the trust (2020-21: £588). Interest of £138 was received from, and interest of £2,104 was paid to, Inverclyde Council (2020-21: £54 and £2,459). As at 31 March 2022, Inverclyde Council held £108,633 for the trust (2020-21: £104,459). The trust owed £50,392 to Inverclyde Council (2020-21: £61,375).

The trust received a rental of £12,000 (2020-21: £12,000) from Inverclyde Leisure as independently determined by the District Valuer. The leisure company is responsible for all running and maintenance costs under the lease.

Note 4 Governance Costs:

Inverclyde Council provides management services to the trust at £333 (2020-21: £333). The independent examination has been conducted on a "no-charge" basis and accordingly no accrual has been made for the examiner's fees.

Note 5 Analysis of Property Plant and Equipment:

The figure in the balance sheet on page 9 reflects the depreciated current value of the land and buildings of the trust.

2020-21 £		2021-22 £
	Valuation	
1,616,782	At 1 April	1,332,498
0	Additions in year	7,324
0	Disposals in year	0
(284,284)	Other Adjustments/Transfers	0
1,332,498	At 31 March	1,339,822
	Depreciation and Impairment	
147,628	At 1 April	0
36,991	Depreciation charge for the year	49,097
(184,619)	Other Adjustments/Transfers	0
0	At 31 March	0
1,332,498	Balance Sheet as at 31 March 2022	1,290,725

Note 6 Cash and Cash Equivalents

The Council acts as the banker for the trust and all transactions incoming and outgoing are made via the Council's accounts. The balance is repayable on demand. Interest is paid on balances.

2020-21		2021-22	
£		£	£
100,494	Balance at 1 April 2021		104,459
Net Cash Inflow from Operating Activities			
(20,098)	Net surplus/(deficit) on the cost of services	(24,651)	
36,991	Adjustments for non-cash movements	49,097	24,446
Net Cash Outflow from Investing Activities			
0	Expenditure on property, plant & equipment	(7,324)	
54	Interest received	138	(7,186)
Net Cash Inflow from Financing Activities			
0	Receipts of long-term borrowing	0	
(10,523)	Repayment of long-term borrowing	(10,982)	
(2,459)	Interest paid on borrowing	(2,104)	(13,086)
104,459	Balance at 31 March 2022		108,633

Note 7 Borrowing

The trust has secured long-term borrowing to fund capital investment on the buildings. The borrowing was undertaken in the two financial years 2011 and 2012 and is repayable over a period of 15 years. The fair value is shown in the table below, assessed on inputs that are observable for the liability.

2020-21		2021-22	
£		£	
Amounts due within 12 Months			
10,523	At 1 April 2021		10,982
0	New Borrowings		0
10,982	Transfer from Debt over 12 Months		11,462
(10,523)	Repayments to Inverclyde Council		(10,982)
10,982	Balance at 31 March 2022		11,462
Amounts due over 12 Months			
61,374	At 1 April 2021		50,392
0	New Borrowings		0
(10,982)	Transfer to Debt under 12 Months		(11,462)
50,392	Balance at 31 March 2022		38,930

Note 8 Payments to Trustees

No trustee, or any people related to a trustee, were remunerated during the year. Nor was there any requirement for any expenses to be paid.



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Watt Institution Trust Fund

Annual Report and Financial Statements 2021-2022



Year ended 31 March 2022

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Watt Institution Trust Fund Background

Greenock Corporation took over responsibility for running the Watt Library, McLean Museum, Art Gallery and Watt Hall (known collectively as the Watt Institution) from the Watt Trust in 1973.

In July 1984, the existing trustees of three bodies - the Committee of Management of the Greenock Library; the Committee of Management of the Watt Hall and Museum and Greenock Art Gallery; and the James McLean Trust - were discharged from their relative trust obligations and the whole trust estate was invested in the former Inverclyde District Council.

The Court of Session, at that time, declared a Scheme of Administration for the future management and use of the assets and funds invested in the trust and all of the land and buildings and moveable assets transferred to the Council at that time.

The Council is responsible for holding the land and buildings in trust as a memorial to the late James Watt LLD and to use it as a library, museum and hall for the benefit of the inhabitants of Greenock.

Additionally, the Council is to hold and apply the whole of the moveable property the investments from time to time representing the same and the income thereof in trust for the maintenance, preservation, repair, improvement and furnishing of the land and buildings and of the fixtures and fittings and for the provision, safekeeping and repair of suitable books and objects for the Library and Museum.

The Watt Institution Trust Fund has its own funds which are to be used for similar purposes and any expenditure from this Fund must meet the conditions listed above.

As the successor local authority Inverclyde Council is the sole trustee. The Chief Financial Officer of Inverclyde Council in his capacity as the Section 95 Officer is responsible for making arrangements for the proper administration of the Council's financial affairs and, as part of that responsibility, administers the Trust and reports to Council.

Trustees' Annual Report

The trustees present their report together with the financial statements and the Independent Examiner's report for the year ended 31 March 2022.

Current Trustees

- Councillor Pam Armstrong
- Councillor Francesca Brennan
- Councillor Graeme Brooks
- Councillor Paul Cassidy
- Councillor Jim Clocherty
- Councillor John Crowther
- Councillor Christopher Curley
- Councillor James Daisley
- Councillor Colin Jackson
- Councillor Kirsty Law
- Councillor Stephen McCabe
- Councillor Martin McCluskey
- Councillor Michael McCormick
- Councillor Drew McKenzie
- Councillor Tommy McVey
- Councillor Robert Moran
- Councillor Natasha McGuire
- Councillor Innes Nelson
- Councillor Lynne Quinn
- Councillor Sandra Reynolds
- Councillor Elizabeth Robertson
- Councillor David Wilson

Other Trustees During The Year

- Councillor Ronnie Ahlfeld (resigned 4 May 2022)
- Councillor Martin Brennan (resigned 4 May 2022)
- Councillor Gerry Dorrian (resigned 4 May 2022)
- Councillor Jim MacLeod (resigned 4 May 2022)
- Councillor Chris McEleny (resigned 4 May 2022)
- Councillor Jim McEleny (resigned 4 May 2022)
- Councillor Luciano Rebecchi (resigned 4 May 2022)

Chair

- Provost Drew McKenzie (appointed 19 May 2022)
- Former Provost Martin Brennan (resigned 4 May 2022)

Honorary Secretary

- Role fulfilled by officers in Inverclyde Council's Legal & Democratic Services

Honorary Treasurer

- Role fulfilled by Alan Puckrin CPFA, Chief Financial Officer (Section 95 Officer).

Bankers

- All monies are held and managed by Inverclyde Council.

Independent Examiner

- Alison Bell ACMA

Structure, Governance and ManagementStructure

The name of the trust is the Watt Institution Trust Fund. The Trust is an unincorporated trust governed on the basis of the available evidence of its constitution. The trust in its current form was established under a court approved *cy pres* scheme in July 1984.

Appointment of Trustees

The councillors of Inverclyde Council are assumed as trustees on their appointment to the Council. Councillors receive training on the responsibilities of being a trustee and the accounts of the trust.

Organisational Structure

The trustees meet to consider applications for support and that sufficient funding is available. At a special annual meeting of the Council, trustees consider the income and expenditure levels during the financial year and that suitable arrangements are in place to manage the funds of the trust.

The trustees, in order to discharge their responsibilities, rely on the advice and expertise of the officers of Inverclyde Council. The Council provides all administrative support to the trust including financial, legal and secretarial support. The Council also administers the payments from the trust.

The Council makes a charge for these services as agreed by the trustees at the meeting of 4 October 2012. There are no other costs in connection with governance.

Related Parties

Trustees hold this position because they are elected councillors of Inverclyde Council. Inverclyde Council provides support services to the trust.

Management of Funds and Investment Policy

The trustees rely upon the expertise of officers of Inverclyde Council to manage the investments to ensure the maximum return at least risk to the trust.

The funds of the Trust are deposited with Inverclyde Council and receive interest at the average market rate for the short-term borrowing. The interest received from Inverclyde Council is shown in the Income and Expenditure Statement.

Objectives and ActivitiesObjectives

Its purpose is to hold and apply the investments and income thereof for the maintenance, preservation,

repair, improvement and furnishing of the land and buildings and of the fixtures and fittings and for the provision, safekeeping and repair of suitable books and objects for the Library and Museum.

Activities

The Trust meets the costs of the Watt Institution not otherwise defrayed by the Council and invests the balance of funds with the Council.

Performance and Achievements

In line with policy adopted by the Council and the terms of the Trust, the Watt Institution Trust Fund supported the continued operation of the museum, art gallery and library in the Watt Institution in partnership with the local authority.

Museum Achievements

A large part of the year was taken up with the work required for the McLean Museum and Art Gallery's renewal of Accredited Museum Status – the UK wide professional standard for museums. The result of the submission is not yet known.

Extensive work has been undertaken behind the scenes on collections management programmes in preparation for the accreditation submission, to improve access to collections and the information they contain, increase and improve the stores, and to support the delivery of the National Lottery Heritage Fund Watt Voices project. This work will be ongoing for many years to come. In support of this, funding was obtained from the British Museum Trust for resources to make elements of the natural sciences collections (palaeontology, geology, entomology, oology and herbaria) more accessible. With the support of the National Museums of Scotland, the McLean is part of a network of museums across the UK looking at the issues around increasing access to and knowledge of natural sciences collections through digital platforms – the museum has begun 3D scanning of the collection and making these accessible digitally and will be trialling making 3D prints of artefacts within the collections as part of education work with schools.

As part of the Heritage Fund Watt Voices project, a Creativity Space was created on the ground floor of the building. This room and its resources will act as a focal point for creativity for families, groups and individuals as part of programmes developed in house and through its use by community groups. Currently the space is used by groups working with people with early onset dementia and those dealing with mental health issues to support

wellbeing and deal with social isolation through fostering a sense of community through creativity.

A major donation to the Watt Institution of \$10,000 was made after the financial year by Dr Daniel Temianka, and his wife Dr Zeinab Dabbah, of California, USA. Dr Temianka is the son of renowned virtuoso violinist, conductor, author and music educator Henri Temianka, who was born in Greenock in 1905, and generously donated a sculptural bust of his father, created by acclaimed sculptor Miriam Baker, to the Watt Institution in 2016. Dr Temianka was delighted to hear of the plans to create a Creativity Space within the Watt Institution and wished to contribute to the overall funding package. Dr Temianka's generous donation will be used to support the ongoing development of the Creativity Space and run activities and events, including free to attend creative workshops, which would not have otherwise been possible. The donation will be included in the accounts for 2022/23.

In support of the wider Watt Voices project objectives, work is ongoing in researching new artefacts to go on display and making changes to the visitor offer to make better use of space to increase the collections on display and interpretative engagement opportunities. To support this the museum will be launching a new Egyptian Gallery in the New Year to better tell the story of Greenock's historic connection to the study of ancient Egyptian history and to free up extra space to increase display of the social history collection encompassing the history of all the communities that make up Inverclyde.

Staff have also been working on launching a digital story telling space for use by community groups called 'Community Voices'. Situated next to the newly created Creativity Space, it will provide the opportunity for groups to create and exhibit short digital stories about Inverclyde's history and to tell stories that are not reflected in the collections.

A successful funding bid to Museums Galleries Scotland (MGS) provided a grant for the employment of a Digital Learning and Engagement Officer to work with communities to develop the Watt's offer and shape and improve digital capacity going forward. Projects have included:

- The Butterflies and Minibeasts of Inverclyde project funded by the Royal Society Places of Science Fund delivered in partnership with the Inverclyde Ranger Service at Clyde Muirshiel Regional Park focussing on the promotion and digitization of the natural history collection and in support of STEM learning.

- A monthly digital reminiscence newsletter, Inverclyde in the News 40 Years Ago, in partnership with the Greenock Telegraph using the Telegraph archives held at the Watt Library.
- Regular Family History for Beginners presentation delivered virtually.
- Local history reminiscence sessions delivered both digitally and in person to partners including; Glenfield and Bagatelle care homes, Inverclyde Association for Mental Health, Crown Day Care, the WISHES (Women's initiative for socialisation, health, education and skills) group and the Best Friends group with YourVoice.
- Cine Poetry workshops inspired by museum collections in partnership with the Inverclyde Writer in Residence and West College Scotland media students.
- Digital creative writing prompts based on the museum collections for the Writer's Well creative writing group.
- *Who Do You Think You Are?* Project in partnership with the family learning worker at All Saints Primary and Inverclyde CLD based around genealogy and research skills.

The success of this project will lead to it being promoted by MGS as a best practice case study.

In partnership with a range of groups and individuals including the Music Service and Circus 250, the Watt ran a very successful and well attended programme of visual and performing arts events for Summer of Fun and the autumn. Book Bug sessions have been launched on a Saturday morning to great success with high numbers regularly attending. This runs alongside the regular monthly Fair Trade Fair which continues to be a success. 'Watty Bear' activities for children and young families continue to draw large and repeat numbers of participants with over two hundred taking part in the Easter Bear Hunt alone.

The Watt ran a series of successful talks and gallery tours on Inverclyde's historic links to slavery and an exhibition telling the story of some of the Abolitionists who came to Inverclyde to speak is generating great interest as it tells a little-known story of Inverclyde's past.

The service has been involved in Inverclyde's Historic Links to Slavery project, in particular working on the collation of all the public submissions of sites, events and individuals connected with slavery as part of a heritage audit. This work formed the starting point for the development of an inclusive curriculum for the area and

will form the basis of a heritage trail on links to slavery to be developed in partnership with Inverclyde Community Development Trust and members of community groups and organisations to launch next year.

The Archive Service continues to run a successful volunteer programme in support of making the information held within the archives accessible to the public. The work on documenting the Watt Library's historic book collection has been completed with 5,704 works catalogued to increase public awareness of, and accessibility to, the collection.

The Watt supported Inverclyde Heritage Network in running Inverclyde's first Heritage Day as part of Local and Community History Month, The event gave groups and individuals in heritage the chance to get together and promote their work to the public. The day saw some three hundred and thirty people attend an event at the Watt. It is planned that this will be an annual event going forward.

Financial Review

Income and Expenditure for the Year ended 31 March 2022

The Income and Expenditure Statement on page 8 provides an analysis for the Trust of the income and expenditure for the twelve months from 1 April 2021 to 31 March 2022.

Running costs in 2021/22 were £0 (2020-21: £0) and £333 (2020-21: £333) on governance costs. There were no contributions made by the council to cover historic costs this year (2020-21: £0). Income of £74 (2020-21: £30) was received from interest on short-term deposits with Inverclyde Council.

The deficit of £259 (2020-21: £303) was taken away from the reserves of £57,146 to give a carry forward balance of £56,887.

Assets and Liabilities at 31 March 2022

The balance sheet on page 9 provides an analysis for the Trust of the assets and liabilities as at 31 March 2022.

The reserves of the Trust are £56,887 (2020-21: £57,146) and are all held by Inverclyde Council.

Reserves Policy

The Trust has been in existence for some time and the trustees consider that its reserves are sufficient.

The Trust has always maintained a healthy balance of Revenue Reserves and as such there had been no requirement to adopt a formal reserves policy. The free reserves at the financial year-end were £56,887 (2020-21: £57,146).

Future Plans

The Watt Institution Trust Fund will continue to work in partnership with the local authority to support the operations of the museum, art gallery and library in the Watt Institution.

In June 2022 the Trustees approved a proposal to use £25,500 from the Fund to improve the safety and security of collections at the Watt Institution.

Conclusion

The Trust's expenditure exceeded income during the reporting period and the deficit of £259 (2020-21: £303) has been taken from the reserves brought forward. The Watt Institution Trust Fund has a healthy balance of £56,887 (2020-21: £57,146) of Revenue Reserves.

Approved by the trustees on 1st December 2022 and signed on behalf of all trustees.

Provost Drew McKenzie

Chair of the Trustees

This Trustees' Report is also counter-signed by the Chief Financial Officer of Inverclyde Council in his capacity as the Honorary Treasurer.

Alan Puckrin CPFA

Honorary Treasurer

Independent Examiner's Report

I report on the accounts of the Trust for the year ended 31 March 2022 which are set out on pages 8 to 11.

Respective Responsibilities of Trustees and Examiner

The trustees are responsible for the preparation of the accounts in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and interpreted and adopted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22 (The CODE). The Chief Financial Officer of Inverclyde Council in his capacity as the Section 95 Officer is responsible for making arrangements for the proper administration of the Council's financial affairs and, as part of that responsibility, administers the trust and reports to trustees. On the advice of the Honorary Treasurer, the trustees have determined that an independent examination be conducted. My responsibility is to examine the accounts as requested and to state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination includes a review of the accounting records kept by the trust and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

In the course of my examination, no matter has come to my attention which gives me reasonable cause to believe that in any material aspect the requirements:

- To keep accounting records, and
- To prepare accounts which accord with the accounting records have not been met, or
- To which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed:

Alison Bell ACMA

Balance Sheet as at 31st March 2022

The Balance Sheet is a snapshot of the value at the reporting date of the assets and liabilities recognised by the trust. The net assets of the trust (assets less liabilities) are matched by the reserves held by the trust. These usable reserves are available to the trustees to provide services.

31 March 2021		Notes	31 March 2022
£			£
	Current Assets		
57,146	Cash and Cash Equivalents	8	56,887
	Current Liabilities		
0	Creditors	9	0
57,146	Net Assets		56,887
	Reserves		
57,146	Usable Reserves: Revenue		56,887
57,146	Total Reserves		56,887
<p>The notes on pages 11 to 12 form part of these accounts. Approved by the trustees on 1st December 2022 and signed on their behalf by:</p>			
<p>Provost Drew McKenzie Chair of the Trustees</p>		<p>Alan Puckrin CPFA Honorary Treasurer</p>	

Notes to the Accounts

Note 1 Accounting Policies

Basis of Preparation

The financial statements have been compiled in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22 (The "Code"). The "Code" is based on International Financial Reporting Standards with interpretation appropriate to the public sector. The principal policies adopted in the preparation of the financial statements are set out below.

Going Concern

The accounts have been prepared on a "going concern" basis as it is expected that future revenue reserves will provide sufficient resources to finance future liabilities.

Incoming Resources

All incoming resources are included in the Income and Expenditure Statement when the trust is entitled to the income. All incoming resources are applied to usable reserves funds. Interest is included when receivable.

Resources Expended

All expenditure is included in the Income and Expenditure Statement on an accruals basis and is recognised when there is a legal or constructive obligation to pay.

Cash and Cash Equivalents

Cash is represented by deposits with the Council repayable on demand. The trust has no cash equivalents.

Reserves

The trust has a single reserve fund. The Usable Reserves (Revenue) is a fund available to support services at the discretion of Trustees.

Comparative Figures

Figures for 2020-21 are shown as appropriate for purposes of comparison.

Taxation

Watt Institution Trust Fund is included by HMRC as part of Inverclyde Council. The trust is not liable to income tax or capital gains tax. VAT is recovered by Inverclyde Council.

Note 2 Related Party Disclosures

Interest of £74 was received from the local authority (2020-21: £30). As at 31 March 2022, Inverclyde Council held £56,887 for the trust (31 March 2021: £57,146).

As part of the management arrangements of the Scheme of Administration, Inverclyde Council remains responsible for all costs and any income relating to the Watt Institution and is entitled to the unrestricted use of its assets.

Under accounting standards and the associated guidance, arrangements that convey the right to use an asset require to be accounted for as a lease even where they do not have the legal form of a lease. The local authority has assumed the risks and rewards of ownership and the arrangements have the substance of a finance lease. The Watt Institution and its collections require to be disclosed on the balance sheet of the local authority and accordingly are not included in the trust fund's accounts. The holding value of these assets in the Council's Annual Accounts is £5.0 million (2020-21: £4.9 million) for the buildings and £17.8 million (2020-21: £17.8 million) for its collections of heritage assets. The heritage assets are to be revalued prior to the closure of the Council's 2022-23 Annual Accounts.

Note 3 Staff Numbers and Costs

The trust does not employ any staff (see note 6).

Note 4 Payments to Trustees

No trustee or any connected person was remunerated during the year, nor was there any requirement for any expenses to be paid.

Note 5 Supplies and Services

There were no storage or transportation costs in 2021-22 (2020-21: £0).

Note 6 Income

There was no income in 2021-22 (2020-21 £0).

Note 7 Governance Costs

Inverclyde Council provides support services to the trust at a fee of £333 (2020-21: £333). The independent examination has been conducted on a “no-charge” basis and accordingly no accrual has been made for the examiner’s fees.

Note 8 Cash and Cash Equivalents

The Council acts as the banker for the trust and all transactions incoming and outgoing are made via the Council’s bank accounts. The balance is repayable on demand. Interest is paid on balances.

2020-21 £		2021-22 £
57,449	Balance at 1 April	57,146
	Net Cash (Outflow) from Operating Activities	
(333)	Net surplus/(deficit) on the cost of services	(333)
0	Adjustments for non-cash movements	0
	Net Cash Inflow from Investing Activities	
30	Interest Received	74
0	Net Cash Inflow from Financing Activities	0
57,146	Balance at 31 March	56,887

Note 9 Creditors

There were no creditors as at 31st March 2022



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