

**The City of Edinburgh Council Charitable Trusts  
Unaudited Trustee's Annual Report and Accounts  
for the year ended 31 March 2024**

## Legal and Administrative Information

### Trustee

The City of Edinburgh Council acts as sole Trustee for the charities in this report. The delegated responsibility for charitable trusts was transferred from the Pensions and Trusts Committee to the Finance and Budget Committee as part of the review of governance arrangements under the Committee Terms of Reference and Delegated Functions approved by Council on 20 September 2012 (Section 6.6). The Finance and Budget Committee has since been renamed the **Finance and Resources Committee** and now has delegated authority from Council to act in the role of Trustee of its charities. The individual members of the Committee are listed on page 6 of the Trustee's Report, however, the individual members are not Trustees of the charitable trusts.

### Reference and Administrative Details

At the year end the Council acted as sole Trustee for a total of six Trusts which have charitable status and are registered with the Office of the Scottish Charity Regulator (OSCR). A list of five of the charities can be found on page 3 of this report and in the accounts. Separate accounts have been prepared for City of Edinburgh Council Charitable Funds (Boyd Anderson Trust) using a break-up basis of accounting for which OSCR has granted consent to wind up the trust.

The Council administers these charities but their assets are not available to the Council and have not been included in the Council's balance sheet but are consolidated in the The City of Edinburgh Council Group Accounts.

### Registered Office

The City of Edinburgh Council  
City Chambers  
High Street  
Edinburgh  
EH1 1YJ

### Auditor

Audit Scotland  
102 West Port  
Edinburgh  
EH3 9DN

### Bankers

Royal Bank of Scotland  
36 St Andrew Square  
Edinburgh  
EH2 2AD

### Investment Managers

CCLA Investment Management Ltd  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

### Legal Advisors

The City of Edinburgh Council  
City Chambers  
High Street  
Edinburgh  
EH1 1YJ

M&G Securities Ltd  
10 Fenchurch Avenue  
London  
EC3M 5AG

## Trustee's Annual Report 2023/24

The Trustee presents the Annual Report and Accounts of the City of Edinburgh Council Charitable Trusts for the year ending 31 March 2024. The Annual Accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities Accounts (Scotland) Regulations 2006 and the principles of Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102), commonly referred to as the Charities SORP (FRS 102). One set of accounts for connected charities has been prepared under the provisions of these regulations.

### Structure, Governance and Management

The charities that the Council administers are constituted in a variety of different ways. Details of how each charity was originally established are available from the Council.

The Trustee section on the previous page describes the Committee of the Council which is involved with administration. All committee members are elected Councillors. Members of the Finance and Resources Committee have been provided with copies of the OSCAR guidance which explains the role and responsibilities of the charity Trustee. Risk management is covered as part of the Council's general risk management procedures. The Council is currently in the process of conducting a review of its administration of Trusts.

The **Committee on the Jean F. Watson Bequest** has the following delegated authority: "With monies from the Jean F. Watson Bequest, to purchase and commission for the City's collection, works of artists and craftspeople born, practising in, or otherwise associated with Scotland, and in particular Edinburgh; all decisions to be guided by the Collection and Disposal Policy for the City Museums and Galleries."

### Responsibilities of the Trustee

Charity law requires the charity Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period.

The Council, as the Trustee, has overall responsibility for the following:

1. Ensuring that there are appropriate systems of controls; financial and otherwise.
2. Keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charities and enable them to ensure that the financial statements comply with the Charities Accounts (Scotland) Regulations 2006 and the Charities SORP (FRS 102).
3. Selecting suitable accounting policies and applying them consistently.
4. Making judgements and estimates that are reasonable and prudent.
5. Safeguarding the assets of the charities.
6. Taking reasonable steps for the prevention and detection of fraud and other irregularities.
7. Providing reasonable assurance that:
  - i) the charities are operating efficiently and effectively;
  - ii) the charitable assets are safeguarded against unauthorised use or disposition;
  - iii) proper records are maintained and financial information used by the charities is reliable; and
  - iv) the charities comply with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute assurance against material misstatement or loss. They include:

1. A strategic plan approved by the charity Trustee;
2. Consideration by the charity Trustee of financial results and non-financial performance indicators;
3. Delegation of authority and segregation of duties; and
4. Identification and management of risks.

The Trustee is responsible for the maintenance and integrity of the corporate and financial information included in the Council's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

### Exemptions From Disclosure and Funds held as Custodian Trustee on Behalf of Others

None.

## Trustee's Annual Report 2023/24

### Objectives and Activities

Details of the charitable purposes of the charities as at 31 March 2024 are as follows:

Official Name <i>(Name Used in Accounts)</i>	Scottish Charity Registration Number	Purpose	Market Value at 31/3/24 £'000
<b>Miss Jean Fletcher Watson Bequest</b> <i>(Jean F. Watson)</i>	SC018971	The purchase of works of art by artists who have connections with the city	6,875
<b>The Edinburgh Education Trust</b> <i>(Edinburgh Education Trust)</i>	SC042754	To fund activities to support Looked after Children and school prizes	1,367
<b>Nelson Halls Trust</b> <i>(Nelson Halls)</i>	SC018946	Maintenance of the four "Nelson Halls" in Edinburgh to provide reading rooms for the poor	9,159
<b>Lauriston Castle Trust</b> <i>(Lauriston Castle)</i>	SC020737	To make the artefacts and buildings available to be viewed by the public	18,230
<b>Royal Scots (The Royal Regiment) Monument Trust Fund</b> <i>(The Royal Scots Trust)</i>	SC018945	Maintenance of the Royal Scots Monument	36
<b>Total</b>			<b>35,667</b>

The main activities undertaken in relation to the Trusts' purposes are outlined below;

Jean F. Watson purchased artwork totalling £81,060 during the financial year, with funding of £22,530 provided to contribute towards these purchases, as set out in Notes 2 and 5.

Additional purchases were approved at the **Committee on the Jean F Watson Bequest meeting on 23 February 2024**. The acquisition process was yet to be completed as at 31st March 2024, but will be progressed and finalised in the next financial year.

The Edinburgh Education Trust funded £2,000 of activities for looked after children (£1,948 2022/23) and £1,300 of school prizes (£1,350 2022/23). Unused funds from the current year will be rolled forward into the new year.

Nelson Halls are open to the public as part of the libraries and community centres.

Lauriston Castle is open to the public with the interest received in 2023/24 used to cover some of the running costs.

For The Royal Scots Trust, the interest received in 2023/24 was used to cover some of the running costs.

The Statement of Financial Activities includes the total income from and expenditure of running and maintaining Lauriston Castle, Nelson Halls and the Royal Scots Monument. This includes the support funding from the City of Edinburgh Council towards the operating and maintenance costs of these assets.

## Trustee's Annual Report 2023/24

### Achievements and Performance

#### Financial Investments Performance

The Trusts' investments are held in the Charibond Charities Fixed Interest Common Investment Fund managed by M&G Securities Ltd and the COIF Charities Investment Fund managed by CCLA Investment Management Ltd.

#### Charibond Charities Fixed Interest Fund

The investment held in Charibond is 20% of the total Trusts' investments.

Charibond recorded a total return of 4.63% over the 12 months to March 2024. The 50% ICE Bofaml 1-15 Gilt Index & 50% ICE Bofaml Non-Gilt Index - a composite index of UK Gilt and non-Gilt, returned 4.07% over the same period.

The single year performance for the last five years ending 31 March is outlined in the table below;

	2024	2023	2022	2021	2020
<b>Charibond</b>	4.6%	-5.0%	-2.6%	3.3%	3.8%

The fund invests mainly in UK government bonds (gilts) and high quality, sterling-denominated corporate bonds. In terms of its overall positioning, the fund favoured holding a mix of these assets throughout the period, but maintained a bias towards shorter dated gilts within the fund's allocation to government bonds.

As at 31 March 2024, the distribution yield of the fund was 3.62%. For comparison, on 31 March 2023, the fund's distribution yield was 2.42%.

#### COIF Charities Investment Fund

Investment held in COIF Charities Investment Fund is 80% of the total Trusts' investments.

The single year total return performance (net of expenses) for the COIF Charities Investment Fund for the 12 months to end March is outlined in the table below;

	2024	2023	2022	2021	2020
<b>Fund</b>	12.2%	-0.9%	11.6%	24.3%	-0.1%
<b>Comparator</b>	16.7%	-3.9%	11.8%	23.0%	-6.6%

The longer term total return performance (net of expenses) for the COIF Charities Investment Fund for the 12 months to end March is outlined in the table below;

	1 year	3 years p.a.	5 years p.a.
<b>Fund</b>	12.2%	7.5%	9.0%
<b>Peer Group</b>	9.4%	3.7%	5.0%
<b>Market Comparator</b>	16.7%	7.8%	7.6%

The Peer Group measure represents the total returns reported for the ARC Charities Steady Growth Index. The market comparator, which is not a target or a constraining benchmark, is intended to help investors understand the effects of the Fund's active management in different market circumstances, and to see how the Fund's returns vary in the shorter term from those that might be experienced by a more passive investor. The current market comparator, in summary, is 45% overseas equities, 30% UK equities, 15% UK bonds (gilts), 5% property & 5% 7 LIBID.

As at 31 March 2024 the actual holdings in the COIF Charities Investment Fund were; 66% overseas equities, 9% Infrastructure & Operating Assets, 8% Fixed interest (gilts), 7% UK Equities, 4% property, 3% in Private Equity & Other, 1% in Contractual & Other income and 2% in Cash. The overseas equities are split as follows: - North America 48%, Europe 13%, Pacific Ex. Japan 3%, Japan 1%, Other 1%.

The investment objective of the Fund is to provide real long-term growth in capital and income from a portfolio managed within a clear and consistent risk framework.

The forecast annual income for 2024/25 from the COIF Charities Investment Fund is £64,177, which represents an income yield of around 2.68% based on the current market value of investments.

## Trustee's Annual Report 2023/24

### Financial Review

The financial statements present the financial position of the Trusts for the year ended 31 March 2024. This section describes briefly the key points of each statement. Financial statements and notes have been rounded to the nearest thousand, and as such, are subject to rounding differences. All of the unrestricted funds of the charities are general and not designated.

The Statement of Financial Activities shows the total income to be £616,000 in 2023/24 (2022/23 £527,000 restated). This increase in income compared to the previous year is primarily due to an increased need for support funding from the City of Edinburgh Council compared to the prior year. An analysis of income is available in Note 2.

The expenditure in the year is higher than last year at £539,000 compared to £472,000 (restated). An analysis of expenditure is detailed in Notes 3 and 4 with the values against Nelson Halls, Lauriston Castle and The Royal Scots Trusts being operating and ground maintenance costs.

The Balance Sheet Statement shows the fixed asset investments have increased to £2.755m from £2.554m. This increase is as a result of a net gain in the market valuation of the investments at the end of the first quarter of 2024. Movements on the valuation of the investments are further analysed in Notes 7, 16 and 17.

Fixed asset properties and collections have been included in the accounts at their most recent valuations. An external revaluation of Lauriston Castle collections was completed in November 2020. From 2023/24, the basis of valuation for Lauriston Castle buildings and Nelson Halls properties has been changed from historic cost to valuation. Lauriston Castle buildings and grounds were revalued in March 2024 and Nelson Halls buildings were revalued in March 2023. Assets on the grounds of Lauriston Castle valued at £0.402m, which were not accounted for in prior years, have now been included in the 2023/24 accounts. The prior year balances for these assets in the financial statements have been restated. Further details are available in Notes 5, 6, 13 and 16.

The £1,000 decrease in cash is further analysed in the Cash Flow Statement (£42,000 increase in 2022/23). The detail of the breakdown of the £28,000 owed by the Trusts as at 31 March 2024 is included within Note 17 of the Accounts with the year on year comparative included in Note 10.

### Reserves Policy

The Charitable Trusts should follow the prevailing general principle that the "Capital" of the funds is held effectively as a permanent endowment, with only the annual income available for disbursement in the year. If the Trustee requires to use "Capital" balances, Finance and Resources Committee approval would be required on a case by case basis. This policy was approved at the **17 March 2016 Finance and Resources Committee**.

The annual income for the Edinburgh Education Trust averages around £34,000. This income is used for the advancement of education, academic and physical, formal and informal, to include the giving of bursaries and prizes as well as assistance for residents who find themselves in a state of financial hardship within the City of Edinburgh District or to pay for any expenses of administering the Trust. Any unused income in the year remains within the Trust's bank account. The Trust has total funds of £1,368,000, consisting of £1,179,000 in Investments, £192,000 in Cash, £7,000 of debtors less Creditors of £11,000. There is on-going activity to raise awareness and encourage applications for available funds.

The annual income for Jean F. Watson has averaged around £50,000 in the last two years. This income can be used to purchase additional artwork, preserve existing artwork or to pay for any expenses of administering the Trust. Any unused income in the year remains within the Trust's bank account. The Trust has total funds of £6,875,000, consisting of £1,216,000 in Investments, £5,515,000 in Fixed Assets, £144,000 in Cash, £7,000 of debtors less Creditors of £7,000.

The annual income for Nelson Halls averages around £189,000, including the funding from the City of Edinburgh Council to support operating cost. This income is mainly used to fund the operating and maintenance costs of the Halls. The Trust has total funds of £9,159,000, consisting of £273,000 in Investments, £8,883,000 in Heritage Assets, £9,000 in Cash, £2,000 of debtors less Creditors of £8,000.

The annual income for Lauriston Castle averages around £273,000, including the funding from the City of Edinburgh Council to support operating cost. This income is mainly used to fund the operating and maintenance costs of the Castle. The Trust has total funds of £18,230,000, consisting of £18,177,000 in Heritage Assets, £54,000 in Investments, £1,000 in Cash less Creditors of £2,000. Cash will be available to fund liabilities as they fall due.

The annual income for The Royal Scots Trust averages around £25,000, including the funding from the City of Edinburgh Council to support maintenance cost. This income is mainly used to fund the cost of maintenance of the Monument. The Trust has total funds of £36,000, consisting of £33,000 in Investments, £1,000 in Heritage Assets and £3,000 in Cash less Creditors of £1,000.

## **Trustee's Annual Report 2023/24**

### **Financial Review - continued**

The total support funding from the City of Edinburgh Council across the Trusts in the year is £475,613 (2022/23 £411,992 restated).

The Heritage Assets, excluding Jean F. Watson collections, and the Investments stated above are endowment funds and are therefore not available for general purposes. An analysis of Heritage Assets is included within Notes 5 and 6 to the Accounts.

### **Plans for Future Period**

The strategy to radically restructure the Charitable Trusts by a combination of: transfers to suitable external charities; consolidation; and expenditure of capital is almost complete. Future plans include the full disbursement of the remaining funds of the Boyd Anderson Trust which has been approved by Committee, leaving the five Trusts covered in this report remaining. Separate accounts have been prepared for Boyd Anderson Trust using a break-up basis of accounting.

On 20 June 2023, the Finance and Resources Committee approved to apply to the Court of Session to use its exceptional power – the *nobile officium* – to wind up Lauriston Castle Trust and transfer ownership of the asset, including the castle, grounds and collection to the City of Edinburgh Council. This proposal was approved by the Council on 31 August 2023. Work is currently on-going through the process for lodging a petition with the courts.

Forecasting will be prepared in 2024/25 to ensure Trusts services are aware of the likely money available in 2025/26 to enable longer-term planning.

**Signed on behalf of the Trustee of the charities:**

**Councillor Mandy Watt**

**Convener of the Finance and Resources Committee**

**Date:**

**The other members of the Finance and Resources Committee as at 31 March 2024 are outlined below:**

Councillor Mandy Watt (*Convener*)  
Councillor Alex Staniforth  
Councillor Alys Mumford  
Councillor Graeme Bruce  
Councillor James Dalgleish  
Councillor Lesley MacInnes  
Councillor Lewis Younie  
Councillor Marco Biagi  
Councillor Neil Ross  
Councillor Phil Doggart  
Councillor Vicky Nicolson

**Members of the Committee on Jean F. Watson Bequest as at 31 March 2024:**

Councillor Val Walker (*Convener*)  
Councillor Amy McNeese-Mechan  
Councillor Catherine Fullerton  
Councillor Edward Thornley  
Councillor Hal Osler  
Councillor Jane Meagher  
Councillor Max Mitchell  
Councillor Susan Rae

The City of Edinburgh Council Charitable Trusts  
Statement of Financial Activities  
For the year ended 31 March 2024

	Note	2023/24			2022/23		
		Unrestricted funds	Endowment funds	Total funds	Unrestricted funds	Endowment funds	Total funds
		£'000	£'000	£'000	Restated £'000	Restated £'000	Restated £'000
<b>Income and Endowments from:</b>							
<i>Charitable activities</i>	2	23	-	23	7	-	7
<i>Investments</i>	2	84	-	84	74	-	74
<i>Donations and Legacies</i>	2	476	-	476	412	-	412
<i>Other trading activities</i>	2	33	-	33	34	-	34
<b>Total</b>		<b>616</b>	<b>-</b>	<b>616</b>	<b>527</b>	<b>-</b>	<b>527</b>
<b>Expenditure on:</b>							
<i>Charitable activities</i>	3	(521)	-	(521)	(458)	-	(458)
<i>Governance costs</i>	3, 4	(18)	-	(18)	(14)	-	(14)
<b>Total</b>		<b>(539)</b>	<b>-</b>	<b>(539)</b>	<b>(472)</b>	<b>-</b>	<b>(472)</b>
<i>Net gains / (losses) on investments</i>	7	-	201	201	-	(114)	(114)
<b>Total</b>		<b>-</b>	<b>201</b>	<b>201</b>	<b>-</b>	<b>(114)</b>	<b>(114)</b>
<b>Net income / (expenditure)</b>		<b>76</b>	<b>201</b>	<b>277</b>	<b>55</b>	<b>(114)</b>	<b>(59)</b>
<b>Transfers between funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses):</b>							
<i>Gains on revaluation of fixed assets</i>	16	-	10,149	10,149	-	3,422	3,422
<b>Total</b>		<b>-</b>	<b>10,149</b>	<b>10,149</b>	<b>-</b>	<b>3,422</b>	<b>3,422</b>
<b>Net movement in funds:</b>		<b>76</b>	<b>10,350</b>	<b>10,426</b>	<b>55</b>	<b>3,308</b>	<b>3,363</b>
Increase/ (Decrease)							
<b>Reconciliation of funds</b>							
<i>Total funds brought forward</i>		<b>5,776</b>	<b>19,466</b>	<b>25,242</b>	<b>5,721</b>	<b>16,157</b>	<b>21,878</b>
<b>Total funds carried forward</b>	17	<b>5,851</b>	<b>29,816</b>	<b>35,667</b>	<b>5,776</b>	<b>19,466</b>	<b>25,242</b>



**The City of Edinburgh Council Charitable Trusts**  
**Balance Sheet**  
**As at 31 March 2024**

	Note	2023/24			2022/23		
		Unrestricted funds £'000	Endowment funds £'000	Total funds £'000	Unrestricted funds £'000	Endowment funds £'000	Total funds £'000
<b>Fixed Assets:</b>							
<i>Jean F. Watson Collection</i>	5	5,514	-	5,514	5,433	-	5,433
<i>Other Heritage Assets</i>	5	-	27,061	27,061	-	16,912	16,912
<i>Investments</i>	7	-	2,755	2,755	-	2,554	2,554
<i>Total fixed assets</i>		5,514	29,816	35,330	5,433	19,466	24,899
<b>Current Assets:</b>							
<i>Cash at Bank</i>	8	349	-	349	350	-	350
<i>Debtors</i>	9	16	-	16	16	-	16
<i>Total current assets</i>		365	-	365	366	-	366
<b>Liabilities:</b>							
<i>Creditors due within one year</i>	10	(28)	-	(28)	(23)	-	(23)
<i>Total Liabilities</i>		(28)	-	(28)	(23)	-	(23)
<b>Net Current Assets</b>		337	-	337	343	-	343
<b>Total Net Assets</b>		5,851	29,816	35,667	5,776	19,466	25,242
<b>The funds of the charity:</b>							
<i>Unrestricted Funds</i>	17	1,474	-	1,474	1,399	-	1,399
<i>Endowment Funds</i>	17	-	10,179	10,179	-	18,842	18,842
<i>Revaluation Reserve</i>	17	4,377	19,637	24,014	4,377	624	5,001
<b>Total Charity Funds</b>		5,851	29,816	35,667	5,776	19,466	25,242

The unaudited accounts were issued on 30 June 2024.

Signed on behalf of the charity Trustee: -

**Councillor Mandy Watt**  
**Convener of the Finance and Resources Committee**

Date:

**The City of Edinburgh Council Charitable Trusts**  
**Cash Flow Statement**  
**As at 31 March 2024**

	31 March 2024		31 March 2023	
	£'000	£'000	£'000	
<b>Operating Activities</b>				
<i>Dividend Income and Interest received (Note 2)</i>	(68)		(58)	
<i>Receipt of Prior Year Accrued Interest (Note 2)</i>	(16)		(16)	
<i>Grant Income for Purchase of Art (Note 2)</i>	(23)		(7)	
<b>Cash inflows generated from operating activities</b>		<b>(107)</b>	<b>(81)</b>	
<i>Cash paid to Schools and Pupils (Note 3)</i>	3		3	
<i>Cash paid for Purchase of Art (Note 5)</i>	81		14	
<i>Cash paid to the Council</i>	23		22	
<b>Cash outflows generated from operating activities</b>		<b>108</b>	<b>39</b>	
<b>Net cash (inflows) / outflows from operating activities</b>		<b>1</b>	<b>(42)</b>	
<b>Net cash flows from investing activities</b>		-	-	
<b>Net cash flows from financing activities</b>		-	-	
<b>Net (increase) / decrease in cash and cash equivalents</b>		<b>1</b>	<b>(42)</b>	
<i>Cash and cash equivalents at 1 April (Note 8)</i>	350		308	
<i>Cash and cash equivalents at 31 March (Note 8)</i>	349		350	
<b>Net (increase) / decrease in cash and cash equivalents</b>		<b>1</b>	<b>(42)</b>	
<b>Analysis of changes in Net Debt</b>				
	<b>1 April 2023</b>	<b>Net Cash Flows</b>	<b>Non-Cash Changes</b>	<b>31 March 2024</b>
	£	£	£	£
Cash at Bank	350	(1)	-	349
Total Funds	<b>350</b>	<b>(1)</b>	<b>-</b>	<b>349</b>

**The City of Edinburgh Council Charitable Trusts**  
**Notes to the Accounts**  
**For the year ended 31 March 2024**

**1 Accounting policies**

**a) Basis of preparation**

The 2023/24 financial statements have been prepared in accordance with 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) (effective 1 January 2019) - Charities SORP (FRS 102) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

These financial statements have been prepared on the basis that the Trusts for which the City of Edinburgh Council acts as sole Trustee are connected charities. As such, the accounts for the individual charities have been prepared on a collective basis. These financial statements contain all the relevant information that the individual charity accounts would have contained if they had been prepared on an individual basis. These Trusts meet the definition of a public benefit entity under Charities SORP (FRS 102). Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charitable trust funds' transactions are denominated.

The Statement of Financial Activities includes the total income from and expenditure of running and maintaining Lauriston Castle, Nelson Halls and The Royal Scots Monument. This includes the support funding from the City of Edinburgh Council towards the operating and maintenance costs of these assets.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Trustees to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The critical judgements and estimates for the trusts are included in note (m).

**b) Going Concern Policy**

The financial statements for the remaining five Trusts, after the closure of Boyd Anderson, are prepared on the going concern basis. The Trustee is of the opinion those trusts are a going concern from reviewing activities undertaken, based on expected expenditure commitments in the 12 months following the signing of these financial statements.

**c) Fund accounting**

Unrestricted funds are general funds that are available for use at the Trustee's discretion in the furtherance of any of the objectives of the charities.

All of the charities have an endowment fund consisting of invested capital and any Heritage Assets. Endowment funds are held on trust to be retained for the benefit of the charity as a capital fund. The income arising from the investments is available for the purposes of each charity and is added to the relevant unrestricted fund. In most cases the Trustee has discretion to expend endowment funds should the need arise, subject to Finance and Resources Committee approval.

**d) Investment income**

Investment income is accounted for in the period in which the charity is entitled to receive it and the amount can be measured with reasonable certainty.

**The City of Edinburgh Council Charitable Trusts**  
**Notes to the Accounts**  
**For the year ended 31 March 2024**

**1 Accounting policies - continued**

**e) Grant and other income**

Revenue grants, including those from government, are recognised in the Statement of Financial Activities (SoFA) in the period in which the charitable trust is entitled to receipt, it is probable that the income will be received and the amount can be measured reliably. Such income is deferred when the charitable trust has to fulfil conditions before becoming entitled to it. Sums generated by the direct activities of the Trusts are included as other trading activities income, subject to the conditions above. In-kind support from the Council, equal to the net operating cost of the Trusts during the year after consideration of this income and income from investments, is included within income from donations and legacies.

**f) Expenditure**

Expenditure is included in the financial statements on an accruals basis and includes sums incurred by the Council in the furtherance of the Trusts' activities.

**g) Heritage assets and depreciation**

Heritage assets are deemed to have indeterminate lives and a high residual value; hence it is not considered appropriate to charge depreciation. Heritage Assets are in three groups: Heritage Asset Collections, Heritage Asset Buildings & Monument and Operational Heritage Assets.

Heritage Asset Collections are based on valuation. This asset group includes collections of paintings, ceramics, textiles, silverware, clocks, books, and furniture. These collections are managed by the Council's curatorial team and are preserved within the Council's or the Trust's facilities if not on display. Valuations for this group of Heritage Assets are either based on market values or insurance replacement values as detailed in Note 5 (i).

Heritage Asset Buildings & Monument includes Lauriston Castle buildings and grounds, and the Royal Scots Monument. These assets are reviewed for impairment or changes in valuation, together with other Council's properties, throughout the year by the Council's estate team. The assets are managed by Council staff and are revalued on a 5-year rolling programme or at the date of a material change if sooner. The assets will be stated in the accounts at a revalued amount where this is available. Where this is not available, historic cost will be used as detailed in Note 5.

Operational Heritage Assets includes the Nelson Halls buildings. These assets are reviewed for impairment or changes in valuation, together with other Council's properties, throughout the year by the Council's estate team. The assets are managed by Council staff and are revalued on a 5-year rolling programme or at the date of a material change if sooner. The assets will be stated in the accounts at a revalued amount where this is available. Where this is not available, historic cost will be used as detailed in Note 5 (ii).

**h) Investments**

Investments are included at market value at the balance sheet date in accordance with the principles of the Charities SORP (FRS 102). Any gain or loss on revaluation is shown on the Statement of Financial Activities.

**i) Reserves policy**

The endowment fund is maintained for the charity as a capital fund. The amount of income generated by investments is available for expenditure on charitable purposes. The Finance and Resources Committee agreed the current Reserves Policy on 17 March 2016.

**The City of Edinburgh Council Charitable Trusts**  
**Notes to the Accounts**  
**For the year ended 31 March 2024**

**1 Accounting policies - continued**

**j) Creditors**

Creditors are obligations to pay for goods or services that have been acquired. They are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

**k) Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand and balances with banks, and are measured at fair value.

**l) Financial assets and financial liabilities**

Financial instruments are recognised in the statements of financial activities when the charitable trust becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are accounted for as set out below. A financing transaction is measured at the present value of the future payments discounted at the market rate of interest for similar debt instrument. Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of Charities SORP (FRS 102). At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective rate method. All financial instruments not classified as basic are measured at fair value at the end of the reporting period with the resulting changes recognised in income or expenditure. Where the fair value cannot be reliably measured, they are recognised at cost less impairment.

Financial assets are derecognised when the contractual rights to the cash flows from asset expire, or when the charitable company has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

**m) Critical judgements and estimates**

The preparation of financial statements in compliance with Charities SORP (FRS 102) requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the charitable trust funds' accounting policies.

The Trustees do not consider there to be any accounting judgements required in preparing these accounts. The Trustees are satisfied that accounting policies are appropriate and applied consistently.

The reported operating cost for Lauriston Castle incorporates time-based estimates of curatorial and management costs where relevant staff also have responsibility for other Council-operated venues. An estimate of gardening costs, comprising employee and associated materials expenditure, is also included.

The reported expenditure for The Royal Scots Monument is based on the estimated cost, as originally provided by Parks and Greenspace services and adjusted for inflation, for maintaining the specific grounds the monument is situated.

**The City of Edinburgh Council Charitable Trusts**  
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<b>2 Analysis of Income</b>	<b>2023/24</b>	<b>2022/23</b>
	<b>£'000</b>	<b>£'000</b>
<i>Dividend income - received</i>	68	58
<i>Dividend income - accrued</i>	16	16
<i>Jean F. Watson grant received for purchase of art</i>	23	7
<i>Donations and Legacies</i>	476	412
<i>Other trading activities</i>	33	34
<b>Total Income</b>	<b>616</b>	<b>527</b>

<b>3 Analysis of Expenditure on Charitable Activities</b>	<b>2023/24</b>	<b>2022/23</b>
	<b>£'000</b>	<b>£'000</b>
<i>Edinburgh Education Trust - Grants to Individuals</i>	(1)	(1)
<i>Edinburgh Education Trust - Grants to Schools</i>	(2)	(2)
<i>Lauriston Castle - Operating cost</i>	(256)	(291)
<i>Nelson Halls - Operating cost</i>	(237)	(139)
<i>The Royal Scots Trusts - Operating cost</i>	(25)	(25)
	<b>(521)</b>	<b>(458)</b>
<i>Allocation of Governance and support costs</i>	(18)	(14)
<b>Total Expenditure on Charitable Activities</b>	<b>(539)</b>	<b>(472)</b>

There was no expenditure incurred on raising funds in 2023/24. (£nil 2022/23)

<b>4 Analysis of Governance and Support Costs</b>	<b>Support</b>	<b>Governance</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Edinburgh Education Trust</i>	(6)	(3)	(9)
<i>Jean F. Watson</i>	(4)	(4)	(8)
<i>Others</i>	(1)	-	(1)
<b>Total Support Costs</b>	<b>(11)</b>	<b>(7)</b>	<b>(18)</b>

The basis of allocation for the support and governance costs was the cash held at bank at the time of allocation.

The Trustee received no remuneration or expenses during the year ending 31 March 2024 (£nil 2022/23). There are no employees of the City of Edinburgh Council Charitable Trusts.

**The City of Edinburgh Council Charitable Trusts**  
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**For the year ended 31 March 2024**

**5 Heritage Assets**

**5 (i) Heritage Asset Collections**

	<b>Jean F. Watson Collection</b>	<b>Lauriston Castle Collection</b>	<b>Total</b>
	<b>2023/24</b>	<b>2023/24</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Balance brought forward at 1 April</i>	5,433	5,624	11,057
<i>Additions</i>	81	-	81
<i>Disposals</i>	-	-	-
<i>Depreciation/ impairment</i>	-	-	-
<i>Revaluation</i>	-	-	-
<i>Balance carried forward at 31 March</i>	<u>5,514</u>	<u>5,624</u>	<u>11,138</u>

  

	<b>Jean F. Watson Collection</b>	<b>Lauriston Castle Collection</b>	<b>Total</b>
	<b>2022/23</b>	<b>2022/23</b>	<b>2022/23</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Balance brought forward at 1 April</i>	5,419	5,624	11,043
<i>Additions</i>	14	-	14
<i>Disposals</i>	-	-	-
<i>Depreciation/ impairment</i>	-	-	-
<i>Revaluation</i>	-	-	-
<i>Balance carried forward at 31 March</i>	<u>5,433</u>	<u>5,624</u>	<u>11,057</u>

In 1961 an agreement was signed by Miss Jean F. Watson and the Corporation of the City of Edinburgh which set up a fund to purchase works of art in memory of Miss Watson's parents. The Trust acquires works of art for public viewing in Edinburgh by artists who have connections with the city. The agreement allows for existing items in the collection to be sold and the proceeds used to purchase other works of art. There have been various purchases in 2023/24 per the list below and no disposals.

The Lost Travelogue Writer by Steven Campbell, A Hint of Blue I and II by Sekai Machache, Mariner's Museum / Taxonomy of Tides, De Bestis Marins and Gaelic Text by Will MacLean, Remembered Places Places Remembered: Arches, Remembered Places Places Remembered: Tower and Before long ago became long ago by Leena Nammari were purchased.

Items in the Jean F. Watson collection are first valued at cost, however, revaluation of the collection was carried out in 2014/15 by the Council's curators.

Lauriston Castle collection is based on full inventory valuation. An external revaluation of the collection, based on insurance replacement, was completed in November 2020 by James Glennie (*RICS, Fine Art*) of Art & Antiques Appraisals.

There are no impairment or changes in valuation to be reported for Heritage Asset Collections in 2023/24 (£nil 2022/23).

**The City of Edinburgh Council Charitable Trusts**  
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**For the year ended 31 March 2024**

**5 Heritage Assets**

**5 (ii) Heritage Asset Buildings & Monument and Operational Heritage Assets**

	<b>Nelson Halls Buildings 2023/24 £'000</b>	<b>Lauriston Castle Buildings 2023/24 £'000</b>	<b>Royal Scots Monument 2023/24 £'000</b>	<b>Total 2023/24 £'000</b>
<i>Balance brought forward at 1 April</i>	8,883	2,403	1	11,288
<i>Additions</i>	-	-	-	-
<i>Disposals</i>	-	-	-	-
<i>Depreciation/impairment</i>	-	-	-	-
<i>Revaluation</i>	-	10,149	-	10,149
<i>Balance carried forward at 31 March</i>	8,883	12,552	1	21,437

  

	<b>Nelson Halls Buildings 2022/23 £'000</b>	<b>Lauriston Castle Buildings 2022/23 £'000</b>	<b>Royal Scots Monument 2022/23 £'000</b>	<b>Total 2022/23 £'000</b>
<i>Restated Balance brought forward at 1 April</i>	5,461	2,403	1	7,865
<i>Additions</i>	-	-	-	-
<i>Disposals</i>	-	-	-	-
<i>Depreciation/impairment</i>	-	-	-	-
<i>Revaluation</i>	3,422	-	-	3,422
<i>Balance carried forward at 31 March</i>	8,883	2,403	1	11,288

Nelson Halls properties and the Lauriston Castle buildings and grounds have been valued for the purposes of these accounts. The basis of valuation was changed from cost to valuation from 2023/24, with further details provided in Note 13. Revaluation of the Nelson Halls properties was carried out by the Council's Estate team in 2022/23, increasing the valuation of these assets by £3.422m as restated in 5 (ii) above and in Note 16 (ii). Revaluation of the Lauriston Castle buildings and grounds was carried out in 2023/24 by the same Council team, increasing the valuation of these assets by £10.149m as shown in 5 (ii) above and in Note 16 (i).

The Royal Scots Monument valuation has been based on historic cost.

Additional information on heritage assets can be found in the Trustee's Annual Report under Reserves Policy and in Note 1 (g), Accounting Policies, but there have been no acquisitions or disposals, except for those mentioned for Jean F. Watson in Note 5 (i) above.



The City of Edinburgh Council Charitable Trusts  
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6 Five-year Summary Analysis of Heritage Assets Transactions

	2023/24	2022/23	2021/22	2020/21	2019/20
		<i>Restated</i>			<i>Restated</i>
	£'000	£'000	£'000	£'000	£'000
<b>Purchases</b>					
<i>Heritage Asset Collections</i>	81	14	37	18	49
<i>Heritage Asset Buildings &amp; Monument</i>	-	-	-	-	-
<b>Donations</b>					
<i>Heritage Asset Collections</i>	-	-	-	-	-
<i>Heritage Asset Buildings &amp; Monument</i>	-	-	-	-	403
<b>Total additions</b>	81	14	37	18	452
<b>Charge for impairment</b>					
<i>Heritage Asset Collections</i>	-	-	-	2	-
<i>Heritage Asset Buildings &amp; Monument</i>	-	-	-	-	-
<b>Total charge for impairment</b>	-	-	-	2	-
<b>Revaluation</b>					
<i>Heritage Asset Collections</i>	-	-	-	624	-
<i>Heritage Asset Buildings &amp; Monument</i>	10,149	3,422	-	-	5,442
<b>Total Revaluation</b>	10,149	3,422	-	624	5,442

7 Analysis of Investments

	At 31/3/23	Realised Investments	Purchases at cost	Net Gain/ (Loss) on revaluation	At 31/3/24
	£'000	£'000	£'000	£'000	£'000
<i>Edinburgh Education Trust</i>	1,092	-	-	87	1,179
<i>Jean F. Watson</i>	1,128	-	-	88	1,216
<i>Lauriston Castle</i>	50	-	-	4	54
<i>Nelson Halls</i>	253	-	-	20	273
<i>The Royal Scots Trust</i>	31	-	-	2	33
<b>Total Investments</b>	2,554	-	-	201	2,755

**The City of Edinburgh Council Charitable Trusts**  
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<b>8 Analysis of Cash and Cash Equivalents</b>	<b>2023/24</b>	<b>2022/23</b>
	<b>£'000</b>	<b>£'000</b>
<i>Edinburgh Education Trust</i>	192	165
<i>Jean F. Watson</i>	144	173
<i>Lauriston Castle</i>	1	1
<i>Nelson Halls</i>	9	8
<i>The Royal Scots Trust</i>	3	3
<b>Total Cash and Cash Equivalents</b>	<u>349</u>	<u>350</u>

<b>9 Analysis of Debtors</b>	<b>2023/24</b>	<b>2022/23</b>
	<b>£'000</b>	<b>£'000</b>
<i>Edinburgh Education Trust</i>	7	7
<i>Jean F. Watson</i>	7	7
<i>Nelson Halls</i>	2	2
<b>Total Debtors</b>	<u>16</u>	<u>16</u>

The figures above predominately relate to the accrued interest for the CCLA and M&G investments.

<b>10 Analysis of Creditors Due Within One Year</b>	<b>Unrestricted funds</b>	<b>Endowment funds</b>	<b>2023/24 Total</b>	<b>2022/23 Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Amounts due</i>	(28)	-	(28)	(23)
<b>Total Liabilities</b>	<u>(28)</u>	<u>-</u>	<u>(28)</u>	<u>(23)</u>

Detail of the amounts due per Trust is available in Note 17.

<b>11 Analysis of Financial Assets and Liabilities</b>	<b>2023/24</b>	<b>2022/23</b>
	<b>£'000</b>	<b>£'000</b>
<i>Financial assets measured at amortised cost</i>	365	366
<i>Financial liabilities measured at amortised cost</i>	(28)	(23)
<i>Financial assets measured at market value</i>	2,755	2,554
<b>Total Financial Assets and Liabilities</b>	<u>3,092</u>	<u>2,897</u>

**12 Related Party Transactions**

During the year the City of Edinburgh Council made payments on behalf of the Charitable Trusts. At the end of the year £21,073 was owed to the Council by the Trusts (2022/23 £15,998).

**13 Prior Year Adjustment**

Additional assets on the grounds of Lauriston Castle valued at £0.402m, omitted from prior years' accounts, have now been included in the 2023/24 accounts retrospectively. The fixed assets for "Other Heritage Assets" in the balance sheet has been restated for the prior year as a result and the prior year comparative figures in Notes 5, 6, 16 and 17 have also been restated.

The basis of valuation for the Nelson Halls properties and the Lauriston Castle buildings and grounds was changed from historic cost to valuation in 2023/24, recognising a total net increase of £19.013m in Heritage Assets. The fixed assets for "Other Heritage Assets" in the balance sheet has been restated for the prior year as a result and the prior year comparative figures in Notes 5, 6, 16 and 17 have also been restated.

<b>Fixed Assets: Other Heritage Assets</b>	<b>2022/23</b>	<b>Lauriston Castle</b>	<b>Nelson Halls</b>	<b>Restated Totals</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Balance brought forward at 1 April</i>	7,645	402	5,442	13,489
<i>Revaluation movement</i>			3,422	3,422
<i>Balance carried forward at 31 March</i>	<u>7,645</u>	<u>402</u>	<u>8,864</u>	<u>16,912</u>

**14 Post Balance Sheet Event**

There have been no events since 31 March 2024, and up to the date when these accounts were authorised, that require any adjustments to these accounts.

**15 Audit Fee**

The fee payable to Audit Scotland in respect of the audit services for the Council's Charitable Trusts is £7,167 for 2023/24 (2022/23 £7,123). This fee is included in the overall governance costs and allocated proportionately to each individual Trust based on cash held at bank.

The City of Edinburgh Council Charitable Trusts

Notes to the Accounts

For the year ended 31 March 2024

16 (i) Trusts at Market Value - Year Ended 31 March 2024

Charity Name	SC Number	Funds brought forward £'000	Income in year £'000	Expenditure in year £'000	Gains on investments £'000	Lauriston Castle Trust Revaluation £'000	Funds carried forward £'000
<i>Edinburgh Education Trust</i>	<b>SC042754</b>	1,257	36	(13)	87	-	<b>1,367</b>
<i>Jean F. Watson</i>	<b>SC018971</b>	6,734	60	(7)	88	-	<b>6,875</b>
<i>Lauriston Castle</i>	<b>SC020737</b>	8,077	256	(256)	4	10,149	<b>18,230</b>
<i>Nelson Halls</i>	<b>SC018946</b>	9,139	238	(238)	20	-	<b>9,159</b>
<i>The Royal Scots Trust</i>	<b>SC018945</b>	34	26	(26)	2	-	<b>36</b>
<b>Total Funds</b>		<b>25,242</b>	<b>616</b>	<b>(540)</b>	<b>201</b>	<b>10,149</b>	<b>35,667</b>

16 (ii) Trusts at Market Value - Year Ended 31 March 2023

Charity Name	SC Number	Funds brought forward <i>Restated</i> £'000	Income in year <i>Restated</i> £'000	Expenditure in year <i>Restated</i> £'000	Loss on investments £'000	Nelson Halls Revaluation <i>Restated</i> £'000	Funds carried forward <i>Restated</i> £'000
<i>Edinburgh Education Trust</i>	<b>SC042754</b>	1,282	32	(9)	(48)	-	<b>1,257</b>
<i>Jean F. Watson</i>	<b>SC018971</b>	6,754	39	(7)	(52)	-	<b>6,734</b>
<i>Lauriston Castle</i>	<b>SC020737</b>	8,078	292	(291)	(2)	-	<b>8,077</b>
<i>Nelson Halls</i>	<b>SC018946</b>	5,729	140	(141)	(11)	3,422	<b>9,139</b>
<i>The Royal Scots Trust</i>	<b>SC018945</b>	35	25	(25)	(1)	-	<b>34</b>
<b>Total Funds</b>		<b>21,878</b>	<b>528</b>	<b>(473)</b>	<b>(114)</b>	<b>3,422</b>	<b>25,242</b>

The City of Edinburgh Council Charitable Trusts  
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17 (i) Trusts at Market Value - Year Ended 31 March 2024

Charity Name	SC Number	Revaluation Reserve										2023/24 Market Value £'000
		Unrestricted Funds					Endowment Funds					
		Cash at Bank £'000	Debtors £'000	Amounts owed £'000	Jean F. Watson Collection £'000	Jean F. Watson Collection £'000	Heritage Assets £'000	Heritage Assets incl. Lauriston Castle £'000	Investments £'000	Investments Market Value £'000	Investments Adjustment £'000	
<i>Edinburgh Education Trust</i>	<b>SC042754</b>	192	7	(11)	-	-	-	-	844	335	<b>1,367</b>	
<i>Jean F. Watson</i>	<b>SC018971</b>	144	7	(7)	1,137	4,377	-	-	881	336	<b>6,875</b>	
<i>Lauriston Castle</i>	<b>SC020737</b>	1	-	(2)	-	-	10,773	7,404	39	15	<b>18,230</b>	
<i>Nelson Halls</i>	<b>SC018946</b>	9	2	(8)	-	-	8,864	19	198	75	<b>9,159</b>	
<i>The Royal Scots Trust</i>	<b>SC018945</b>	3	-	(1)	-	-	-	1	24	9	<b>36</b>	
<b>Total Funds</b>		<b>349</b>	<b>16</b>	<b>(28)</b>	<b>1,137</b>	<b>4,377</b>	<b>19,637</b>	<b>7,424</b>	<b>1,986</b>	<b>770</b>	<b>35,667</b>	

17 (ii) Trusts at Market Value - Year Ended 31 March 2023

Charity Name	SC Number	Revaluation Reserve										2022/23 Market Value £'000
		Unrestricted Funds					Endowment Funds					
		Cash at Bank £'000	Debtors £'000	Amounts owed £'000	Jean F. Watson Collection £'000	Jean F. Watson Collection £'000	Heritage Assets £'000	Heritage Assets incl. Lauriston Castle £'000	Investments £'000	Investments Market Value £'000	Investments Adjustment £'000	
<i>Edinburgh Education Trust</i>	<b>SC042754</b>	165	7	(7)	-	-	-	-	844	248	<b>1,257</b>	
<i>Jean F. Watson</i>	<b>SC018971</b>	173	7	(7)	1,056	4,377	-	-	881	247	<b>6,734</b>	
<i>Lauriston Castle</i>	<b>SC020737</b>	1	-	(1)	-	-	624	7,403	39	11	<b>8,077</b>	
<i>Nelson Halls</i>	<b>SC018946</b>	8	2	(7)	-	-	8,864	19	198	55	<b>9,139</b>	
<i>The Royal Scots Trust</i>	<b>SC018945</b>	3	-	(1)	-	-	-	1	24	7	<b>34</b>	
<b>Total Funds</b>		<b>350</b>	<b>16</b>	<b>(23)</b>	<b>1,056</b>	<b>4,377</b>	<b>9,488</b>	<b>7,423</b>	<b>1,986</b>	<b>568</b>	<b>25,242</b>	