

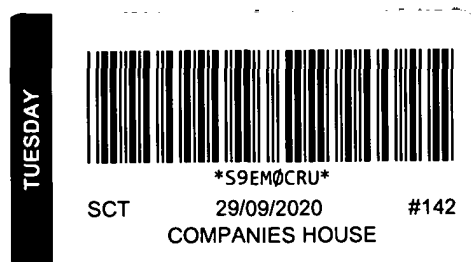
**The Royal Observatory (Edinburgh) Trust**  
(a company limited by guarantee)

Annual report and unaudited  
financial statements

Registered number SC069720

Registered charity number SC013784

5 October 2019



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## Professional advisers

<b>Trustees</b>	Professor A Lawrence Professor EI Robson Professor JS Dunlop Professor GS Wright Professor S Monro Mr I Murray MP Mr T O'Connor
<b>Secretary</b>	Dr AC Davenhall
<b>Registered office</b>	5 <sup>th</sup> Floor Quartermile Two 2 Lister Square Edinburgh EH3 9GL
<b>Bankers</b>	Bank of Scotland Morningside Branch 426 Morningside Road Edinburgh EH10 5QF
<b>Solicitors</b>	Morton Fraser 5 <sup>th</sup> Floor Quartermile Two 2 Lister Square Edinburgh EH3 9GL
<b>Independent examiner</b>	James Davidson CA 11-15 Thistle Street Edinburgh EH2 1DF

## Trustees' report

The trustees of the charity present their annual report and financial statements for the year ended 5 October 2019.

### 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 El Robson  
Professor JS Dunlop  
Professor GS Wright  
Professor S Munro  
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 £631 (2018: £958). The Trust did not carry out any activities during the 12 months to 5 October 2019.

### 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**

It remains a key aim of the Trust to support activities in both Heritage and Outreach related to the Royal Observatory Edinburgh. The Trustees continue to discuss the best ways to support these aims. The Observatory has great assets both culturally and technologically, and has a strong track record in Outreach, through both the STFC-run Visitor Centre, and the School of Physics and Astronomy of the University. The Trust has in particular been encouraging and supporting discussions concerning the long term preservation and curation of the historic archives, and methods to support this work financially, while being mindful of the complex ownership and stakeholder issues with STFC, the University, and the Royal Society of Edinburgh. The Trustees also continue to discuss ways to seek funding to enhance the Visitor Centre, the two towers, and the rooftop gallery at the Royal Observatory.

Within this context the Trust is currently investigating which legal vehicle would be most suitable for its activities and during the coming year will consider the options for changes.

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

On behalf of the Board



**Professor A Lawrence**  
*Trustee*

29 September 2020

# **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 2019 which are set out on pages 5 to 11.

This report is made to the trustees, as a body, in accordance with the terms of the engagement. My work has been undertaken to enable me to report my opinion as set out below and for no other purpose. To the fullest extent permitted by law I do not accept or assume responsibility to anyone other than the trustees, as a body, for my work or for this report.

## **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) (c) 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**

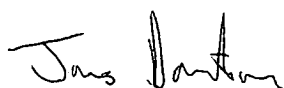
In the course of my examination, no matter has come to my attention:

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*  
**MHA Henderson Loggie**

29 September 2020

11-15 Thistle Street  
Edinburgh  
EH2 1DF

**Statement of financial activities**  
**(incorporating the income and expenditure account)**  
*for the year ended 5 October 2019*

	<i>Note</i>	Historic Scientific Instruments 2019 £	Unrestricted 2019 £	Total 2019 £	Total 2018 £
<b>Income</b>					
Donations and legacies		-	31	31	10
<b>Total income</b>		-	31	31	10
<b>Expenditure</b>					
Expenditure on charitable activities	4	-	(662)	(662)	(968)
<b>Total resources expended</b>		-	(662)	(662)	(968)
<b>Net movement in funds</b>			(631)	(631)	(958)
<b>Reconciliation of funds:</b>					
Total funds brought forward	8	10,400	11,188	21,588	22,546
<b>Total funds carried forward</b>		10,400	10,557	20,957	21,588

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 2019**

	Notes	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Tangible assets	5		10,400		10,400
<b>Current assets</b>					
Cash at bank		11,136		11,909	
Debtors	6	-		109	
		<u>11,136</u>		<u>12,018</u>	
<b>Current liabilities</b>					
<b>Creditors:</b> Amounts falling due within one year	7	<u>(579)</u>		<u>(830)</u>	
<b>Net current assets</b>			<u>10,557</u>		<u>11,188</u>
<b>Net assets</b>			<u>20,957</u>		<u>21,588</u>
<b>Representing</b>					
Unrestricted fund	8,9		10,557		11,188
Historic Scientific Instruments reserve	8,9		10,400		10,400
<b>Net assets</b>			<u>20,957</u>		<u>21,588</u>

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.

These financial statements were approved and authorised for issue by the Board on 29 September 2020 and were signed by:

*A. Lawrence*

**Professor A Lawrence**  
*Trustee*



**Statement of cash flows**  
**at 5 October 2019**

	2019	2019	2018	2018
	£	£	£	£
<b>Cash flows from operating activities</b>				
Net expenditure	(631)		(958)	
Decrease in debtors	109		-	
(Decrease)/increase in creditors	(251)		37	
	<hr/>		<hr/>	
<b>Cash used by operating activities</b>		(773)		(921)
		<hr/>		<hr/>
<b>Change in cash and cash equivalents in the year</b>		(773)		(921)
<b>Cash and cash equivalents at the beginning of the year</b>		11,909		12,830
		<hr/>		<hr/>
<b>Total cash and cash equivalents at the end of the year</b>		11,136		11,909
		<hr/> <hr/>		<hr/> <hr/>
<b>Cash and cash equivalents comprise:</b>				
Cash at bank		11,136		11,909
		<hr/> <hr/>		<hr/> <hr/>

## 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" (as amended), 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 (2018: £nil). Expenses of £nil (2018: £151) were reimbursed to one trustee during the year. Trustee indemnity insurance costing £nil (2018: £nil) was acquired during the year.

4	Expenditure on charitable activities	2019 £	2018 £
	General expenses	-	-
	<i>Governance costs</i>		
	Independent examiner's fee	540	804
	Legal fees	109	-
	Companies House	13	13
	Meeting expenses reimbursed	-	151
		<b>662</b>	<b>968</b>
	Total expenditure on charitable activities	<b>662</b>	<b>968</b>

In 2018 all of the charitable expenditure was unrestricted.

**Notes** (continued)

<b>5</b>	<b>Tangible fixed assets</b>	<b>Historic Scientific Instruments £</b>	<b>Display units £</b>	<b>Total £</b>
	<i>Cost</i>			
	At beginning and end of year	10,400	12,250	22,650
	<i>Aggregate depreciation</i>			
	At beginning and end of year	-	12,250	12,250
	<i>Net book value</i>			
	<b>At 5 October 2019</b>	10,400	-	10,400
	At 5 October 2018	10,400	-	10,400
<b>6</b>	<b>Debtors: amounts falling due within one year</b>			
			<b>2019 £</b>	<b>2018 £</b>
	Prepayments		-	109
<b>7</b>	<b>Creditors: amounts falling due within one year</b>			
			<b>2019 £</b>	<b>2018 £</b>
	Accruals		579	830
<b>8</b>	<b>Reserves</b>			
	<b>2019</b>	<b>2019 Instrument £</b>	<b>2019 Unrestricted £</b>	<b>2019 Total £</b>
	At beginning of year	10,400	11,188	21,588
	Deficit for the year	-	(631)	(631)
	At end of year	10,400	10,557	20,957
	<b>2018</b>	<b>2018 Instrument £</b>	<b>2018 Unrestricted £</b>	<b>2018 Total £</b>
	At beginning of year	10,400	12,146	22,546
	Deficit for the year	-	(958)	(958)
	At end of year	10,400	11,188	21,588

## Notes (continued)

### 9 Analysis of net assets

2019	2019		
	Historic Scientific Instruments £	2019 Unrestricted £	2019 Total £
Fixed assets	10,400	-	10,400
Current assets	-	11,136	11,136
Current liabilities	-	(579)	(579)
	<hr/>	<hr/>	<hr/>
Net assets	10,400	10,557	20,957
	<hr/>	<hr/>	<hr/>
2018	2018		
	Historic Scientific Instruments £	2018 Unrestricted £	2018 Total £
Fixed assets	10,400	-	10,400
Current assets	-	12,018	12,018
Current liabilities	-	(830)	(830)
	<hr/>	<hr/>	<hr/>
Net assets	10,400	11,188	21,588
	<hr/>	<hr/>	<hr/>

### 10 Ultimate controlling party

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