

WESSEX ARCHAEOLOGY LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

REGISTERED COMPANY NUMBER: 01712772 (England and Wales)
REGISTERED CHARITY NUMBER: 287786

WESSEX ARCHAEOLOGY LIMITED

CONTENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	Page
Executive Summary and Chair's Report	1
Trustees' Report (incorporating the Strategic Report)	3
Independent Auditor's Report	19
Statement of Financial Activities	21
Balance Sheet	22
Cash Flow Statement	23
Notes to the Financial Statements	24

WESSEX ARCHAEOLOGY LIMITED

EXECUTIVE SUMMARY AND CHAIR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Executive Summary

Wessex Archaeology Limited is a charity and a company limited by guarantee. Its aims are the advancement of education, the arts, culture, heritage and science. Beginning as a charitable trust in 1979 and becoming a company in 1983, the Charitable Company derives most of its income from its primary purpose of trading in the provision of professional heritage services to businesses and government organisations throughout the UK and internationally. In addition to the public benefit delivered directly by these activities, the surplus generated is invested in educational and community engagement initiatives.

The Charitable Company serves its clients by deploying a unique range of technical, interpretative and advisory capabilities and is recognised as a leader in innovation and high-quality service provision.

The Charitable Company operates from its headquarters in Salisbury, where it has been based for 36 years and maintains regional offices in Edinburgh, Sheffield, Ruthin, Maidstone and Bristol. During the financial year 2019/20 it generated an annual income of £15.3 million and employed an average of 311 staff.

Chair's Report

The 2019-20 financial year saw continued political and economic uncertainty which contributed significantly to an overall decrease in commercial activity throughout the year. Income for the year fell by almost £1.1M (6.6%) in comparison with the previous year. This resulted in a loss of £289k (before gains on revaluation), the first loss the organisation has reported in more than five years. Analysis shows that the loss was primarily the result of reduced levels of commercial activity in the early part of the year with Brexit uncertainty understood to be the cause of many construction projects being delayed. The organisation has already taken steps to reduce costs, including a staged redundancy plan.

Despite the challenging conditions the company was able to make investments in its management and IT systems and in staff development and, in accordance with the approved Reserves Policy, was able to maintain the required levels of both reserved funds and available cash. The Trustees recognise this achievement under difficult circumstances and continue to support plans for investment, service development and diversification.

During the fourth quarter of the 2019-20 financial year the organisation was significantly affected by the government measures put in place in response to the COVID-19 pandemic. Initially Trustees and the Executive met on a weekly basis to formulate and evolve the organisation's response. The Trustees ensured that the safety of staff and the general public remained the absolute priority throughout the crisis. A Business Continuity Team was assembled to ensure compliance with government instructions and sector advice and to coordinate the conscientious use of the Job Retention Scheme (JRS). Trustees have continued to receive weekly updates on the company's position and its response to the crisis.

Subsequent to the period end, in total, 124 staff at various times were placed on furlough and the organisation received £330k funding from the HMRC's Job Retention Scheme. The organisation has also benefitted from deferring the final quarter's VAT payment. Senior staff reached out to sector colleagues and other agencies to collaboratively develop safe means to maintain operational functions wherever possible by the successful implementation of Business Continuity Planning and the contribution of operational teams. Very helpful behaviours on the part of colleagues and clients have been appreciated. The organisation was successful in applying for DCMS grant funding administered by Historic England and the National Lottery. At time of writing these funds total £222k. The impact of the crisis on the organisation was and remains significant.

WESSEX ARCHAEOLOGY LIMITED

EXECUTIVE SUMMARY AND CHAIR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Under the unique circumstances created by the pandemic and the ending of the Brexit transition period it is appropriate to comment on the organisation's prospects for the coming year. The Board of Trustees, the executive and the staff have adapted well to the changed working environment and the organisation has been successful in attracting funding to support developments in commercial management and digital engagement capabilities. The support functions of the business have been restructured with a specific focus on organisational resilience and operational teams have developed strong collaborative relationships with clients and partner organisations. Prospects for the future work pipelines appear strong in both the core UK construction market and the wider marine renewables sector. It is difficult to speculate on the potential economic or logistical impacts of the further spread of COVID-19 but the organisation has strong reserves and has proved its ability to respond to change with agility and good judgement.

WESSEX ARCHAEOLOGY LIMITED

TRUSTEES' REPORT (INCLUDING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

The Trustees present their report and the audited financial statements for the year ended 31 March 2020.

The Trustees' Report incorporates the Directors' Report and Strategic Report required by company law. The sections Achievements and Performance, Future Plans and Financial Review comprise the Strategic Report.

Objectives and Activities

The objects for which the Charitable Company is established are to derive public benefit through:

- the advancement of education; and
- the advancement of the arts, culture, heritage and science.

Which the Charitable Company seeks to achieve by adhering to its core values of:

- Authenticity and Ethics
- Customer Focus
- Applied Knowledge
- Reliability and Resilience
- Communicating Passion
- Collaborative Behaviour
- Innovative Thinking

Mission

To stimulate positive change in society both through the excellence of the services it supplies to its clients and the quality of the information it shares with its beneficiaries.

Vision

Our vision is to create a universal appreciation of the value of cultural heritage. We want everyone to understand and appreciate the value of heritage for its social, economic and cultural benefits. By creating knowledge and understanding about the past, and by engaging a wide audience, we will help bring the past into the present, where its value can be understood and appreciated as cultural heritage.

In working to achieve this, we recognise our dual responsibility to our clients and the public interest:

Our offer to our clients is summarised as, "Complex problems creatively solved." - We investigate, record, interpret and communicate the value of cultural heritage found below ground, above ground, and underwater. Our team of specialists use innovative combinations of techniques to deliver sustainable solutions that work for our clients, the historic environment, and the needs of communities.

The aim of our work within the wider community is, "Enriching lives through heritage." - We share the results of our work widely with a diverse audience, using archaeology to educate the public in science, the arts, culture, and heritage. We leave a positive legacy of social cohesion and wellbeing within local communities, through knowledge sharing, developing skills and sustainability.

Strategic Goals

We have created a three-pillared strategic plan that will provide a framework for working towards our vision over the next 10 years.

- Maximising Public Benefit: Strengthening our ability to deliver meaningful public engagement.
- Developing Our People: Ensuring our staff are happy, fulfilled and progress.
- Building a Sustainable Business: Delivering high quality professional services that are a sustainable solution to managing heritage risk.

Public Benefit

Cultural heritage contributes to a sense of place, to community identity and an enhanced appreciation of the environment in which we live. It is both tangible and intangible: contributing to social capital and making our communities more self-reliant and dynamic. Our work delivers public benefit by enhancing social inclusion and cohesion, promoting cultural diversity and contributing to social, physical and economic regeneration.

The beneficiaries of our work encompass a wide spectrum of communities and groups across the UK and beyond. In addition to the organisations or individuals commissioning the work, beneficiaries include: fellow heritage professionals; individuals using publications and digital resources; local communities; special interest groups; teachers and students in all sectors of education; disadvantaged groups such as individuals who experience a higher risk of poverty, social exclusion, discrimination or violence than the general population, including, but not limited to, ethnic minorities, migrants, people with disabilities, isolated elderly people and children.

We continue to invest in new ways to promote an appreciation of the cultural heritage environment and to assist the public in deriving appreciable social value from the heritage resource.

We focus on education, community, technology and inclusion.

The Trustees confirm that they have had due regard to the Charity Commission guidance on public benefit.

Achievements and Performance

Maximising Public Benefit

	OUR AMBITION	OUR ACHIEVEMENT
EDUCATION	We will lead the industry in making our knowledge base more accessible, engaging and relevant to the general public.	<p>We produced Twenty-three publications (1 monograph, 3 booklets, 15 journal articles and 4 web reports). Details online</p> <p>In January we celebrated the launch of A Prehistoric Burial Mound and Anglo-Saxon Cemetery at Barrow Clump, Salisbury Plain, Wiltshire. English Heritage and Operation Nightingale excavations 2003–14 by Phil Andrews, Jonathan Last, Richard Osgood and Nick Stoodley at Devizes Museum.</p> <p>We published three Innovative “accessible” booklets, two in traditional format (Ironworking, Tramroads and Methodists. Archaeology and the A465 in the Clydach Gorge and Life on MARR. Archaeological remains along the Manchester Airport Relief Road) and one online (The Archaeology of the Steart Peninsula).</p> <p>We have published in a range of journals covering local, regional and international audiences with subjects ranging from the Admiral – a 19th century paddle tug, a re-examination of a Welsh Cross Dyke, Iron Age metalworking from Slough, and a medieval cess pit in Winchester – the latter including a detailed online report of the cess pit contents!</p> <p>We generated 164 pieces of media coverage - highlights included:</p> <p>Current Archaeology June 2019 Issue 351 – 40 years of Wessex Archaeology featured five articles contributed by our staff.</p> <p>Video material for TV series including Digging for Britain, Britain at Low Tide, The Bone Detectives, The Great British Dig, Drain the Oceans and The One Show</p> <p>We supported the filming of the Hollywood film 1917 and provided publicity at the film launch.</p> <p>We deposited physical and digital archives for 271 projects comprising 1333 containers and made a further 14 depositions of digital archives with Archaeology Data Service</p> <p>Through our membership of the Group for Education in Museums we have delivered 6 mentoring sessions for staff working in heritage learning roles. As part of GEM’s sector recovery programme, we are delivering training in 3D modelling and photogrammetry.</p> <p>We attended two ASE (Association of Science Educators) conferences and led seminars for teachers illustrating how to access archaeology and use it as a starting point for creative science learning.</p>
	We will continue to create unique educational activities which promote the arts, science, heritage and culture through archaeology.	<p>We have continued to deliver an interactive online engagement programme throughout the COVID-19 crisis, reaching 1877 people through online sessions equating to 93 days of engagement time.</p> <p>We have collaborated with partners to inspire and educate young people at innovative festivals and events, using archaeology as a starting point to promote access to careers in the arts and sciences. Collaborations have included arts festivals at Venue Cymru and a partnership with the UK stage of the World Rally Championships.</p> <p>We used virtual reality environments to bring the past to life, for young people and the elderly and isolated. Combining VR with multi-sensory experiences that use sound, touch, taste and smell to bring the past to life.</p>

		We enabled schools and groups to access archaeological artefacts, replicas and 3D prints, through our selection of loan boxes.
	We will refine our educational offering to schools and groups, creating a scalable set of resources which deliver against National Curriculum learning objectives.	<p>We created 12 Loan boxes themed to key National Curriculum areas that are loaned to schools to bring archaeology to life. Each box is curated to tell the story of a person in the past with whom young people can find affinity. That person's life is laid out through clothing, possessions, and artefacts that young people can explore to find personal meaning with people in the past. Each box can be used to deliver key literacy and science learning outcomes around stories and materials.</p> <p>We deliver teacher training sessions to empower teachers in using archaeology as a stimulus for their teaching.</p> <p>We supported museums across the country (Barnstaple, London Transport) with developing their own ideas for similar boxes.</p>
	We will grow our provision of heritage education and skills to the wider public through accreditation.	Our programmes are aligned with Learning Outside the Classroom (LoTC) Quality badge guidelines with a view to applying for accreditation in 2021 which has been delayed due to COVID-19.
COMMUNITY	We will offer meaningful community engagement activities that resonate with a diverse audience.	<p>We designed pilot projects to bring archaeology to disadvantaged, elderly and isolated groups and identify multimodal access points that enable people to find personal relevance with the past.</p> <p>We differentiated our activities to remove barriers to access and took our engagement to places where people may not expect to find us, increasing our reach. A highlight was the Big Bang Fair STEM expo in conjunction with the Wales Rally GB.</p>
	We will continue to find ways of building a legacy of knowledge and engagement into our project designs.	
TECHNOLOGY	We will develop new media platforms, and fresh ways of communicating the value of cultural heritage to the public.	<p>We uploaded 22 videos to YouTube which attracted 2590 subscribers within the year, rising to 4594 subscribers at time of writing.</p> <p>We experimented with web-based presentation tools to select a platform for digital community engagement tasks.</p> <p>So far, during COVID-19 we have delivered 26 interactive online sessions to 1877 people.</p>
	We will increase our digital capabilities with innovative capture and content creation, to increase our engagement across these platforms.	<p>We invested in the development of 3d modelling and visualisation hardware and skills.</p> <p>We created 3 online environments that enable people to experience the past in 3D VR.</p>
INCLUSION	We will identify and target hard-to-reach groups and those who would not ordinarily engage with heritage, in particular, those who would derive therapeutic benefits from heritage.	<p>We made contact with third sector health and heritage organisations in the Salisbury and Wiltshire area to form a partnership to deliver creative and heritage themed interventions for individuals with mental ill-health to improve wellbeing and have been developing a major grant bid for a 3-year programme.</p> <p>We liaised with local primary care network link workers to understand the potential participant groups that would benefit from heritage themed programmes</p>

	<p>We will become a social prescribing provider, promoting health, wellbeing and social welfare for hard to reach groups through heritage services.</p>	<p>We recruited a Heritage Inclusion Development Specialist and produced a strategy for growing social value impact through the provision of heritage themed, health and wellbeing engagements aimed at addressing social inequalities/inequities.</p> <p>We addressed the CBA AGM conference about heritage contributing to social value and continued to support The Heritage Alliance in the development of their “Heritage, health and wellbeing” report.</p> <p>Through Op Nightingale projects we have continued our long involvement in supporting the recovery of wounded, injured and sick service personnel and veterans across the UK.</p>
--	---	---

Developing Our People

Our ambition	What we achieved
<p>We will gain ISO 45001 Health and Safety accreditation.</p> <p>We will create and deliver engaging Health & Safety videos for staff to improve and augment our existing Health and Safety processes.</p>	<p>Recruited an Occupational Health & Safety Specialist and refreshed our plan to achieve accreditation.</p> <p>Created a video on Utilities Surveying and shared a best practice paper on the management of utilities risks with sector colleagues.</p>
<p>We will implement an HR management system to streamline our HR function.</p>	<p>Researched and assessed a range of cloud-based HR management tools.</p> <p>Collated initial user requirement information.</p>
<p>We will enact our Mental Health & Wellbeing Strategy.</p> <p>We will deliver Mental Health Awareness Training to all staff.</p> <p>We will review our employee benefit offering and establish opportunities for improvement.</p>	<p>Completed Mental Health First Aid training for 25 staff</p> <p>Commissioned a programme of communication campaigns on the theme of mental health and wellbeing.</p>
<p>We will continue to progress our staff training and development opportunities.</p> <p>We will improve our Leadership & Management development programmes.</p> <p>We will implement Personal Development Plans for all staff.</p>	<p>Delivered 4,218 hours of compliance training</p> <p>Delivered 6,219 hours of technical training</p> <p>Researched, designed and sourced a delivery partner for a Leadership and Management apprenticeship</p>
<p>We will undertake a staff engagement survey to gain feedback, understand what really matters to our people and drive meaningful change.</p> <p>We will improve engagement through better internal communications and collaboration.</p>	<p>Successfully conducted a staff engagement survey in October 2019 and used the results to inform improvements in management procedures and internal communications.</p>

WESSEX ARCHAEOLOGY LIMITED

TRUSTEES' REPORT (INCLUDING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

Building a Sustainable Business

Our ambition	What we achieved
<p>We work with clients to understand how we can address the changing problems they encounter and find ways to deliver more value for them and for stakeholders.</p> <p>We will strengthen our Finance and Administrative functions to ensure greater support for the organisation.</p> <p>We will achieve OH&S Management Standard ISO 45001 and Environmental Standard ISO 14001</p>	<p>We established improved collaborative working relationships with major clients resulting in increased levels of repeat commissions and reduced costs arising from admirative processes.</p> <p>We developed our management support team and management systems allowing our operational teams to deliver contracts to meet programme, specification and budget</p>
<p>We will continue to diversify our income streams, particularly around education, therapeutic, and tourism</p>	<p>We were awarded commercial contracts for the delivery of education and community engagement work for HS2.</p>
<p>We will implement an Information Technology Development Plan, focusing on: Security, Infrastructure and storage, Integrated Communications and Digital Recording and Knowledge Management.</p>	<p>We successfully achieved and maintained Cyber essentials accreditation.</p> <p>We designed and implemented the first stages of a data storage strategy.</p> <p>We deployed and developed our use of MS 365 team collaboration tools.</p> <p>We enhanced and extended our use of field based digital data collection tools.</p>
<p>We will formalise our international activities and partnerships</p> <p>We will promote our full range of services and seek feedback to improve our fit in local markets.</p>	<p>We submitted over \$1m of tenders in support of the work of our US subsidiary</p> <p>Our EU subsidiary, Trident Archäologie launched in January 2020 and was awarded its first contract by the State Office for Historical Monuments of Mecklenburg – West Pomerania</p> <p>We created web content, video and printed marketing material to support the launch of operations on Germany.</p>

Our Plans for the Future

Maximising Public Benefit

Our 2020-21 ambition	What we will do
<p>EDUCATION</p> <p>Deliver our findings to the public in engaging, informative and accessible formats, free of charge.</p>	<p>We will lead the industry in making our knowledge base more accessible, engaging and relevant to the general public.</p> <p>We will continue to create unique educational activities which promote the arts, science, heritage and culture through archaeology.</p> <p>We will refine our educational offering to schools and groups, creating a scalable set of resources which deliver against National Curriculum learning objectives.</p> <p>We will grow our provision of heritage education and skills to the wider public through accreditation.</p> <p>We will work with partners to expand our reach for boxes into West London.</p> <p>We will apply for the Sandford Award for excellence in Heritage education.</p>
<p>COMMUNITY</p> <p>Deliver sector-leading community engagement activities to serve the broadest and most diverse audience possible and leave a meaningful legacy.</p>	<p>We will offer meaningful community engagement activities that resonate with a diverse audience.</p> <p>We will continue to find ways of building a legacy of knowledge and engagement into our project designs.</p>
<p>TECHNOLOGY</p> <p>Increase our engagement on media channels and technical platforms.</p>	<p>We will develop our digital media platforms, and experiment with fresh ways of communicating the value of cultural heritage to the public.</p> <p>We will increase our digital media production capabilities with innovative capture and content creation, to increase our engagement across these platforms.</p>
<p>INCLUSION</p> <p>Challenge inherent bias and continue to target and engage hard-to-reach groups.</p>	<p>We will work to recognise and challenge inherent bias in our understanding and representation of the past and work to remove the barriers which limit access to our resources for people from black and minority ethnic groups.</p> <p>We will identify and target hard-to-reach groups and those who would not ordinarily engage with heritage, and , in particular, those who would derive therapeutic benefits from heritage.</p> <p>We will become a social prescribing provider, promoting health, wellbeing and social welfare for hard to reach groups through heritage services.</p>

Developing Our People

Our 2020-21 ambition	What we will do
Develop our Health, Safety and Environmental Management systems, seeking and maintaining accreditations.	We will gain ISO 45001 Health and Safety accreditation. We will create and deliver engaging Health & Safety media for staff to improve and augment our existing Health and Safety processes.
Streamline our Human Resources functions.	We will implement an HR management software system to support improvements in our services to staff.
Increase the wellbeing of our staff.	We will continue to develop the implementation of our Wellbeing Strategy. We will deliver Mental Health Awareness Training to all staff and improve our sign posting to assistance via our trained mental health first aiders. We will review our employee benefit offering and establish opportunities for improvement.
Extend our staff development capabilities by progressing our training and career support functions.	We will continue to progress our staff training and development opportunities. We will improve our Leadership & Management development programmes and implement Personal Development Plans for all staff.
Engage staff with our values and define our culture.	We will undertake a periodic staff surveys to gain feedback, understand what really matters to our people and inform our plans for improvement. We will improve engagement through better internal communications and collaboration

Building a Sustainable Business

Our 2020-21 ambition	What we will do
Continue to implement our Information Technology Development Plan focussing on <ul style="list-style-type: none"> • Security • Infrastructure and storage • Integrated Communications • Digital Recording and Knowledge Management 	Obtain Cyber Essentials Plus accreditation. We will maintain and improve our cyber security including improvements to web filtering and malware detection systems. We will complete the implementation of our data storage strategy. We will continue to develop our use of web-based collaboration and communications tools.
Develop an integrated suite of innovative archaeological and heritage management services that ensure that we deliver a high-quality solution.	We will work to improve our management of our supply chain and use collaborative frameworks to strengthen partnerships We will continue to strengthen our project management and contractual control functions to ensure greater organisational resilience. We will achieve OH&S Management Standard ISO 45001 and Environmental Standard ISO 14001
Continue to diversify revenue streams into related areas to enhance our public benefit capability.	We will seek funding to experiment with the development of digital engagement and social prescribing offers.
Increase our national and international reach, through developing new and existing partnerships, refining our international offering and proactively seeking global opportunities.	Support the work of our partnership arrangements by engaging in marketing and lobbying activity to promote the broader understanding of good cultural heritage management practices.

WESSEX ARCHAEOLOGY LIMITED

TRUSTEES' REPORT (INCLUDING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

Financial Review

Income for the year was £15,347,836 a decrease of 6.6% over the previous year. Expenditure grew by 0.2 % which resulted in a net operating loss of £289,118, a fall of £1,117,501 on the surplus generated for 2019. The total funds of the Charitable Company, all unrestricted, at 31st March 2020 were £5,168,907 (2019 - £5,408,025). The fall in revenue was derived from difficult trading in weakening economic conditions related to Brexit uncertainty and the impact of the COVID-19 pandemic. The Charity continues to improve IT systems and invest in equipment to improve efficiency which is reflected in the increase in the depreciation charge from £175k to £325k and there was also a significant increase in non-capitalised IT expenditure.

Working capital was supported by new finance leases totalling £243,102 (2019 - £157,331) and operating leases continued to support investment in key infrastructure and equipment to improve efficiency and the maintenance and provision of our regional offices.

The Group Personal Pension Plan grew to 305 (2019 -300) members at 31st March 2020 with only 6 (2019 – 6) staff opting out. The total employer's contribution for the year was £396,145 (2019 - £296,395) the increase of £99,750 reflected the increase of the employer's contribution from 4% to 5%, to assist our employees to meet the statutory minimum of an 8% contribution.

Expenditure on salaries and benefits increased by 1.5% to £9,543,925 (2019 - £9,399,437) and remains the single largest category of expenditure. Average headcount was 311 (2019 - 310). A salary increase was awarded in line with market conditions. The Charitable Company adopts a policy of maintaining a flexible workforce to manage seasonal fluctuations in demand.

Investment powers and restrictions

The Charitable Company may invest monies not immediately required for its purposes in such investments, securities or property as it thinks fit, subject to charities and corporate law.

Reserves Policy

The Risk and Audit Committee is established as a subcommittee of the Board and comprises three serving Trustees. The Committee meets four times per year with the Chief Executive invited as a guest.

Following a review by the Committee in October 2019, the Trustees approved the standing Reserves Policy as appropriate. Based on an assessment of cashflow demand, the cash contingency requirement was maintained at £750,000 and the reserves minimum at £3.5m (3 months operating costs of £1.17m per month). If, at any point, the Charitable Company does not have retained earnings of £3.5 million the policy requires that this position be included on the Charitable Company's Risk Register and addressed with an appropriate action plan. At a meeting of the Risk and Audit committee in September 2020 these arrangements were reviewed in the light of recent activity levels and it was agreed that no changes were indicated.

In accordance with the reviewed Reserves Policy in place in 2019-20, the Trustees set a target to hold a liquid cash contingency fund of £750,000 and to hold retained earnings sufficient to meet 3 months of operating costs (£3.5m). The position at the end of the year was that both targets had been met.

WESSEX ARCHAEOLOGY LIMITED

TRUSTEES' REPORT (INCLUDING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

Total Group assets in the Balance Sheet as at 31st March 2020 stood at £5,168,907 (a decrease of £239,118 on the previous year) which equated to approximately 3.9 months of operating costs. The entirety of total assets was unrestricted. Total assets include fixed assets of £1,730,233 (2019 - £1,437,187) leaving available reserves of £3,438,674 (2019 - £3,970,838).

Supporting strategies and activities designed to meet the Reserves Policy include marketing, productivity improvement, service development, overhead reduction initiatives and working capital optimisation. Responsibility for these is delegated to the executive. The policy will be reviewed annually to balance delivery of the Charitable Company's objectives and the need to maintain the resilience of the operation.

Risk Management

Wessex Archaeology Limited has both a risk management policy and a risk management procedure in place. The Risk and Audit sub-committee, formed by the Board to guide its work, met quarterly during the year and reviewed current risk management procedures. This included updates to the Risk Management Policy and Procedure, a statement of Risk Appetite and a review of the Reserves Policy. The Executive Management Team is responsible for the execution of the Risk Management Procedure and the maintenance of the Risk Register for approval by the Board.

The key areas of risk identified are as follows:

Governance Risks

Organisational integrity and effectiveness may be impacted by:

- failure to respond to changes in legal or regulatory requirements;
- failure to be represented at Board level by relevant heritage expertise;
- failure to nominate interim postholders at executive level; and
- legal exposure arising from the management of complex commercial contracts.

Governance risks are mitigated through regular monitoring of the regulatory and operational environment and the performance of internal systems. This includes the use of external advisors and internal measures which bring potential problems to the attention of the Trustees and the management team. Reduced Board expertise is mitigated by a proactive and informed recruitment strategy. Reduced executive level oversight is mitigated by delegated powers of authority and clear understanding of roles and responsibilities.

Operational Risks

Operational effectiveness may be impacted by:

- a major incident / disruption to business continuity;
- Failure to monitor organisational performance (finance and wellbeing);
- Failure to report on major incidents (safety or environmental management) resulting in harm/reputational damage;
- poor quality of service delivery;
- failure to recruit and/or retaining suitable staff; and
- failure of IT systems (including security).

WESSEX ARCHAEOLOGY LIMITED

TRUSTEES' REPORT (INCLUDING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

Operational risks are mitigated by the design and maintenance of management systems which direct and document decisions made by the management team, provide performance monitoring and include responsive procedures to minimise the impact of adverse events.

Financial Risks

Projected financial performance may be impacted by:

- poor management of contractual terms;
- trading limited by cash flow / available credit;
- trading limited by external economic and market forces;
- failure to monitor and control income and expenditure; and
- bad debts and slow payment by significant trade debtors.

Financial risks are mitigated through careful financial forward planning, the monitoring of budgets and hierarchical reporting mechanisms. The Finance team also has access to third party financial advice and the support of legal and payment collection services.

External Risks

The organisational business model may be impacted by:

- a deterioration in general economic conditions
- competitor growth or consolidation;
- changes in planning regulations and a continued decline in public spending;
- reduced funding of curatorial services;
- change in trading conditions caused by COVID-19
- implementation of the Brexit deal and
- a reduced commitment to sustainability at international levels.

External Risks are mitigated by careful strategic planning and service development programmes which remain flexible and able to respond to market and regulatory change.

Compliance Risks

The organisation's legal, contractual, professional, reputational or ethical standing may be impacted by behaviours or performance which fall short of regulatory/stakeholder expectations, such as:

- failure to comply with law, regulations or to meet professional responsibilities;
- failure to implement/follow professional standards;
- poor client relationship management;
- poor quality control; and
- business relationships with unethical or unprofessional organisations.

Compliance risks are mitigated by continuous efforts to maintain and project a strong organisational culture. Staff are required to demonstrate and communicate the company's core values throughout their work and are empowered to challenge behaviours and potential outcomes which fall below our standards.

WESSEX ARCHAEOLOGY LIMITED

TRUSTEES' REPORT (INCLUDING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

Principal Risks and Uncertainties

These are events or circumstances which alone or in combination pose a significant threat to the organisation's charitable aims or its status as a going concern.

Economic Risk – in common with many businesses, the charity is exposed to changes in the wider economy. The unknown impact of Brexit and the resultant changes in patterns of investment and the economic effects of government measures to combat the spread of COVID-19 are of particular concern. In mitigation Trustees have maintained their support for a series of business development and diversification strategies which seek to explore alternative income streams.

Client Failure – Recent shifts in the global economic picture have precipitated the failure of several large-scale consulting and engineering firms leaving many suppliers with unpaid accounts. Trustees recognise that many potential client organisations may be directly or indirectly affected by similar failures in the future. Impacts are controlled by close attention to the level of outstanding debt and the financial stability of all client organisations.

Risks to People – The organisation is dependent upon its people and turbulent times can place our team under strain which can result in lowered performance, ill health, staff losses or recruitment difficulties. The management team treats the health, safety, wellbeing and retention of our people as a priority, ensuring a safe, supportive and developmental environment.

Regulatory Risk – Current income streams depend upon environmental regulations and planning policy guidance. The loss of overarching legislation from the EU and the potential use of deregulation and policy change as an economic stimulant at national level pose threats to these income streams.

The Trustees and executive team maintain contacts within the heritage disciplines, across the wider environmental sector and within government. These provide insight into the potential change and the organisation makes the most of any opportunity to influence the development of policy. A number of diversification and business development strategies targeting new income streams are in progress.

Structure, Governance and Management

Wessex Archaeology Limited is a registered charity and is incorporated as a company limited by guarantee and without share capital. The governing document is its updated Articles of Association, which were adopted by a special resolution on 20 March 2015. Members of the Charitable Company may vote at general meetings and their liability for its debts is limited to £10 each. At the date of this report there are currently eight members and the maximum number is twenty.

The Charity has a trading subsidiary, Wessex Archaeology Ventures Limited which holds a 50% share in CEWA Inc. Delaware, USA and is the sole shareholder of Trident WA GmbH Germany. The Trading results of these subsidiaries have been incorporated within the Group financial statements.

On appointment, all Directors of the Company also become Trustees of the Charitable Company. The procedure for appointment of the Directors and Trustees is described in the Charitable Company's Articles of Association. Trustees are appointed by the Board of Directors. New Trustees spend time at one of the Charitable Company's offices at the beginning of their appointment. Their induction day includes meetings with the Charitable Company's Chief Executive Officer and with the Chairman of Trustees. The induction

WESSEX ARCHAEOLOGY LIMITED

TRUSTEES' REPORT (INCLUDING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

process is designed to familiarise new Trustees with the work of the Charitable Company and its aims and objectives. Further training and awareness-raising is provided by the Company Secretary, Chief Executive Officer, and Principal Officers as appropriate.

The Trustees are responsible for the overall strategic direction and policy objectives of the Charitable Company. Day-to-day management is delegated to the Chief Executive Officer and the other Principal Officers.

The Charitable Company maintains partnership working relationships with a range of charitable and commercial enterprises in the archaeological sector and in related fields. The Trustees are satisfied that these relationships serve to further the charitable aims.

The Trustees have reviewed the events or actions which would adversely affect the Charitable Company's ability to achieve its stated charitable objects or its legal obligations. The Trustees have also implemented a risk management system based on Charity Commission guidance. They are satisfied that the major risks have been identified and that suitable measures are in place to monitor the possible occurrence of these risks and to avoid or, if necessary, to mitigate their effects.

Pay policy for senior staff

The Board of Trustees and the Executive Management Team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day to day basis. Except for the Chief Executive, who is remunerated, all Trustees give their time freely and no director received remuneration in the year. Details of remuneration of the Chief Executive, Trustees' expenses and related party transactions are disclosed in notes 6 and 15 to the accounts.

The pay of the Executive Management Team and all staff is reviewed annually and is increased in line with a minimum level set by the Remuneration Committee. In view of the nature of the charity, the Trustees benchmark pay awards against pay levels in other charities.

Policy for employment of persons with disabilities

Wessex Archaeology welcomes applications for employment from all prospective employees regardless of gender, race, belief or disability. We aim to actively promote equality of opportunity and maximise the abilities, skills and experience of all employees, ensuring that management practices are inclusive.

Employee information

Wessex Archaeology places great importance on ensuring that employees are regularly updated and have appropriate opportunities to engage with senior management. A staff newsletter is circulated to all offices and by email and all staff are provided with an account on an internal social network. A Staff Forum meeting is convened on a quarterly basis which is attended by staff representatives, the Prospect Union and a member of the Executive Management Team.

Fundraising

Wessex Archaeology does not actively fundraise from the general public, either directly or through the use of third-party fundraising providers. No complaints were received in respect of fundraising in either the current or previous financial year.

WESSEX ARCHAEOLOGY LIMITED

TRUSTEES' REPORT (INCLUDING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

The organisation does respond to funding calls from government and civil agencies. Such opportunities are subject to the same risk management and auditing criteria as the company's commercial activities.

Reference and administrative details

Registered Company number

01712772 (England and Wales)

Registered Charity number

287786

Registered office

Portway House
Old Sarum Park
Salisbury
Wiltshire
SP4 6EB

Trustees

Dr I C Selby	Chair
Mrs R K V Cook	
Mr C M Brayne	
Mrs J N Johnson	
Mr C M Watson	
Dr R P Whimster	
Mrs S L U Voaden	
Mr P H Jamieson	

Company Secretary

Mr I G Phillips - Resigned 31st July 2020

Scottish Charity:

Registered as part of Wessex Archaeology Limited

Scottish Charity Register Number:

SC042630

Further offices:

21-23 Slater's Steps, Edinburgh EH8 8PB
Logix House, Wrotham Road, Meopham Kent DA13 0QB
Unit R6, Riverside Block, Sheaf Bank Business Park, Prospect Road, Sheffield S2 3EN
Unit 9, City Business Park, Easton Road, Bristol BS5 0SP
Birch House Business Centre, Birch House, Hen Lon Parcwr, Ruthin, LL15 1NA

WESSEX ARCHAEOLOGY LIMITED

TRUSTEES' REPORT (INCLUDING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

Principal Officers:

C M Brayne	Chief Executive Officer
P A Sealey	Chief Finance Officer
P A Baggaley	Chief Technology Officer
G D Woodhouse	Chief Strategy Officer
C Budd	Chief Operating Officer
D E Atkinson	Regional Director, Scotland

Bankers:

Lloyds Bank PLC, 39 Threadneedle St, London EC2R 8AU

Auditors:

Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG

Solicitors:

Wilsons Solicitors LLP, Alexandra House, St Johns Street, Salisbury, SP1 2SB

WESSEX ARCHAEOLOGY LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2020

Statement of the Board of Trustees responsibilities for the financial statements

The Trustees, who are also directors of Wessex Archaeology Limited for the purposes of company law, are responsible for preparing the Trustees' Report (incorporating the Strategic Report) and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year and not approve the financial statements unless they are satisfied that the financial statements give a true and fair view of the state of the affairs of the Charity and the Group as at the balance sheet date and of the incoming resources and application of resources, including income and expenditure, of the Charity and Group for the year then ended.

In preparing those financial statements which give a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue on that basis

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The Trustees are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Each of the directors, who held office at the date of approval of this Trustees' Report, has confirmed that there is no information of which they are aware which is relevant to the audit but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are made aware of such information.

Auditors

Haysmacintyre LLP have expressed their willingness to continue in office as auditors. A resolution proposing that Haysmacintyre LLP be reappointed as auditors of the charitable company for the forthcoming year will be put to members at the Annual General Meeting.

The Trustees' Report (incorporating the Strategic Report) was approved by the Trustees on 8 December 2020 and signed on their behalf by:



.....
Dr I C Selby – Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF WESSEX ARCHAEOLOGY LIMITED
FOR THE YEAR ENDED 31 MARCH 2020

Opinion

We have audited the financial statements of Wessex Archaeology Limited for the 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and of the parent charitable company's affairs as at 31 March 2020 and of the group and charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report and the Chair's Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

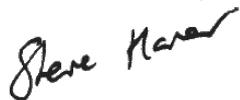
In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charity Accounts (Scotland) Regulations (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Steven Harper
(Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

17 December 2020

WESSEX ARCHAEOLOGY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Total 2020 £	Total 2019 £
INCOME FROM:			
Charitable activities	3		
Archaeological projects		15,347,836	16,434,811
Total income		<u>15,347,836</u>	<u>16,434,811</u>
EXPENDITURE ON			
Charitable activities	4	15,636,954	15,606,428
Total expenditure		<u>15,636,954</u>	<u>15,606,428</u>
NET (EXPENDITURE)/INCOME		(289,118)	828,383
Gains on revaluation of fixed assets		50,000	-
NET MOVEMENT IN FUNDS		<u>(239,118)</u>	<u>828,383</u>
RECONCILIATION OF FUNDS			
Total funds brought forward		5,408,025	4,579,642
TOTAL FUNDS CARRIED FORWARD		<u><u>5,168,907</u></u>	<u><u>5,408,025</u></u>

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities. A charity only Statement of Financial Activities is included in note 18.

All income received was unrestricted during the year ended 31 March 2020 and 31 March 2019.

The notes on pages 24 to 36 form part of these financial statements.

CONSOLIDATED AND CHARITY BALANCE SHEETS

AT 31 MARCH 2020

	Notes	Group		Charity	
		2020 £	2019 £	2020 £	2019 £
FIXED ASSETS					
Tangible assets	8	1,730,233	1,437,187	1,730,233	1,437,187
Investments		-	-	10	-
Total fixed assets		<u>1,730,233</u>	<u>1,437,187</u>	<u>1,730,243</u>	<u>1,437,187</u>
CURRENT ASSETS					
Debtors	9	5,269,596	6,059,791	5,373,464	6,059,791
Cash at bank and in hand		1,679,464	1,527,550	1,635,329	1,527,550
Total current assets		<u>6,949,060</u>	<u>7,587,341</u>	<u>7,008,793</u>	<u>7,587,341</u>
CREDITORS: amounts falling due within one year	10	<u>(3,052,693)</u>	<u>(3,306,337)</u>	<u>(3,051,863)</u>	<u>(3,306,337)</u>
NET CURRENT ASSETS		<u>3,896,367</u>	<u>4,281,004</u>	<u>3,956,930</u>	<u>4,281,004</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,626,600</u>	<u>5,718,191</u>	<u>5,687,173</u>	<u>5,718,191</u>
CREDITORS: amounts falling due after one year	11	<u>(171,350)</u>	<u>(82,325)</u>	<u>(171,350)</u>	<u>(82,325)</u>
PROVISIONS FOR LIABILITIES	13	<u>(286,343)</u>	<u>(227,841)</u>	<u>(286,343)</u>	<u>(227,841)</u>
NET ASSETS		<u><u>5,168,907</u></u>	<u><u>5,408,025</u></u>	<u><u>5,229,480</u></u>	<u><u>5,408,025</u></u>
FUNDS	14				
Unrestricted funds:					
General fund		4,931,599	5,220,717	4,992,172	5,220,717
Revaluation reserve		237,308	187,308	237,308	187,308
TOTAL FUNDS		<u><u>5,168,907</u></u>	<u><u>5,408,025</u></u>	<u><u>5,229,480</u></u>	<u><u>5,408,025</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on 8 December 2020 and are signed on its behalf by:



.....
Dr I C Selby -Trustee

The notes on pages 24 to 36. form part of these financial statements.

WESSEX ARCHAEOLOGY LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Total 2020 £	Total 2019 £
Cash flows from operating activities:			
Cash generated from operations	A	607,948	942,928
Interest paid		(5,873)	(12,128)
Interest element of hire purchase and finance lease rental payments		(11,139)	(9,412)
Net cash provided by operating activities		<u>590,936</u>	<u>921,388</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(567,667)	(481,279)
Net cash provided by (used in) investing activities		<u>(567,667)</u>	<u>(481,279)</u>
Cash flows from financing activities:			
Assets purchased under finance leases		243,102	-
Capital repayments in the year		(114,457)	(103,267)
Net cash provided by (used in) financing activities		<u>128,645</u>	<u>(103,267)</u>
Change in cash and cash equivalents in the reporting period		<u>151,914</u>	<u>336,842</u>
Cash and cash equivalents at the beginning of the reporting period		1,527,550	1,190,708
Cash and cash equivalents at the end of the reporting period		<u>1,679,464</u>	<u>1,527,550</u>

A. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Total 2020 £	Total 2019 £
Net income for the reporting period (as per the Statement of Financial Activities)	(239,118)	828,383
Adjustments for:		
Gains on fixed asset revaluation	(50,000)	-
Depreciation charges	324,621	174,618
Interest paid	5,873	12,128
Interest element of hire purchase and finance lease rental payments	11,139	9,412
Increase in provisions	58,502	79,058
Increase in debtors	790,195	(5,749)
Decrease in creditors	(293,264)	(154,922)
Net cash provided by (used in) operating activities	<u>607,948</u>	<u>942,928</u>

The notes on pages 24 to 36 form part of these financial statements.

1. STATUTORY INFORMATION

Wessex Archaeology Limited is a company limited by guarantee (company number 01712772), registered in England and Wales, without share capital. Wessex Archaeology Limited is also a charity registered with the Charity Commission in England and Wales and the Office of the Scottish Charity Regulator in Scotland. The guarantors are the trustees to the extent of £10 each. There were 8 trustees at the balance sheet date (2019 – 8 trustees). The company's registered office address can be found in the Trustees' Report.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (Second Edition, effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets. The financial statements are presented in Sterling, which is also the functional currency of the company. The financial statements are rounded to the nearest Pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Basis of consolidation

These financial statements consolidate the results of the Charity and its wholly-owned subsidiary, Wessex Archaeology Ventures Limited, on a line by line basis. Wessex Archaeology Ventures Limited was formed during the year ended 31 March 2019 but was not included in the 2019 financial statements on the basis that it was immaterial. Wessex Archaeology Ventures Limited has its own wholly-owned subsidiary, Trident WA GmbH, a company registered in Germany, which is also included in these consolidated financial statements.

Income

All income is included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

Income from charitable activities includes amounts invoiced in the year, exclusive of Value Added Tax. In respect of long-term contracts, income represents the value of work done in the year, including estimates of amounts not invoiced and is recognised by reference to the stage of completion.

Long term contracts

Where contracts are not complete at the end of the financial year provision is made for the anticipated value of income where the cost of work exceeds the actual value of income, provided that there is reasonable certainty that the anticipated value will be realised in the next accounting period. This is separately disclosed within debtors as "amounts recoverable on contracts". Any surplus of income over expenditure is not recognised unless there is reasonable certainty that the surplus will crystallise in a future period. This is separately disclosed within creditors as "payments on account on contracts". Full provision is made for losses on all contracts in the year which they are first foreseen.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably.

Expenditure on the provision of the charitable company's activities, which includes education and community engagement, may be either costs that can be allocated to specific archaeological projects or costs that cannot be allocated to specific projects, but which are incurred only for archaeological projects collectively.

Support costs enable the Charity to carry out its activities but do not themselves produce the output of these activities. They include items which are wholly identifiable as support costs and an apportionment of shared costs, which are allocated on the basis of the number of support staff.

Governance costs associated with the general running of the Charity as opposed to the direct management of the Company's operations are classed as governance costs and include direct and related support costs.

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Assets are capitalised where the cost of an item exceeds £2,000 and the useful economic life of the asset is longer than the year of acquisition. Assets are disposed of in the accounts and removed from the fixed asset register when the useful economic life of the asset comes to an end and the net book value is nil. The charitable company operates a policy of revaluation on freehold land and property. Freehold land and property is included at current value at the balance sheet date.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, evenly over the useful economic life of that asset, as follows:

Leasehold buildings	Calculated evenly over the remaining period of the lease
Computer equipment	3 years straight line basis
Archaeology Evaluation Equipment	3 years straight line basis
Motor vehicles	4 years straight line basis
All other assets	3, 5 and 10 years straight line basis

Investments

Investments in subsidiaries are valued at cost less impairment.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and highly liquid bank accounts. Cash held as part of an investment portfolio is included with the investment to which it relates.

Provisions

Provisions are recognised when the charitable company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Where funds are received for specific purposes set out by the donor or implied by the terms of appeal, these are shown as restricted income in the Statement of Financial Activities. Expenditure for the purposes specified is applied against the income and any amount unexpended at the balance sheet date is shown within Restricted Funds.

General funds are Unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Deficit balances incurred on specific Restricted funds are funded from Unrestricted funds where no further Restricted fund income is expected to offset the expenditure incurred.

The Trustees, at their discretion, may set aside funds to cover specific future costs. Such funds are shown as designated funds within Unrestricted Funds. Where the trustees decide such funds are no longer required for the purposes intended, they may be released by transfer to general Unrestricted Funds.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension scheme

The charitable company operates a defined contribution pension scheme for all its employees. The assets of the Scheme are held separately from those of the charitable company. Pension costs charged in the Statement of Financial Activities represent the contributions payable by the charitable company in the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

2. ACCOUNTING POLICIES - continued

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements, taking into consideration of the impact of the COVID-19 pandemic on the Charity's operations and finances. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Judgements and key sources of estimation uncertainty

In the application of the charitable company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and the underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The most significant areas of judgement in preparing the financial statements are the anticipated value and costs in relation to incomplete long-term contracts and the estimate of costs for the future deposition of archaeological archives.

Hire purchase and leasing commitments

Assets funded through finance leases are capitalised as fixed assets and depreciated on a straight-line basis over the shorter of their useful economic life and the lease term. Interest is charged to the Statement of Financial Activities on a straight-line basis. Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

3. INCOME FROM CHARITABLE ACTIVITIES

Analysis of income by activity:

	2020 £	2019 £
Coastal	628,987	615,543
Community	30,616	116,142
Fieldwork	10,698,497	12,872,194
GeoServices	1,531,703	1,164,580
Graphics	21,939	4,962
Heritage	1,211,413	1,080,498
Research	1,204,032	565,239
Other	20,649	15,653
	<u>15,347,836</u>	<u>16,434,811</u>

Income relating to Education is allocated directly. Surpluses or deficits on projects are allocated directly to each activity. The remaining income is apportioned to each activity on the basis of total staff charge values for the year.

4. CHARITABLE ACTIVITIES COSTS

Provision of charitable activities:

	2020	2019
	£	£
Archaeological & Community projects	12,763,745	13,230,393
Support costs	2,744,064	2,257,156
Governance costs	129,145	118,879
	<u>15,636,954</u>	<u>15,606,428</u>

Governance costs include £23,945 (2019: £23,409) salaries (incl. pensions and employer's national insurance).

Analysis of archaeological projects & education costs:

	2020	2019
	£	£
Salaries (incl. pensions and employer's national insurance)	7,415,918	7,590,763
Plant/Buildings hire and other site costs	2,064,624	1,670,693
Travel and vehicle hire	781,130	651,800
Staff accommodation	602,168	780,577
External specialists' fees	209,210	1,129,761
Direct facilities and services costs	934,799	839,093
Other project costs	474,995	416,605
Depreciation	280,901	151,101
	<u>12,763,745</u>	<u>13,230,393</u>

Included in direct facilities and services costs is an operating lease charge of £162,325 for land and buildings (2019 - £124,730). Included in travel and vehicle hire costs is an operating lease charge of £47,224 for other operating lease charges (2019 - £39,980). In addition, the Charity incurred other operating lease costs relating to software and IT assets of £49,560 (2019 - £3,674)

Analysis of support costs:

	2020	2019
	£	£
Salaries (incl. pensions and employer's national insurance)	2,151,434	1,785,265
Travel and subsistence	94,673	85,771
Telephone and IT related services	79,069	52,649
Print, postage and stationery	20,497	20,338
Professional fees and services	70,963	57,980
Insurance	6,303	7,025
Utilities and facilities costs	139,266	120,326
Other support costs	138,139	104,285
Depreciation	43,720	23,517
	<u>2,744,064</u>	<u>2,257,156</u>

Included in professional fees and services is bank and other interest payable of £17,012 (2019 - £21,540).

4. CHARITABLE ACTIVITIES COSTS (continued)

Analysis of direct charitable expenditure by activity:

Year ended 31 March 2020

	Archaeological & Community Projects £	Support costs £	Governance costs £	Total £
Coastal	550,324	115,787	5,722	671,833
Community	341,102	72,999	-	414,401
Fieldwork	8,921,404	1,877,046	92,764	10,891,214
Geoservices	1,115,999	234,804	11,604	1,362,407
Graphics	19,494	4,102	203	23,799
Heritage	1,025,739	215,814	10,664	1,252,217
Research	786,336	165,442	8,177	959,955
Other	3,347	58,070	11	61,128
	<u>12,763,745</u>	<u>2,744,064</u>	<u>129,145</u>	<u>15,636,954</u>

Analysis of direct charitable expenditure by activity:

Year ended 31 March 2019

	Archaeological & Community Projects £	Support costs £	Governance costs £	Total £
Coastal	557,658	91,884	5,143	654,685
Community	330,757	133,474	-	464,231
Fieldwork	9,993,004	1,646,523	92,169	11,731,696
Geoservices	950,931	156,683	8,771	1,116,385
Graphics	7,511	1,238	69	8,818
Heritage	901,102	148,473	8,311	1,057,886
Research	466,879	75,165	4,208	546,252
Other	22,551	3,716	208	26,475
	<u>13,230,393</u>	<u>2,257,156</u>	<u>118,879</u>	<u>15,606,428</u>

Costs relating to Community are allocated directly to the relevant activity. Other archaeological & community projects and support costs are apportioned to each activity on the basis of total staff charge values for the year.

5. NET INCOME/(EXPENDITURE)

Net Income and Expenditure is arrived at after charging:

	2020 £	2019 £
Depreciation	324,621	174,618
Operating leases - land and buildings	162,325	124,730
Operating leases - other	96,784	43,654
Auditors' remuneration - audit	18,500	15,000
Auditors' remuneration - other	6,337	6,500
	<u>608,567</u>	<u>464,502</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

6. TRUSTEES' REMUNERATION AND BENEFITS

Trustees' remuneration was paid in the normal course of duties, and for the period of trusteeship was as follows:

	2020	2019
	£	£
Salaries	81,625	79,182
Pension contributions	4,081	3,180
Benefit in Kind	6,593	5,858
	<u>92,299</u>	<u>88,220</u>

The above was all in relation to Mr C M Brayne for the current and previous year.

Authority to pay trustees remuneration is provided by the Articles of Association of the charitable company.

Trustees' expenses

2 trustees were reimbursed expenses of £299 during the year (2019: £162 expenses were reimbursed to 1 trustee).

7. STAFF COSTS

The aggregate payroll costs were:

	2020	2019
	£	£
Wages and salaries	8,399,278	8,340,098
Employer's national insurance	748,502	762,944
Pension contributions	396,145	296,395
	<u>9,543,925</u>	<u>9,399,437</u>

Particulars of employees:

The average number of staff employed by the charitable company during the financial year amounted to:

	2020	2019
Archaeologists	260	263
Education/Outreach staff	2	1
Support staff	49	46
	<u>311</u>	<u>310</u>

The number of employees whose earnings for the year exceeded £60,000 are within the following bands:

	2020	2019
	No.	No.
£60,000 - £69,999	2	4
£70,000 - £79,999	2	1
£80,000 - £89,999	1	-
	<u>5</u>	<u>5</u>

7. STAFF COSTS (Continued)

The key management personnel of the charity comprise the Non-Executive Trustees and the Senior Management Team (Chief Executive Officer, Chief Operating Officer, Chief Technical Officer, Chief Financial Officer, Director – Coastal and Marine, Director - Geoservices and 9 senior managers covering Human Resources, Quality, Research, Compliance, Consultancy, IT and regional Fieldwork Regions). The total employee costs (or consultancy fees where appropriate), comprising salary, compensation for loss of office, pension contributions and benefits in kind and associated national insurance costs of the 15 (2019 – 15) key management personnel of the charity were £1,019,788(2019: £989,527).

WESSEX ARCHAEOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

8. TANGIBLE FIXED ASSETS (GROUP & CHARITY)

	Freehold property £	Leasehold improvements £	Archaeology Evaluation Equipment £	Motor Vehicles £	Office & computer equipment, fixtures & fittings £	Total £
COST OR VALUATION						
At 1 April 2019	700,000	41,249	335,084	13,300	762,868	1,852,501
Additions	-	16,425	178,400	-	372,842	567,667
Revaluation	50,000	-	-	-	-	50,000
At 31 MARCH 2020	<u>750,000</u>	<u>57,674</u>	<u>513,484</u>	<u>13,300</u>	<u>1,135,710</u>	<u>2,470,168</u>
DEPRECIATION						
At 1 April 2019	-	24,641	157,556	13,300	219,817	415,314
Charge for year	-	4,368	110,804	-	209,449	324,621
At 31 MARCH 2020	<u>-</u>	<u>29,009</u>	<u>268,360</u>	<u>13,300</u>	<u>429,266</u>	<u>739,935</u>
NET BOOK VALUE						
At 31 March 2020	<u>750,000</u>	<u>28,665</u>	<u>245,124</u>	<u>-</u>	<u>706,444</u>	<u>1,730,233</u>
At 31 March 2019	<u>700,000</u>	<u>16,608</u>	<u>177,528</u>	<u>-</u>	<u>543,051</u>	<u>1,437,187</u>

WESSEX ARCHAEOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

8. TANGIBLE FIXED ASSETS (continued)

Included within the net book value of £1,730,233 is £211,048 (2019 - £252,297) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £117,749 (2019 - £66,374).

The charitable company had the freehold property valued on 9 November 2020 by Aitchison Raffety, Chartered Surveyors and Property Consultants. The value of the property at this date was £750,000. The Trustees consider this to be the most accurate valuation of the property at 31 March 2020 and are satisfied that there is no material difference between the valuation at 31 March 2020 and the valuation at 9 November 2020.

If the freehold property had not been revalued it would have been included at the following historic cost:

	2020	2019
	£	£
Cost	659,852	659,852
Aggregate depreciation	160,357	160,357
Net book value	499,495	499,495

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

The aggregate payroll costs were:

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	3,690,209	3,506,424	3,697,734	3,506,424
Amounts recoverable on contracts	1,190,757	1,523,830	1,190,757	1,523,830
Amounts owed by subsidiary undertakings	-	-	100,069	-
Other debtors	279,080	854,906	278,922	854,906
Prepayments	109,550	174,631	105,982	174,631
	<u>5,269,596</u>	<u>6,059,791</u>	<u>5,373,464</u>	<u>6,059,791</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Finance lease (see note 12)	125,831	86,211	125,831	86,211
Payments on account	1,357,643	1,544,433	1,357,643	1,544,433
Trade creditors	695,191	937,866	695,191	937,866
Social security and other taxes	755,737	637,919	756,025	637,919
Other creditors	64,428	49,905	63,310	49,905
Accruals and deferred income	53,863	50,003	53,863	50,003
	<u>3,052,693</u>	<u>3,306,337</u>	<u>3,051,863</u>	<u>3,306,337</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (GROUP AND CHARITY)

	2020 £	2019 £
Finance lease (see note 12)	171,350	82,325

12. LEASING AGREEMENTS (GROUP AND CHARITY)

	Finance leases	
	2020 £	2019 £
Net obligations repayable:		
Within one year	125,831	86,211
Between one and five years	171,350	82,325
	<u>297,181</u>	<u>168,536</u>

The tangible fixed assets held under finance lease agreements are provided as security for the obligations under finance lease agreements.

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020 £	2019 £
Within one year	323,457	190,021
Between one and five years	597,930	379,298
More than five years	-	39,908
	<u>921,387</u>	<u>609,227</u>

13. PROVISIONS FOR LIABILITIES (GROUP AND CHARITY)

	Bad debts £	Publication £	Deposition £	Total £
At 1 April 2018	-	11,750	137,033	148,783
Arising and charged in the year	57,900	2,530	27,709	88,139
Utilised in the year	-	-	(9,081)	(9,081)
	<u>57,900</u>	<u>14,280</u>	<u>155,661</u>	<u>227,841</u>
At 1 April 2019	57,900	14,280	155,661	227,841
Arising and charged in the year	-	8,483	99,014	107,497
Utilised in the year	(7,538)	(11,759)	(29,698)	(48,995)
	<u>50,362</u>	<u>11,004</u>	<u>224,977</u>	<u>286,343</u>

Analysed as:

	2020 £	2019 £
Due in less than one year	64,346	64,270
Due in more than one year	221,997	163,571

13. PROVISIONS FOR LIABILITIES (continued)

Publication provision

This provision relates to liabilities associated with publishing project reports in archaeological journals. These journals are produced periodically whenever there are sufficient articles to warrant publication.

Deposition provision

The deposition provision relates to costs which will be incurred when project archives are deposited in the relevant museum. As many of these museums are currently at full capacity, it is not possible to give a certain date as to when this provision will be utilised.

14. MOVEMENT IN FUNDS

With the exception of the revaluation reserve all of the unrestricted funds have been generated from surplus income on archaeological projects which have been carried out in the furtherance of the charitable company's objectives. These funds have been, and continue to be fully utilised in meeting the needs of the charitable company, as explained in the Trustees' report, without which its objectives could not be pursued.

The movement in general funds is analysed in the Statement of Financial Activities. The revaluation reserve increased by £50,000 in the year (2019: no movement) due a revaluation uplift of the Charity's freehold property.

15. RELATED PARTY DISCLOSURES

Dr R Whimster is a Trustee of the Friends of Holy Cross Ramsbury. The charitable Company sold services to the Friends of Holy Cross Ramsbury to the value of £1,655 (2019 - £Nil).

Mrs R K V Cook is a shareholder and director of Beechmast Consultancy Limited. Beechmast Consultancy Limited provided legal services to the charitable company and its subsidiary Wessex Archaeology Ventures Ltd, where she is also a Director, to the value of £35,885 (2019 - £22,603)..

Mr C M Brayne is the Vice Chair / Director of FAME (Federation of Archaeological Managers and Employees) and the charitable company pays an annual subscription of £830 (2019 - £790).

Mr C M Brayne is also a Commissioner for Royal Commission on the Ancient and Historic Monuments of Wales (RCAHMW). The charitable company paid RCAHMW in respect of search fees to the value of £70 (2019 - £Nil). The charitable company sold services to RCAHMW to the value of £437 (2019 - £1,287).

There were no further related party transactions in the current or previous year.

16. ULTIMATE CONTROLLING PARTY

The charitable company has no ultimate controlling party.

17. SUBSIDIARY UNDERTAKINGS

Wessex Archaeology Ventures Limited was incorporated on 8 November 2018 and began trading during the year. Wessex Archaeology Limited owns 100% of the share capital of Wessex Archaeology Ventures Limited.

A summary of Wessex Archaeology Ventures Limited's financial performance is shown below. Full audited accounts are available publicly available at Companies House.

Profit and loss account

	2020
	£
Turnover	1,915
Expenditure	(3,706)
	<hr/>
Operating loss	(1,791)
Interest receivable	135
Interest payable	(335)
	<hr/>
Loss for the year	(2,011)
	<hr/> <hr/>

Wessex Archaeology Ventures Limited owns 100% of the share capital of Trident WA GmbH, a company limited by shares and registered in Germany. A summary of Trident WA GmbH's financial performance is shown below:

	2020
	£
Expenditure	(57,904)
	<hr/>
Operating loss	(57,904)
Interest payable	(143)
	<hr/>
Loss for the year	(58,047)
	<hr/> <hr/>

WESSEX ARCHAEOLOGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

18. CHARITY-ONLY STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Total 2020 £	Total 2019 £
INCOME FROM:			
Charitable activities	3		
Archaeological projects		15,348,311	16,434,811
		<u>15,348,311</u>	<u>16,434,811</u>
EXPENDITURE ON			
Charitable activities	4		
Total		15,576,856	15,606,428
		<u>15,576,856</u>	<u>15,606,428</u>
NET (EXPENDITURE)/INCOME		(228,545)	828,383
Gains on revaluation of fixed assets		50,000	-
		<u>50,000</u>	<u>-</u>
NET MOVEMENT IN FUNDS		(178,545)	828,383
RECONCILIATION OF FUNDS			
Total funds brought forward		5,408,025	4,579,642
TOTAL FUNDS CARRIED FORWARD		<u>5,229,480</u>	<u>5,408,025</u>