

COTSWOLD ARCHAEOLOGY LIMITED
(A Company Limited by Guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st MARCH 2021

COMPANY REGISTRATION NUMBER - 2362531
CHARITY NUMBER - 1001653

WENN TOWNSEND
CHARTERED ACCOUNTANTS

COTSWOLD ARCHAEOLOGY LIMITED
(A Company Limited by Guarantee and not having a Share Capital)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31st MARCH 2021

OBJECTIVES AND ACTIVITIES

Objectives

The object of the Charity is to advance the education of the public in the subject of archaeology and the appreciation and understanding of the historic environment in the United Kingdom and other parts of the world. We achieve this by creating knowledge which is gathered from archaeological investigations and other research.

Cotswold Archaeology strongly supports a sustainable approach to our cultural heritage, and we utilise our professional expertise to balance the preservation of the most important aspects of our heritage with society's current and future needs. Within this framework of environmental sustainability, we adhere to the principle that significant heritage assets and their settings should be preserved, but where this is not possible ensure that such assets are recorded to the highest standards, and the results of this work are widely disseminated. As a Registered Organisation with the Chartered Institute for Archaeologists (CIfA) we signify our commitment to the maintenance and development of the highest professional standards.

During the year the Charity adopted a new Strategic Plan to guide its activities until the end of 2025.

Mission

Cotswold Archaeology exists to increase public awareness and appreciation of the past. We create and communicate knowledge so that it can be valued and enjoyed by present and future generations. We are a leading supplier of professional heritage services who provides high-quality expertise and advice to our customers. We continually aim to improve our service so that we maintain our market-leading reputation.

Values

Our Guiding Principles are:

- We use our research to make the past relevant, interesting and enjoyable to a broad spectrum of beneficiaries;
- Developing knowledge of the past amongst stakeholders increases community cohesion and identity, and furthers an overall appreciation of the world we live in;
- Engagement with heritage activities, either directly or indirectly, benefits individual wellbeing;
- We commit to the maintenance and development of the highest professional standards in our activities;
- We always strive to meet the needs and aspirations of our customers; and
- We want to be a great company to work for.

We link our activities to our Mission and Values through a performance chain that measures our efficiency and effectiveness.

Vision / Strategic Goals

We have defined six objectives for the period to 2025:

Objective 1: Increase society's understanding and appreciation of the past through improved awareness and knowledge of archaeology.

Objective 2: Enhance our reputation as a high performing and innovative Charity that produces excellent work.

Objective 3: Commitment to the health, safety wellbeing and safeguarding of our staff.

Objective 4: Remain a top tier provider of professional heritage services in the UK.

Objective 5: Be a resilient, secure and stable Charity that can adapt to changing circumstances and is well prepared for unexpected events.

Objective 6: A great employer. Be one of the best companies in our sector to work for.

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Public Benefit

Our Mission, Values and Vision all combine towards the delivery of a public benefit, which Trustees keep under regular review by reference to the guidance on public benefit published by the Charity Commission following the Charities Act 2011. This requires an identifiable benefit or benefits to arise from the work of charities, and such benefits to be available to the public or a section of the public. The activities of Cotswold Archaeology meet that test.

STRATEGIC REPORT

Achievements and Performance

In this section we report on our performance during the year in delivering the objectives set out in the previous section. We evaluate our activities under the headings of *Knowledge Creation*; *Facilitating Access to Knowledge* (which collectively address Objectives 1 and 2); *Developing and Caring for our People* (which addresses Objectives 3 and 6) and *Company Infrastructure*. The Financial and Operational Review in the next section details our progress with Objectives 4 and 5.

Knowledge Creation

Archaeological investigations are an important means by which knowledge about the past is created. The frequency and scale of these projects is closely tied to the level of construction activity in the UK. The Covid-19 pandemic seriously disrupted our activities in the spring of 2020 due to the Government's implementation of travel and social distancing measures on 23 March 2020. This had a profound and immediate effect upon our operations and many staff were put on to the Government's Coronavirus Job Retention Scheme ('furlough') from 1 April. The charity also availed itself of the facility to defer a VAT payment until February 2021. At its peak 64% of staff were on furlough; by 30 June 2020 this had reduced to 22% and by 30 September 4%. The total funds received from the Job Retention Scheme during the year amounted to £658k.

The disruption in demand for our fieldwork services, whilst severe, did abate as construction activity picked up in the summer of 2020, and the Charity had a very active fieldwork programme in the second half of the financial year. The demand for post-excavation work took longer to recover but we had a full order book by the end of the calendar year. Consultancy services experienced a slight lull in demand but recovered strongly. The four economic sectors which generated the most demand for our services in the year were: new transport projects; residential housebuilding; commercial developments, and energy/water schemes. Many new projects commenced during the year, alongside continuing work on those initiated previously.

The five largest projects undertaken during the year were field investigations in Bristol, Buckinghamshire, Essex, Oxfordshire and Suffolk. We also devoted considerable resources to post-excavation analysis and report production, desk-based research and projects associated with historic buildings. Field projects conducted during the year which will have a high research impact when the results have been fully analysed and disseminated include:

- *Burwell, Cambs.* Prehistoric and medieval exploitation of the fen edge including medieval buildings;
- *Clyst Honiton, Devon.* Bronze Age barrows, Roman and post-Roman settlement enclosures;
- *Harlow, Essex.* Bronze Age barrows, Early Iron Age settlement and a Roman cremation cemetery;
- *Bicester, Oxon.* Middle to Late Iron Age settlement superseded by Romano-British droveways, enclosures, drainage channels, wells, waterholes and cremation burials adjacent to the Roman town of Alchester;
- *Somerton, Somerset.* Late Iron Age to Late Roman sequence of a round house, enclosures, barn, smithy and lambing shed adjacent to a Roman villa;
- *Barnwood, Gloucester.* Mid to Late Roman enclosure, trackway, inhumation burials, ovens, and a lime kiln, the latter the first such structure of this date from Gloucestershire;
- *Houghton Regis, Central Beds.* Late prehistoric and Roman settlement and agricultural activity, including a cremation cemetery. Medieval roadside/back plot activity of 11th to 14th-century date;
- *Stowupland, Suffolk.* Prehistoric boundaries and a shrunken medieval hamlet;
- *Cambridge.* Structures associated with the medieval nunnery which preceded the foundation of Jesus College; and
- *Bristol.* Victorian workhouse cemetery containing several thousand burials.

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Work on historic buildings was in many cases associated with schemes which aim to provide sympathetic new uses for old buildings which no longer serve their original function. We also produced conservation management plans for a variety of historic sites which will assist in securing a sustainable future for these important places.

Over the last decade the Charity has actively striven to diversify its activities, both by increasing the geographic spread of its projects and expanding the range of services which it can provide. To this end we supplemented our original office in Cirencester by opening further offices in Milton Keynes in 2011; Andover in 2012; Exeter in 2015 and Suffolk in 2019. The decision was taken during the year to close the Exeter office. In addition to the delivery of project work, our offices function as hubs from which we can forge links with local stakeholders. The existence of these offices allowed us to undertake investigations in many parts of England and Wales during the year.

Collaborations and Partnerships

The Board believes that benefits accrue from working in partnership with other organisations (both within and outside of the heritage sector) that share similar values and objectives to us. In some situations, partnerships with other archaeological organisations allow us to work on larger projects without exposing ourselves to excessive risk.

During the year we worked with Oxford Archaeology Ltd (a registered charity) on a major fieldwork investigation in Essex and Kent, and on the post-excavation analysis of a prehistoric causewayed camp at Thame, Oxfordshire, and a site within the Redcliffe suburb of medieval Bristol. A Joint Venture with Oxford Archaeology and Pre-Construct Archaeology Ltd (COPA) allowed us to participate in the HS2 railway project without undue financial risk or resource requirements. COPA also worked in association with MoLA-Headland Infrastructure on post-excavation analysis of archaeological investigations associated with the upgrade of the A14 trunk road in Cambridgeshire.

Our collaboration with the Universities of Exeter and Reading on a major project examining the relationship between Roman and medieval Exeter and its hinterland culminated in 2021 in the publication of two substantial monographs and a magazine article showcasing the project. We plan to commence a new project in 2021 with the University of Exeter researching human remains from Roman Gloucester ('Tales from Trauma').

Thanks to the receipt of a generous grant, the Charity has been able to sponsor a student to undertake a PhD researching Roman ceramic building materials at the University of Kent.

Innovation and Professional Citizenship

Knowledge creation is served by the existence of a strong heritage sector, a well-trained work force; and a corporate commitment to innovation and service development. Cotswold Archaeology is accredited under the ISO 9001: 2015 quality management scheme. As such we commit to continuous improvement. We have identified a number of specific areas where we will focus our energies to improve our service. We are committed to developing our staff to their maximum potential and have already invested heavily in a sector-leading and award-winning graduate training programme. We also believe that the future health of field archaeology will rest upon the ability of our sector to recruit and train more non-graduates as field archaeologists. Charity staff play an active role in the professional development of the heritage sector, sitting on numerous committees and working groups, both within the UK and internationally.

During the year plans were developed to enhance our ability to capture archaeological data digitally in the field using a Digital Recording System developed by Oxford Archaeology.

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Facilitating Access to Knowledge

Dissemination of Research

Cotswold Archaeology is committed to high standards in research and sets great store by the academic quality of its research publications. Our activities deliver a public benefit as we make the results of our work widely available to our beneficiaries at little or no cost. Our monographs and journal articles are widely available either through public lending libraries or as free downloads from our website. Our online library of grey literature reports which allows visitors to download for free digital versions of our unpublished fieldwork reports continues to be a very popular and well-used resource. All our out-of-print monographs are available as pdf downloads from our website, along with an increasing number of reports published in journals and periodicals.

Two monographs were published during the year, one concerned with investigations associated with the construction of a gas pipeline in South Wales, the other entitled *Roman and Medieval Exeter and Their Hinterlands*. 24 other reports were published in a variety of academic journals on fieldwork projects in Berkshire, Buckinghamshire, Carmarthenshire, Devon, Gloucestershire, Hertfordshire, Leicestershire, Oxfordshire, Surrey, Wiltshire and Worcestershire. These journals are widely distributed, both in the UK and internationally, and can be obtained from public libraries and, increasingly, online. Much preparatory work was undertaken on reports on other projects which will appear in the next few years.

Our unpublished reports are available either via our website or at publicly accessible archives. The Reports Online section of our website now hosts 4,370 fieldwork reports (4,118 in 2020), and the number continues to grow steadily. The reports can be searched via a powerful keyword and map-based interface and downloaded at no cost. This section of the website attracted 28,371 report views/downloads during the year (up from an estimated 21,000 in 2019). Some 1,877 (1,778 in 2020) of these reports are also freely available via the OASIS website (<http://www.oasis.ac.uk>).

Outreach and Community Engagement

Alongside our publications that are aimed primarily at the research end of the educational spectrum, we are also committed to communicating our work to a wide range of other beneficiaries, including people of all ages and varying levels of prior knowledge of archaeology. Our beneficiaries range from school children to retired people and from those with a well-developed passion for the past to those with a more casual interest in the history of their community and local area.

The Charity's educational and outreach activities were seriously disrupted by the Covid-19 pandemic with all in-person events scheduled from April 2020 cancelled. The Charity therefore decided to concentrate efforts on improving our remote digital offering, facilitated by the appointment of an Outreach Officer in January 2021. An updated Outreach Action Plan was endorsed by trustees in March 2021. Much preparatory work was undertaken on projects scheduled for the summer of 2021 onwards, including three projects supported by the Heritage Lottery Fund in Suffolk, and another in partnership with the Society of Antiquaries of London in Oxfordshire. Our annual lecture took place as an online event in May 2021, our first substantial foray into this medium. The lecture proved to be a success and further online initiatives are planned.

The Charity actively encourages and supports public participation in archaeology as this can support individual well-being and looks forward to the resumption of in-person activities, including reviving opportunities for volunteers where this is appropriate and in line with our adopted policies.

Our website is a valuable means of communicating with a wide audience. Despite a dip in visitors due to the pandemic in the spring of 2020, interest recovered strongly from the summer onwards and the number of website sessions for 2020 (76,618) was a 17% increase on 2019. Website plans for the coming year include creating a finds gallery/virtual museum, developing and expanding our outreach section, and improving the Reports Online website and linkages to our Social Media.

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Our Social Media programme continues to help us educate additional audiences and demographics to those traditionally targeted by our academic publications. Our performance in terms of engagements achieved is impressive, particularly on Instagram and Twitter. We will also continue to monitor new/alternative platforms. Our content generates many in-depth archaeological discussions and conversations, with and between our online community. We particularly value these interactions as they demonstrate that our online presence appeals to our followers for a multitude of reasons - amongst others, there are people from overseas who wish to connect with British history; those who use our work as material for home-schooling their children; and individuals who are unable to physically participate in fieldwork for a variety of reasons.

Across our five active platforms (Facebook; Twitter; Instagram; LinkedIn; YouTube) we have seen increases in the number of postings (circa 500 cross-channel posts between October 2020 to February 2021, compared to 361 posts for the same period the previous year) and in the number of followers (23,201 for 2020, compared to 19,238 for 2019 and 10,469 for 2018), and have consistently scored 'very high engagement rates' as rated by industry experts throughout 2020.

In summary, despite the impact of the pandemic, the activities of the Charity have had a considerable impact on the various constituencies (public; professional; academic) interested in the archaeology and history of the United Kingdom, and our work has furthered public knowledge and understanding of the historic environment.

Developing and Caring for our People

The Charity cannot deliver its objectives without an expert, well-trained and motivated work force. Recruitment of adequate numbers of professional archaeologists with appropriate skills and experience is a challenge across the heritage sector, and for that reason we place great emphasis on the recruitment and retention of talented individuals. The Charity continues to invest in a variety of staff training and well-being initiatives. Over the last couple of years we have introduced measures to provide greater support for mental health in the workplace.

We once again took part in the Mind Wellbeing Index at the end of 2020 and our overall score increased compared to that achieved in 2019. We retained our 'Bronze rating' which means that we have 'started the journey to better mental health at work by developing and implementing initiatives that promote positive mental health for staff'. We have made improvements in the procedures and structures supporting mental health and are continuing to seek improvements to our company working culture so that it is clearer to colleagues that they can be open about their mental health, and will be supported if they do so. With the interruptions to normal business caused by the outbreak of Covid-19, several actions identified in our Mental Health Action plan scheduled for 2020 have been delayed but will be implemented when operational requirements allow.

The Charity remains committed to reducing our gender pay gap and will continue to pursue measures to improve this imbalance.

The Charity strives to set and maintain exemplary standards of health and safety performance to ensure the health, safety and well-being of our staff and all others affected by our work. We recognise that a safe working culture in which no one is harmed is fundamental to the success of our Charity. The Trustees approved an updated Health and Safety Policy and Procedures in March 2021, and receive an annual health, safety and welfare report. Whilst overall responsibility for policy and implementation rests with the Board, it has delegated to the Chief Executive authority for policy provision, safety management systems and legal compliance. It is an objective for 2021/22 for the Charity to obtain accreditation under the ISO 45001: 2018 standard which covers occupational health and safety. Preparatory work to prepare for that accreditation commenced during the year.

Company Infrastructure

The need for enhanced levels of remote working at short notice was a challenge for our IT systems and capability, but one that we met successfully. Our principal investment during the year was the implementation of enhanced disaster recovery measures for our IT infrastructure via a cloud backup.

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The Trustees require that Cotswold Archaeology acts in an environmentally responsible fashion and actively works to minimise the environmental impact of its activities. The Charity's Environmental Management System is independently certified as compliant with ISO 14001: 2015 and underwent external audit in 2021.

Future Plans

At the time of writing the longer-term impacts of the Covid-19 pandemic are difficult to predict, but our experience over the last year gives us confidence that we can continue to operate effectively and in line with Government Covid-19 precautions. The Charity has a strong order book of projects for 2021 and the trustees currently believe that the Charity is well placed to achieve its income targets and budgets for 2021/22.

Objectives for 2021/22 include:

- Complete a review of our corporate alignment with the 2017 Charity Governance Code for England and Wales, and update our Code of Governance and other documentation accordingly;
- Explore our capacity to offer enhanced levels of home/hybrid working arrangements for some of our staff;
- Gain occupational health and safety management accreditation ISO 45001: 2018;
- Enhance our ability to capture archaeological data digitally during fieldwork via a Digital Recording System;
- Continue with staff training programmes to improve the financial control of projects and risk management;
- Implement a new Outreach Action Plan;
- Review and refresh our panel of Specialist Academic Advisors; and
- Consult with staff on the contents of the new Strategic Plan and the recommendations arising from the Mind mental health survey and our annual staff survey.

We wish to remain a leading supplier of professional heritage services in the UK and will work to further consolidate our position and reputation within and outside the heritage sector. This will mostly be achieved through the delivery of our existing services, although we also hope to develop further partnerships with academic institutions to deliver high-quality synthesis and research projects. We continue to develop our expertise and track record in public outreach and community engagement and will continue to invest in this as in-person activity restarts.

FINANCIAL AND OPERATIONAL REVIEW

Investigations of archaeological and heritage sites are largely funded by bodies which act in the role of developer, and it is normal practice for these bodies to engage our services through contract. We maintain a professional archaeological service to undertake this research. The major sources of this income derive from Government agencies, local authorities, landowners and commercial organisations. The Charity secured an income of £19,048,339 from its unrestricted activities to enable it to undertake its work (£12,799,324 in 2020). We registered a surplus for the year of £610,615 (£685,755 in 2020).

The amount of heritage work undertaken in the UK is closely tied to the health of the construction and development industries. Whilst the UK economic outlook remains uncertain as a consequence of the Covid-19 pandemic, the Trustees consider that the charity is sufficiently robust financially to withstand a short-term diminution in the demand for its services as a consequence of deterioration in construction activity.

The Charity maintains close control of its finances. A budget is adopted by the Board for each forthcoming financial year, and performance is measured against this. Key financial indicators are monitored by the Senior Management Team on a monthly basis, and the quarterly management profit and loss account and balance sheet are reviewed by either the Finance and Resources Committee or Full Board. If significant variation to budget is anticipated, a revised budget is prepared for Board approval during the year. The Charity implements rigorous credit control procedures to ensure the timely payment of bills and the maintenance of liquidity and cash flow.

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Pension Schemes

The Charity operates two pension schemes, one defined contribution scheme (administered by Royal London) and a defined benefit scheme administered through the Gloucestershire County Council Pension Fund. The defined contribution schemes are open to all employees whilst the defined benefit scheme was closed to new entrants in 2007. The deficit on our individual fund within the Gloucestershire County Council pension fund increased during the year and stood at £1,960,000 on 31 March 2021. Employer contribution rates are currently fixed until 31 March 2023.

Trustees have paid close attention to the implications of the pension deficit on the operations of the Charity over many years. Whilst they consider that the deficit poses no short-term risk to the Charity, they remain mindful of the long-term implications. Accordingly, a fund designated against our pension deficit was created in 2014 within our unrestricted funds, and the Charity intends to increase the value of this fund as finances allow.

Reserves Policy

The Reserves Policy was reviewed and revised during the year. Trustees consider it important to build-up sufficient free unrestricted reserves not designated for other purposes to finance our planned programme of research for the foreseeable future. The Trustees consider that we should aim to have available sufficient finance to fund between three- and six-months' working capital to allow normal business activities to be undertaken without major financial risk, and to mitigate the risks to the Charity of a shortfall in budgeted income. The trustees intend to review this policy once market conditions become clearer as the impact of the Covid-19 pandemic eases.

Investment Policy

The Charity has built up funds from its trading operations which are held as unrestricted reserves. Part of these funds is retained in cash deposits to support day-to-day cash flow requirements and the remainder is available for investment. The sums required or available in both categories fluctuate according to trading conditions, so flexibility is an important consideration. We aim to preserve the value of our invested funds against inflation and to achieve modest capital growth by means of prudent placements in a diversified range of investments with a low level of risk. Diversity is sought both in terms of the range of placements and length of commitment. Within this policy, the Trustees have delegated responsibility for investments to the Finance and Resources Committee which comprises both Trustees and professionally qualified staff. The Finance and Resources Committee undertakes on an annual basis a financial health check of the investment portfolio. This investment policy is itself subject to annual review. No additional investments are anticipated in the short term.

Principal Risks and Uncertainties

The Trustees have identified and reviewed the risks to which the Charity is exposed and approved a risk management policy which sets out procedures and systems to mitigate those risks. Risk is assessed as part of the ISO 9001: 2015 quality management system and is subject to annual external audit. The Senior Management Team maintains a Risk Register which is subject to regular updating, and this is reviewed by Trustees at every Full Board meeting. The principal risks, defined as those which score highest in the risk matrix, are:

Operational Risks

- Competition for staff within the heritage sector creates pressure on staff numbers and skill levels;
- Maintenance of adequate provision of IT support to ensure smooth operation of systems; and
- Ramifications arising from a serious health and safety incident.

Financial Risks

- Disruption brought about as a consequence of the Covid-19 pandemic;
- Inadequate commercial awareness leads us to accept overly risky contracts; and
- Costs and time of transporting staff to work on projects at distance from their home bases not fully recovered in contract pricing.

Trustees are satisfied that appropriate contingency measures are in place to mitigate these risks.

The Charity maintains a Business Continuity Plan which is reviewed as part of the ISO 9001: 2015 system.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Cotswold Archaeology Limited is registered as a Charity. It is also incorporated as a Company, limited by guarantee and without share capital. The Charity is run in accordance with its Articles of Association and Memorandum of Association, which were last revised in 2011. The Articles state that the Board of Directors, who are also Charity Trustees, shall not be less than five or more than twelve. One third of the Directors retire by rotation at the Annual General Meeting. The Directors to retire are those that have been longest in office since their last election or appointment. A retiring Director is eligible for re-election. Three trustees have served on the Board for in excess of nine years: Mr A. Chater to assist with long-term business continuity and on account of his special experience with financial management; Prof. T.C. Darvill on account of his especial expertise and experience in the heritage sector, and Mr K. Winmill to assist with long term business continuity and on account of his local knowledge and contacts in one of our core operating areas. The Chairman and Committee Chairs are elected on an annual basis. The Board has decided to review its alignment with the Charity Governance Code for England and Wales (2017) and will complete this task in 2021. The review will feed into a scheduled periodic review of the Charity's Code of Governance.

Potential new trustees are identified through advertisement or informal contact. During this process Trustees are mindful of their desire to consider Equality, Diversity and Inclusion in the composition of the Board. Candidates receive a programme of induction from the Chief Executive to fully inform them of the workings of the Charity and the responsibilities attached to trusteeship. They are issued with an induction pack and briefed on the organisation of archaeology in the UK and the objectives, opportunities and challenges facing the Charity. Candidates' CVs and supporting information are presented to the Board for consideration. Members of the Board are reimbursed for out-of-pocket expenses, such as transport costs to attend meetings and visit projects but are otherwise not remunerated.

The Full Board normally meets twice per year, while its two sub-committees (Finance and Resources and Archaeology) each meet on at least a further two occasions. Trustees are required to declare any interests at the commencement of each meeting. Full Board attendance during the year was 97%. Reports from the sub-committees are presented to the Full Board. The Chief Executive has responsibility for appraising Trustees of new legislation, guidance and statements of good practice to enable them to effectively discharge their responsibilities.

The management of the Charity is regulated by a Code of Governance and our strategic direction is guided by a Strategic Plan. A new Plan covering the period to the end of 2025 was adopted in March 2021.

The Board of Trustees measures the success of the Charity in meeting its stated aims and objectives at biannual Full Board meetings. It reviews progress against 36 specific targets set out in the Strategic Plan which underpin the six strategic goals which form our Corporate Vision. The Board also receives reports from the Archaeology Committee which acts as custodian of high academic and professional standards in the heritage services provided. That Committee also monitors and reviews the effectiveness of our outreach and community engagement activities. A panel of Specialist Academic Advisors assists the trustees in validating and assuring the quality of our projects and publications.

To meet our charitable objectives, the Board appoints salaried staff to undertake projects under the leadership of a Chief Executive. The Chief Executive is supported in operational management by a Senior Management Team, the structure of which was reviewed during the year. The Team comprises, in addition to the Chief Executive, Commercial Director and Director of Fieldwork; Finance Director; Director of Heritage Consultancy; Director of HR and Facilities, and Director of Research and Engagement. The Commercial Director is tasked with responsibility for the oversight and financial control of our trading operations, including management of contract risk. To allow the Charity to respond to the demands for its services a staff of around 266 (223 in 2020) is maintained. The Full Board approves the annual staff pay award, following prior consideration by the Finance and Resources Committee. The pay and remuneration packages of the Senior Management Team are set by the Full Board with reference to the salaries offered for comparable posts, and local employment conditions.

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FOR THE YEAR ENDED 31st MARCH 2021

Status and Administration

The Directors, who are also Charity Trustees, and who served during the year were:

Professor T C Darvill (Chairman) OBE
Ms V E P Fenner (Vice Chair)
Mr A M Chater
Mr P P J Cullen
Dr L H Evis
Professor C M Gerrard
Ms K A Josephides
Ms C Kirk
Ms S B Parsons
Mr K R Wade
Mr K P Winmill
Dr C J Young

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GL7 6BQ

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25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Auditors: Wenn Townsend
Gosditch House
5 Gosditch Street
Cirencester
Gloucestershire
GL7 2AG

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Taxation Status

The Company is a registered Charity within the terms of the Income and Corporation Taxes Act 2007.

Directors Responsibilities

The Directors are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 presume that the Charitable Company will continue in operation.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Wenn Townsend having expressed their willingness to continue in office, will be deemed to be reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notice under section 488(1) of the Companies Act 2006.

By Order of the Directors



K A Josephides

CHAIR OF THE FINANCE AND RESOURCES COMMITTEE

Date: 4th August 2021

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INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF COTSWOLD ARCHAEOLOGY LIMITED

We have audited the financial statements of Cotswold Archaeology Ltd (the 'Charitable Company') for the year ended 31st March 2021 which comprise the Statement of Financial Activities, Balance Sheet and 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).

Opinion on financial statements:

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31st March 2021, and of its incoming resources and application of resources, including its 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.

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 Charitable Company 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

COTSWOLD ARCHAEOLOGY LIMITED
(A Company Limited by Guarantee and not having a Share Capital)

INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF COTSWOLD ARCHAEOLOGY LIMITED

Other information

The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual 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. 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material inconsistencies, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 (incorporating the strategic report and the directors' report) 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 requires us to report to you if, in our opinion:

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

COTSWOLD ARCHAEOLOGY LIMITED
(A Company Limited by Guarantee and not having a Share Capital)

INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF COTSWOLD ARCHAEOLOGY LIMITED

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 10, 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 Charitable Company'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 Charitable Company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

COTSWOLD ARCHAEOLOGY LIMITED
(A Company Limited by Guarantee and not having a Share Capital)

INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF COTSWOLD ARCHAEOLOGY LIMITED

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Charitable Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charitable Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Charitable Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during 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. 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.



Ruth Herbert FCCA
Senior Statutory Auditor
For and on behalf of Wenn Townsend, Statutory Auditor
5 Gosditch Street
Cirencester
Gloucestershire

Date: 4th August 2021

COTSWOLD ARCHAEOLOGY LIMITED
(A Company Limited by Guarantee and not having a Share Capital)

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31st MARCH 2021

	<u>Note</u>	<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Fund</u>	<u>2021</u> <u>Total</u>	<u>2020</u> <u>Total</u>
Income					
Donations and Legacies:					
Income from charitable activities:					
Archaeological projects		18,371,206	-	18,371,206	12,669,255
Book sales		984	-	984	1,410
Donations		-	26,992	26,992	122,670
Government grants		658,122	-	658,122	
Investment income		11,927	-	11,927	16,482
Surplus on fixed assets disposals		6,100	-	6,100	19,000
Total Incoming Resources		19,048,339	26,992	19,075,331	12,828,817
Expenditure					
Expenditure and charitable activities:					
Archaeological projects		17,185,356	-	17,185,356	11,886,806
Other support costs		398,598	-	398,598	446,716
Total Resources Expended	4	17,583,954	-	17,583,954	12,333,522
		1,464,385	26,992	1,491,377	495,295
Unrealised surplus/(loss) on investments		2,238	-	2,238	(540)
Net Incoming Resources for the year		1,466,623	26,992	1,493,615	494,755
Actuarial (loss)/gain on defined benefit pension scheme		(883,000)	-	(883,000)	191,000
Net Movement on Funds		583,623	26,992	610,615	685,755
Fund Balances brought forward		3,824,632	42,893	3,867,525	3,181,770
Fund Balances carried forward	12	£ 4,408,255	£ 69,885	£ 4,478,140	£ 3,867,525

The notes on pages 19-29 form an integral part of these financial statements

COTSWOLD ARCHAEOLOGY LIMITED
(A Company Limited by Guarantee and not having a Share Capital)

BALANCE SHEET
31st MARCH 2021

	<u>Note</u>		<u>2021</u>	<u>2020</u>
<u>Fixed Assets</u>				
Tangible Fixed Assets	5	361,146	464,630	
Investments	6	544,826	533,195	
			905,972	997,825
<u>Current Assets</u>				
Debtors	7	7,100,062	4,411,151	
Cash at Bank and in Hand		3,665,575	2,123,474	
		10,765,637	6,534,625	
Deduct: <u>Creditors</u> (Amounts falling due within one year)	8	5,233,469	2,587,925	
<u>Net Current Assets</u>			5,532,168	3,946,700
<u>Total Net Assets before Pension Liability</u>			6,438,140	4,944,525
Defined benefit pension scheme liability	13		(1,960,000)	(1,077,000)
Total assets less current liabilities			£ 4,478,140	£ 3,867,525
Financed by:				
<u>Unrestricted Funds:</u>				
General	11	2,668,255	2,414,632	
Designated		1,740,000	1,410,000	
			4,408,255	3,824,632
<u>Restricted Fund</u>	10		69,885	42,893
			£ 4,478,140	£ 3,867,525

These financial statements were approved by the Finance and Resources Committee and signed on behalf of the Committee on 4th August 2021



K A Josephides
CHAIRMAN OF THE FINANCE AND RESOURCES COMMITTEE

The notes on pages 19-29 form an integral part of these financial statements

COTSWOLD ARCHAEOLOGY LIMITED
(A Company Limited by Guarantee and not having a Share Capital)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31st MARCH 2021

	<u>2021</u>	<u>2020</u>
CASH USED IN OPERATING ACTIVITIES	1,645,980	253,663
CASHFLOW FROM INVESTING ACTIVITIES		
Interest received	11,927	16,482
Payments to acquire tangible fixed assets	(108,037)	(197,522)
Receipts from disposal of tangible fixed assets	6,100	19,000
	<hr/>	<hr/>
Cash provided by (used in) investing activities	1,555,970	91,623
Purchase of fixed asset investments	-	-
Cashflow from financial activities	(13,869)	(8,628)
	<hr/>	<hr/>
INCREASE IN CASH	1,542,101	82,995
	<hr/>	<hr/>
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR	2,123,474	2,040,479
	<hr/>	<hr/>
TOTAL CASH AND CASH EQUIVALENT AT THE END OF THE YEAR	£ 3,665,575	£ 2,123,474
	<hr/>	<hr/>

The notes on pages 19-29 form an integral part of these financial statements

COTSWOLD ARCHAEOLOGY LIMITED
(A Company Limited by Guarantee and not having a Share Capital)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31st MARCH 2021

RECONCILIATION OF OPERATING SURPLUS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	2021	2020
Net Incoming/(outgoing) resources	610,615	685,755
Depreciation	211,521	244,375
(Profit)/loss on disposal of fixed assets	(6,100)	(19,000)
Actuarial loss/(profit) on defined benefit pension scheme	883,000	(191,000)
Unrealised (profit)/loss on investments	2,238	(540)
Interest received	(11,927)	(16,482)
(Increase)/Decrease in debtors	(2,688,911)	(1,176,472)
Increase/(Decrease) in creditors	2,645,544	727,027
	<hr/>	<hr/>
Net cash inflow from operating activities	£ 1,645,980	£ 253,663
	<hr/>	<hr/>

ANALYSIS OF CHANGES IN NET FUNDS

	1st Apr 2020	Cash flow	Other non-Cash Changes	31st Mar 2021
Cash at bank and in hand	£ 2,123,474	£ 1,542,101	£ -	£ 3,665,575
	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 19-29 form an integral part of these financial statements

COTSWOLD ARCHAEOLOGY LIMITED
(A Company Limited by Guarantee and not having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2021

General information

The Company is a private company limited by guarantee, registered and incorporated in England and Wales. The address of the registered office is Building 11, Cotswold Business Park, Cirencester, Gloucestershire GL7 6BQ

Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Cotswold Archaeology Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Depreciation

Depreciation is provided using the following rates and bases which reflect the anticipated useful lives of the assets and their residual value:

Plant and Equipment	25% straight line
Improvements to Leasehold Property	5 years (Term of Lease)

Revenue Recognition

The Company's primary source of income derives from archaeological project contracts. Income from these contracts is recognised when receivable. Incoming resources from grants and donations are included when receivable. In respect of long-term contracts and contracts for ongoing services, turnover represents the value of work done in the year, including estimates based on time costs and actual expenditure costs for amounts not yet invoiced. All incoming resources are included in the Statement of Financial Activities (SOFA) 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.

Interest Income

Interest income is recognised when it is received.

Resources Expenditure

Expenditure is recognised in the period in which they are incurred and include attributable VAT which cannot be recovered.

- Charitable expenditure comprises costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both direct and indirect costs whose charges is necessary to support them.
- Support costs include those costs associated with meeting the constitutional and statutory requirements at the Charity including audit fees and administrative labour.

Investments

Investments held as fixed assets are revalued at market value of the balance sheet date and the gain or loss taken to the SOFA.

COTSWOLD ARCHAEOLOGY LIMITED
(A Company Limited by Guarantee and not having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2021

Accounting Policies (continued)

Pensions

The Company operates a pension scheme providing benefits based on pensionable pay which was closed to new members in 2007. The assets of the scheme are held and managed separately from those of the Company. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the Company. The contributions are determined by a qualified actuary on the basis of triennial valuations.

The scheme is being accounted for under FRS102, with the annually calculated notional surplus or deficit on the funding of the scheme is shown in the accounts as a designated pension scheme fund entitled "Pension Reserve", which is deducted from unrestricted funds in the balance sheet. The directors believe that the scheme currently meets statutory minimum funding requirements. The directors note that the calculated notional deficit or surplus calculated under FRS102 can vary greatly from year to year depending on the assumptions made at the valuation date, but with little or no effect on short term cash flows.

The employees not entitled to be part of the above scheme are entitled to be members of a defined contribution scheme. The costs charged in the financial statements represent the contribution payable by the Company during the year.

Operating Leases

The Charity classifies the lease of property and motor vehicles as operating leases; the title to the equipment remains with the lessor and the equipment is replaced before the end of its economic life. Rental charges are charged on a straight-line basis over the term of the lease.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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 the 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.

Funds

The Company's funds consist of unrestricted and restricted amounts. The Company may use unrestricted amounts at its discretion. Restricted funds represent income, which is restricted to a particular purpose, in accordance with the donor's wishes. Designated funds are unrestricted funds set aside by the Directors out of unrestricted general funds for specific future purposes or projects.

2. Surplus on Ordinary Activities

	<u>2021</u>	<u>2020</u>
The surplus is stated after charging:		
Auditors Remuneration	£ 9,100	£ 8,500
Depreciation	£ 211,521	£ 244,375
Profit on disposal of fixed asset	£ (6,100)	£ (19,000)
	<hr/>	<hr/>

3. Taxation

As a Charity Cotswold Archaeology Limited is exempt from tax on income and gains falling within the Income Taxes Act 2007 Section 524 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

COTSWOLD ARCHAEOLOGY LIMITED
(A Company Limited by Guarantee and not having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2021

4. Total Resources Expended

	<u>Staff Costs</u>	<u>Depreciation</u>	<u>Other Costs</u>	<u>Total 2021</u>	<u>Total 2020</u>
Archaeological Projects	7,209,352	211,521	9,764,483	17,185,356	11,886,806
Management and Administration	389,498	-	9,100	398,598	446,716
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	£ 7,598,850	£ 211,521	£ 9,773,583	£ 17,583,954	£ 12,333,522
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

	<u>2021</u>	<u>2020</u>
Other Support Costs		
Salaries	389,498	438,216
Audit and Accountancy Fees	9,100	8,500
	<hr/>	<hr/>
	£ 398,598	£ 446,716
	<hr/>	<hr/>

	<u>2021</u>	<u>2020</u>
Staff Costs		
Wages and Salaries	6,515,094	6,107,315
Social Security Costs	591,050	560,811
Pension Costs	492,706	509,294
	<hr/>	<hr/>
	£ 7,598,850	£ 7,177,420
	<hr/>	<hr/>

Employees benefits	£ 60,001 - £ 70,000	2
	£ 81,000 - £ 90,000	1

The total pension costs for the employees is £51,275 all of whom are members of one of the company's pension schemes

The average number of employees analysed by function, was:

Archaeological Projects	252	209
Management and Administration	14	14
	<hr/>	<hr/>
	266	223
	<hr/>	<hr/>

The Directors received no remuneration during the year. Total expenses reimbursed to Directors during the year amounted to £185 (2020 £1,817).

The total amount of employee benefits received by key management personnel is £556,661 (2020 £620,134). The Charity considers its senior management team key personnel.

COTSWOLD ARCHAEOLOGY LIMITED
(A Company Limited by Guarantee and not having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2021

5. Tangible Fixed Assets

	<u>Short Leasehold Improvements</u>	<u>Plant and Machinery</u>	<u>Total</u>
<u>Cost</u>			
At 1st April 2020	274,958	1,131,737	1,406,695
Additions in Year	-	108,037	108,037
Disposals	-	(190,745)	(190,745)
	<hr/>	<hr/>	<hr/>
At 31st March 2021	274,958	1,049,029	1,323,987
	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>			
At 1st April 2020	192,892	749,173	942,065
Charge for the Year	29,574	181,947	211,521
Disposals	-	(190,745)	(190,745)
	<hr/>	<hr/>	<hr/>
At 31st March 2021	222,466	740,375	962,841
	<hr/>	<hr/>	<hr/>
<u>Net Book Value</u>			
At 31st March 2021	£ 52,492	£ 308,654	£ 361,146
	<hr/>	<hr/>	<hr/>
At 31st March 2020	£ 82,066	£ 382,564	£ 464,630
	<hr/>	<hr/>	<hr/>

6. Investments

	<u>2021</u>	<u>2020</u>
Market value		
Balance b/fwd		
Additions	533,195	524,027
Accumulated interest	-	-
Unrealised gains/(loss) on investments	9,393	9,708
Realised gain on investments	2,238	(540)
	<hr/>	<hr/>
	£ 544,826	£ 533,195
	<hr/>	<hr/>

The investments were held in the Swanbrook Bank CAF Fund Bank Statement Issue 1 of £100,000 (2020 £100,000) and in M & G Investments Charibond Charities Fixed Interest Common Investment Fund, Accumulation Shares of £371,087 (2020 £371,087). The market value of investments was valued at mid-market price as at 31st March 2021.

COTSWOLD ARCHAEOLOGY LIMITED
(A Company Limited by Guarantee and not having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2021

7. Debtors

	<u>2021</u>	<u>2020</u>
Trade Debtors	6,179,711	3,736,659
Other Debtors	131,744	122,912
Amounts Recoverable on Contracts	788,607	551,580
	<hr/>	<hr/>
	£ 7,100,062	£ 4,411,151
	<hr/>	<hr/>

8. Creditors (Amounts falling due within one year)

	<u>2021</u>	<u>2020</u>
Trade Creditors	426,626	703,322
Taxation and Social Security Costs	1,333,184	653,201
Other Creditors	948,501	138,487
Deferred Income	2,525,158	1,092,915
	<hr/>	<hr/>
	£ 5,233,469	£ 2,587,925
	<hr/>	<hr/>

Deferred Income relates to archaeological project contract income received in advance and relates wholly to the year under review.

9. Share Capital

The Company is limited by guarantee and does not have a Share Capital. In accordance with the Company's Memorandum and Articles of Association the members' liability, in the event of the Company being wound up, is limited to £1.

10. Analysis of Net Assets by Fund

	<u>< - Unrestricted Funds - ></u>		<u>Restricted</u>	<u>Total</u>	<u>Total</u>
	<u>General</u>	<u>Designated</u>	<u>Fund</u>	<u>2021</u>	<u>2020</u>
			<u>Publishing</u>		
			<u>Account</u>		
Fixed Assets	361,146	-	-	361,146	464,630
Investments	544,826	-	-	544,826	533,195
Current Assets	8,955,752	1,740,000	69,885	10,765,637	6,534,625
Current Liabilities	(5,233,469)	-	-	(5,233,469)	(2,587,925)
Pension Scheme					
Funding Deficit	(1,960,000)	-	-	(1,960,000)	(1,077,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	£ 2,668,255	£ 1,740,000	£ 69,885	£ 4,478,140	£ 3,867,525
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

COTSWOLD ARCHAEOLOGY LIMITED
(A Company Limited by Guarantee and not having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2021

The restricted fund current assets are comprised as follows:

		<u>2021</u>	<u>2020</u>
Cash at Bank		£ 69,885	£ 42,893
		<hr/>	<hr/>
	<u>Historic England</u>	<u>Roman CBM PhD</u>	<u>Total</u>
		<u>Fund</u>	
As at 1st April 2020	13,400	29,493	42,893
Income in year	-	26,992	26,992
Expenditure in year	-	-	-
	<hr/>	<hr/>	<hr/>
As at 31st March 2021	£ 13,400	£ 56,485	£ 69,885

11. Unrestricted Funds

	<u>General</u>	<u>Designated</u>	<u>Total</u>
As at 1st April 2020	2,414,632	1,410,000	3,824,632
(Deficit)/Surplus for the year	763,423	(179,800)	583,623
Transfers between Funds	(509,800)	509,800	-
	<hr/>	<hr/>	<hr/>
	£ 2,668,255	£ 1,740,000	£ 4,408,255
	<hr/>	<hr/>	<hr/>

The designated funds are listed below. These funds are earmarked and exist to enable the Charity to continue to provide archaeological services to a high standard on an ongoing basis.

	<u>Report Archiving</u>	<u>Outreach</u>	<u>New Technology</u>	<u>Premises</u>	<u>Pension Fund</u>	<u>Total</u>
1st April 2020	60,000	100,000	300,000	100,000	850,000	1,410,000
Expenditure	(15,000)	(50,000)	(91,800)	(23,000)	-	(179,800)
Transfer	40,000	75,000	91,800	53,000	250,000	509,800
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31st March 2021	£ 85,000	£ 125,000	£ 300,000	£ 130,000	£ 1,100,000	£ 1,740,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

COTSWOLD ARCHAEOLOGY LIMITED
(A Company Limited by Guarantee and not having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2021

Funds have been designated by the Directors for the following purposes:

- Completion of Reports and Archiving: The Charity wishes to ensure that the results of its work are made widely and freely available in order to advance the education of the general public. It strives to publish the results of its most significant investigations even when this is over and above the contractual requirement with those who commissioned the work in the first place. It also ensures that the finds and archives resulting from investigations are deposited with publicly accessible museums. This fund has been created to finance such work where this is not covered within pre-existing contracts.
- Outreach and Research Projects: Work associated with the wider dissemination of the results of our projects to a broad range of individuals, including popular publications and the updating of our website, lectures, talks and facilitating work experience. We have made a large number of our unpublished fieldwork reports freely available for download from our website.
- New Technology: Purchase and updating of ICT requirements and digital survey.
- Premises: Future premises requirements, including dilapidations.
- Pension Deficit: Liabilities arising from the Company's defined benefit pension scheme operated by Gloucestershire County Council and provision for any additional cessation payments.

12. Movement of Members Funds

	<u>Unrestricted Funds</u>	<u>Restricted Fund -Publishing Account</u>	<u>Total 2021</u>	<u>Total 2020</u>
Balance B/Fwd	3,824,632	42,893	3,867,525	3,181,770
Surplus for the Year	583,623	26,992	610,615	685,755
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	£ 4,408,255	£ 69,885	£ 4,478,140	£ 3,867,525
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COTSWOLD ARCHAEOLOGY LIMITED
(A Company Limited by Guarantee and not having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2021

13. Defined Benefit Pension Scheme

By the end of the year 14 (2020 - 14) employees were members of the Gloucestershire Local Government Pension Scheme (GLGPS). The Company contributed £152,000 (2020 - £173,000) to the scheme on behalf of its employees during the year. The Company has 20 deferred pensioners and 6 pensioners.

The assets of the defined benefits scheme for staff are held separately from those of the Charity. The Scheme is funded by contributions from the employees and employer in accordance with the recommendations of independent qualified actuaries on the basis of triennial formal valuations. The most recent of these formal valuations was made on 31st March 2019, using the revised actuarial assumptions of the Pensions Act 1995, and reported a deficit of £2,744,000 which is being funded by employer's contributions of 29.8% per annum and employees' contributions on average of 7.7% of pensionable pay to 31st March 2021.

Significant assumptions used are as follows:

	31st March 2021 % p.a.	31st March 2020 % p.a.
Inflation/Pension Increase Rate	2.8%	1.8%
Salary Increase Rate	3.1%	2.1%
Discount Rate	2.05%	2.3%

Major categories of plan asset

Year ended	31st Mar 2021 %	31st Mar 2020 %
Equities	70	64
Bonds	20	26
Property	7	9
Cash	3	1
	<hr/>	<hr/>
	100	100
	<hr/>	<hr/>

Balance Sheet

Year ended:	31st Mar 2021 £ (000)	31st Mar 2020 £ (000)
Fair value of employer assets	6,853	5,292
Present value of funded liabilities	(8,813)	(6,369)
	<hr/>	<hr/>
Net (under)/overfunding in funded plans	(1,960)	(1,077)
Present value of unfunded liabilities	-	-
Unrecognised past service cost	-	-
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Net asset / (Liability)	(1,960)	(1,077)
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COTSWOLD ARCHAEOLOGY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2021

The defined benefit obligation is split £6,016,000, £1,992,000 and £805,000 between active members, deferred members and pensioner members respectively as at 31st March 2021.

The liabilities as at 31st March 2021 are based on the current benefit structure of the GLGPS.

Reconciliation of defined benefit obligation

Year ended:	31st Mar 2021	31st Mar 2020
	£ (000)	£ (000)
Opening defined benefit obligation	6,369	6,775
Current service cost	170	226
Interest cost	148	172
Contributions by members	39	41
Actuarial losses / (gains)	2,141	(761)
Past service costs / (gains)/losses	-	-
Losses/ (gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in business combination	-	-
Exchange differences	-	-
Estimated unfounded benefits paid	-	-
Benefits paid	(54)	(84)
Closing defined benefit obligation	8,813	6,369

Reconciliation of fair value of employer assets

Year ended:	31st Mar 2021	31st Mar 2020
	£ (000)	£ (000)
Opening fair value of employer assets	5,292	5,507
Net interest	123	139
Contributions by members	39	41
Contributions by the employer	152	161
Return on assets excluding amounts included in interest	1,301	(472)
Assets distributed on settlements	-	-
Exchange differences	-	-
Benefits paid	(54)	(84)
Closing fair value of employer assets	6,853	5,292

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2021

Investment returns

The return on the Fund in market value terms for the period to 31st March 2021 is estimated based on actual Fund returns as provided by the Administering Authority and index returns where necessary. Details are given below:

Actual Returns from 1st April 2020 to 31st March 2021	26.6%
Total Returns from 1st April 2020 to 31st March 2021	26.6%

Sensitivity Analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31st March 2021:	Approximate % increase to Defined Benefit Obligation	Approximate monetary Amount (£ 000)
0.5% decrease in Real Discount Rate	12	1,032
0.5% increase in the Salary Increase Rate	1	128
0.5% increase in the Pension Increase Rate	10	881

Analysis of projected amount to be charged to operating profit for the year to 31st March 2022

Year ended:	31st March 2022 £ (000)	% of Pay
Projected current service cost	(237)	(47.0)
Interest including plan assets	142	28.2
Interest cost on defined benefit obligation	(183)	(36.3)
Past service cost including curtailments	-	
Effect of settlements	-	
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	(278)	(55.1%)
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The actuary estimates that the Employer's contributions for the year to 31st March 2022 will be approximately £150,000.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2021

14. Defined Contribution Scheme

The Company operates a defined contribution pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the Company and amounted to £340,750 (2020 £348,134).

15. Related Party Transactions

During the prior year the Trustee Professor Timothy Darvill OBE received £1,200 for editing Chapter 4: 'Earlier Prehistoric' of the Welsh Gas Pipeline Monograph.

16. Contingent Liabilities

The Company's leasehold premises have had alterations made that may require rectification at the end of the lease. The costs relating to this are not known. A provision of funds over the period of the lease will be made through the designated premises reserve to cover anticipated future costs.

17. Capital Commitments

There were no capital commitments at the year end.

18. Controlling Parties

The Charitable Company has no ultimate controlling party.

19. Going Concern

The Charity has no going concern issues.

20. Operating Leases

Total future minimum lease payments under non-cancellable leases are as follows:

Leases on Buildings	<u>2021</u>	<u>2020</u>
Within 1 year	£ 164,388	£ 210,025
More than 1 year	£103,862	£ 198,496
Other		
Less than 1 year	£134,849	£ 159,614
More than 1 year	£ 71,627	£ 97,048

21. Government Grants

The Charity received furlough payments of £658,122 (2020 £nil) during the financial year.