

The Royal Observatory (Edinburgh) Trust
(a company limited by guarantee)

Annual report and unaudited
financial statements

Registered number SC069720

Registered charity number SC013784

5 October 2017



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Professional advisers

Trustees	Professor A Lawrence Professor EI Robson Professor JS Dunlop Professor GS Wright Professor S Munro (appointed 2 December 2016) Mr I Murray MP Mr T O'Connor
Secretary	Dr AC Davenhall
Registered office	5 th Floor Quartermile Two 2 Lister Square Edinburgh EH3 9GL
Bankers	Bank of Scotland Morningside Branch 426 Morningside Road Edinburgh EH10 5QF
Solicitors	Morton Fraser 5 th Floor Quartermile Two 2 Lister Square Edinburgh EH3 9GL
Independent examiner	James Davidson CA 34 Melville Street Edinburgh EH3 7HA

Trustees' report

The trustees of the charity present their annual report and financial statements for the period ended 5 October 2017.

Structure, governance and management

The Royal Observatory (Edinburgh) Trust is a company limited by guarantee and is governed by its memorandum and articles of association.

Each member of the company has undertaken to contribute an amount not exceeding £1 towards any deficit arising in the event of the Trust being placed in liquidation.

It is a charity registered in Scotland. Its registration number is SC013784.

The company is managed by its board of trustees for the purposes of charity law. The board meet annually to discuss the activities of the trust and are responsible for its day to day running. Trustees are invited to join the Board on the basis of their knowledge and experience as it relates to the trust.

The trustees during the year were:

Professor A Lawrence
Professor EI Robson
Professor JS Dunlop
Professor GS Wright
Mr I Murray MP
Mr T O'Connor

Objectives and activities

The main objectives of the trust are:

- To promote and encourage public knowledge of and interest in Scotland in astronomy and related branches of science by establishing, organising, managing and monitoring public science exhibition centres and other related facilities at the Royal Observatory Edinburgh and elsewhere;
- To establish, form, hold, own, maintain and manage collections, exhibitions, recordings and studies of objects of scientific, historical or other interest in astronomy or any related branches of science and to make arrangements with owners and others to acquire these or otherwise to protect these from injury, loss or destruction.

The principal activity of the company in the past has been to promote and encourage research and education in astronomy and related scientific fields at The Royal Observatory, Edinburgh on Blackford Hill. The Trust continues to safeguard the Historic Scientific Instruments in their care and are considering what other activities should be undertaken by the Trust.

Financial review

The net deficit for the year was £1,085 (2017: £1,222). The Trust did not carry out any activities during the 12 months to 5 October 2017.

Reserves policy

The trustees aim to maintain sufficient reserves to sustain operations and allow any change in activities to occur smoothly.

Trustees' report *(continued)*

Risk management

The major risk to the Trust is to ensure that the Historic Scientific Instruments are preserved and arrangements have been made to keep these objects in the correct conditions either at the National Museum of Scotland or on-site at the Royal Observatory.

Plans for the future

Supporting activities in both Outreach and Heritage remain important to the Trustees, and the Trustees continue to discuss the best ways to support these aims. The Observatory has great assets both culturally and technologically, and has an admirable track record in Outreach, especially through the Visitor Centre, and through the annual Open Doors event. It continues to be a Trust aim to seek funding to enhance the Visitor Centre, the two towers, and the rooftop gallery at the Royal Observatory. Recently the Trust has also been considering ways in which its aims in Heritage and Outreach can be combined, discussing some projects related to historical material at the Observatory.

The trustees' report is prepared in accordance with special provisions of the Companies Act 2006 relating to small companies.

On behalf of the Board

A-law

Professor A Lawrence
Trustee

19 April 2018

Independent examiner's report to the trustees of The Royal Observatory (Edinburgh) Trust

I report on the financial statements of the charity for the year ended 5 October 2017 which are set out on pages 5 to 11.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also directors of the company for the purposes of Company Law) are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity trustees consider that the audit requirement of Regulation 10(1) (d) of the Accounts Regulations does not apply. It is my responsibility to examine the financial statements as required under section 44(1) I of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements with those records. It also includes consideration of any unusual items or disclosures in the financial statements, 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 financial statements.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations (as amended); and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations (as amended);

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



James Davidson CA

Independent Examiner

Henderson Loggie, 34 Melville Street, Edinburgh EH3 7HA

19 April 2018

Statement of financial activities
(incorporating the income and expenditure account)
for the year ended 5 October 2017

	Note	Historic Scientific Instruments 2017 £	Unrestricted 2017 £	Total 2017 £	Total 2016 £
Income					
Donations and legacies		-	-	-	904
Total income		-	-	-	904
Expenditure					
Expenditure on charitable activities	4	-	(1,085)	(1,085)	(2,126)
Total resources expended		-	(1,085)	(1,085)	(2,126)
Net movement in funds		-	(1,085)	(1,085)	(1,222)
Reconciliation of funds:					
Total funds brought forward	8	10,400	13,231	23,631	24,853
Total funds carried forward		10,400	12,146	22,546	23,631

All incoming resources and resources expended derive from continuing activities. The company has no other recognised gains or losses other than those included in the Statement of Financial Activities.

Balance sheet
at 5 October 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	5		10,400		10,400
Current assets					
Cash at bank		12,830		13,889	
Debtors	6	109		109	
		<hr/>		<hr/>	
		12,939		13,998	
Current liabilities					
Creditors: Amounts falling due within one year	7	(793)		(767)	
		<hr/>		<hr/>	
Net current assets			12,146		13,231
			<hr/>		<hr/>
Net assets			22,546		23,631
			<hr/>		<hr/>
Representing					
Unrestricted fund	8,9		12,146		13,231
Historic Scientific Instruments reserve	8,9		10,400		10,400
			<hr/>		<hr/>
Net assets			22,546		23,631
			<hr/>		<hr/>

The trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of Section 477 of the Companies Act 2006 and members have not required the company to obtain an audit of its accounts for the year in question in accordance with Section 477 of the Act.

The trustees acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 386 of the Companies Act 2006; and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 396 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements are prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective January 2016).

These financial statements were approved and authorised for issue by the Board on 19 April 2018 and were signed by:

A. Lawrence

Professor A Lawrence
Trustee

Statement of cash flows
at 5 October 2017

	2017	2017	2016	2016
	£	£	£	£
Cash flows from operating activities				
Net expenditure	(1,085)		(1,222)	
Decrease/(increase) in debtors	-		154	
Increase/(decrease) in creditors	26		146	
Cash used by operating activities		(1,059)		(922)
Change in cash and cash equivalents in the year		(1,059)		(922)
Cash and cash equivalents at the beginning of the year		13,889		14,811
Total cash and cash equivalents at the end of the year		12,830		13,889
Cash and cash equivalents comprise:				
Cash at bank		12,830		13,889

Notes

(forming part of the accounts)

1 Company status

The company is limited by guarantee of its members and does not have a share capital. Under paragraph 7 of its Memorandum of Association each member undertakes to contribute up to £1 in the event of the company being wound up.

2 Accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis in accordance with applicable accounting standards and under the historical cost convention. The charity is a Public Benefit Entity and a company limited by guarantee, incorporated in Scotland with the registered office as noted on page 1. The financial statements are compliant with the charity's constitution, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Statement of Recommended Practice (SORP) FRS 102 "Accounting and Reporting by Charities" (revised 2016), and in accordance with Financial Reporting Standard 102 (FRS 102).

Depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives, as follows:

Display units – 4 years

The minicomputer was fully depreciated by April 1986. In the opinion of the Trustees no depreciation is required on the Historical Scientific Instruments because net realisable value exceeds the carrying value in the account and their physical life is very long and the Trust is not intending to dispose of them.

Taxation

The Royal Observatory (Edinburgh) Trust is recognised by HM Revenue & Customs as a charity for the purposes of the Corporation Tax Act 2010 Part II and is exempt from income and corporation tax on its charitable activities.

Funds

Unrestricted funds are grants, donations and other incoming resources receivable or generated for the objects of the company without further specified purpose and are available as general funds.

Income

Income represents grants and bank interest received and is accounted for on a receivable basis.

Notes (continued)

2 Accounting policies (continued)

Expenditure

Expenditure is accounted for on an accruals basis and is allocated directly to a functional heading as follows:

- Charitable activities include expenditure associated with the charity's objects and principal activities;
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Debtors

Other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

3 Wages and salaries

The trustees received no remuneration for their services (2016: £nil). Expenses of £98 (2016: £Nil) were reimbursed to one trustee during the year. Trustee indemnity insurance costing £nil (2016: £nil) was acquired during the year.

4	Expenditure on charitable activities	2017 £	2016 £
	General expenses	-	902
		<hr/>	<hr/>
		-	902
		<hr/>	<hr/>
	Governance costs		
	Independent examiner's fee	782	996
	Legal fees	192	228
	Companies House	13	-
	Meeting expenses reimbursed	98	-
		<hr/>	<hr/>
		1,085	1,224
		<hr/>	<hr/>
	Total expenditure on charitable activities	1,085	2,126
		<hr/>	<hr/>

In 2016 all of the charitable expenditure was unrestricted.

Notes (continued)

5	Tangible fixed assets	Historic Scientific Instruments £	Display units £	Total £
	<i>Cost</i>			
	At beginning and end of year	10,400	12,250	22,650
		<hr/>	<hr/>	<hr/>
	<i>Aggregate depreciation</i>			
	At beginning and end of year	-	12,250	12,250
		<hr/>	<hr/>	<hr/>
	<i>Net book value</i>			
	At 5 October 2017	10,400	-	10,400
		<hr/>	<hr/>	<hr/>
	At 5 October 2016	10,400	-	10,400
		<hr/>	<hr/>	<hr/>
6	Debtors: amounts falling due within one year			
			2017 £	2016 £
	Prepayments		109	109
			<hr/>	<hr/>
			109	109
			<hr/>	<hr/>
7	Creditors: amounts falling due within one year			
			2017 £	2016 £
	Accruals		793	767
			<hr/>	<hr/>
8	Reserves			
		2017 Instrument £	2017 Unrestricted £	2017 Total £
	At beginning of period	10,400	13,231	23,631
	Deficit for the period	-	(1,085)	(1,085)
		<hr/>	<hr/>	<hr/>
	At end of period	10,400	12,146	22,546
		<hr/>	<hr/>	<hr/>

Notes (continued)

9 Analysis of net assets

	2017 Historic Scientific Instruments £	2017 Unrestricted £	2017 Total £
Fixed assets	10,400	-	10,400
Current assets	-	12,939	12,939
Current liabilities	-	(793)	(793)
Net assets	10,400	12,146	22,546

10 Ultimate controlling party

The charitable company is constituted by Memorandum and Articles of Association and is governed by its elected trustees.