

WESSEX ARCHAEOLOGY LIMITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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

WESSEX ARCHAEOLOGY LIMITED

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WESSEX ARCHAEOLOGY LIMITED

EXECUTIVE SUMMARY AND CHAIR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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 37 years and maintains regional offices in Edinburgh, Sheffield, Meopham and Bristol. During the financial year 2020/21 it generated an annual income of £21.3 million and employed an average of 318 staff.

Via its trading subsidiary, Wessex Archaeology Ventures Ltd., the company owns a private company registered in Rostock Germany Trident WA GmbH which trades as Trident Archäologie, the company has also recently established a branch office in Rotterdam in the Netherlands.

Chair's Report

The 2020-21 financial year was characterised by the ongoing Coronavirus Pandemic and the associated restrictions to travel and operations. The Board of Trustees, the executive and the staff adapted well to the changed working environment and the organisation was successful in attracting funding to support developments in commercial management and digital engagement capabilities. The support functions of the business were restructured with a specific focus on organisational resilience, and operational teams developed strong collaborative relationships with clients and partner organisations. These achievements, in combination with the effects of support of the government Job Retention Scheme, allowed the Group to increase its activity by over 38% to an historic high of £21.3M and resulted in a surplus of £1.05M (4.9%)

The Group was able to continue its programme of investments in its infrastructure, management 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. In addition, the company was able to accumulate excess working capital of around £1.5m which is available for long term investment. The Trustees recognise this achievement under difficult circumstances and continue to support plans for investment, service development and diversification.

Throughout the 2020-21 financial year the organisation continued to be affected by the government's response to the COVID-19 pandemic. The Trustees ensured that the safety of staff, colleagues and the public remained the absolute priority throughout the year and the Board met regularly with the executive to align the organisation's response to changes in government policy and general perceptions of risk. The Business Continuity Team met weekly to ensure compliance with public health regulations and good practice, to communicate policy updates to the staff and to coordinate the conscientious use of the Job Retention Scheme (JRS). Trustees continued to receive quarterly updates on the company's position and its response to the crisis.

In total, 153 staff were placed on furlough at various times and the organisation received a total of £452k funding from the HMRC's Job Retention Scheme. The organisation has also benefitted from deferring the March 2020 VAT payment for one year and have elected to reimburse HMRC in the 10 months commencing April 2021. We continued to develop our COVID response measures to accommodate the changes in Government advice and best practice during the year. Our staff experienced perhaps a unique year as the year started with a huge level of uncertainty in the commercial world and falling revenues as a result of the pandemic and ended the year with very high activity levels mainly as a result of Investment into large infrastructure projects by the Government We used our best endeavours to develop safe working practices and protect our staff's mental health and wellbeing during this period and we are appreciative of the staff and the Prospect Union as well as our Clients and Partners in this respect

A very significant proportion of the company's income during the year was derived from major infrastructure works such as HS2, the East Leeds Orbital Road and Viking Link (offshore renewables) and the experience of managing these projects informed the company's approach to tendering for the A303 Stonehenge Tunnel Project. The decision to lead a supply consortium of trusted partners proved successful in winning the bid and also reduced the impact of the programme delays caused by the Judicial Review.

The successful establishment of a trading subsidiary and an EU base in Trident Archäologie lead to the group's first commission in Germany. Travel restrictions meant the development of a new supply chain entirely within the EU which proved successful. The Group also continued to receive invitations to tender for work around the world and began the process of forging a strategic alignment with Extent Heritage in Australia.

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The impossibility of convening large audience groups and the difficulties of travel during the pandemic forced the Charity to adopt a series of innovations to its educational and community engagement activities. This involved a wholesale move to digital content creation and online delivery – much of which was live and interactive. This required staff to develop new skills and the recruitment of new members of the Studio and Community and Education Teams.

The impact of a series of lockdowns on society, and a quickening in the pace of social change prompted government to recognise the value of culture and this resulted in a marked increase in the availability of grant funding – particularly for work to support inclusion, mental health and wellbeing. Having taken a lead in these areas recently, the Charity was quick to step in to provide suitable services. The expectation is that inclusion and wellbeing will continue to be a focus for funding and for public benefit delivery for the foreseeable future.

The longer term economic and social impacts of both the pandemic and the UK's changing international trading relationships remain unclear. However, the Group has proved its ability to adapt and even to thrive in these difficult circumstances. The support functions and flexible working practices developed during the crisis are expected to remain a key part of the Group's future operations and, despite delays in major projects, the economic recovery policies already in train mean that forecasts for the coming year are as strong as at any time in the company's history. Strong reserves, a growing geographical distribution, and an increasing ability to serve a range of markets offer further reassurance for a sustainable future.

WESSEX ARCHAEOLOGY LIMITED

TRUSTEES' REPORT (INCLUDING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their report and the audited financial statements for the year ended 31 March 2021.

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 which create value 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 and 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 sharing knowledge, developing skills and promoting sustainability.

Strategic Goals

In 2017 we created a three-pillared strategic framework to guide our work towards achieving our vision over the coming decade.

- 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 who commission 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 and work to prioritise underserved sections of society.

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

Achievements and Performance

Maximising Public Benefit

| | OUR AMBITIONS | OUR ACHIEVEMENTS |
|---|---|--|
| <p>EDUCATION Deliver our findings to the public in engaging, informative and accessible formats, free of charge.</p> | Make our knowledge base more accessible, engaging and relevant to the general public. | We published 22 articles in journals, 1 monograph and 1 Occasional Paper. Contribution to archives (inc. ADS/OASIS) and general media coverage |
| | Create unique educational activities | Virtual engagement events including multiple HS2 webinars and heritage talks during the Covid pandemic with on-line delivery segmented for specific audiences resulting from audience mapping research. |
| | Create a scalable set of resources which deliver against National Curriculum learning objectives. | School sessions designed from the ground up in collaboration with teachers to meet National Curriculum learning aims. As well as enhancing the quality of pupils learning by providing hands-on access to tangible heritage, teachers' planning made easier by being able to 'subcontract' the delivery of specific aims to WA. Sessions not limited to the teaching of history (archaeology is not specifically mentioned in the NC); WA sessions use archaeology as a stimulus for cross-curricular teaching including literacy and science. |
| | Grow our provision of heritage education and skills to the wider public through accreditation. | See note below on the application for the Sandford award |
| | Work with partners to expand our reach for boxes into West London. | The Covid pandemic prevented the realisation of this objective |
| | Apply for the Sandford Award for excellence in Heritage education. | An application was prepared and submitted for the Sandford Award on 31 Mar 2021. |

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TRUSTEES' REPORT (INCLUDING THE STRATEGIC REPORT)

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| COMMUNITY Deliver sector-leading community engagement activities to serve the broadest and most diverse audience possible and leave a meaningful legacy. | We will continue to find ways of building a legacy of knowledge and engagement into our project designs. | We were commissioned by Historic England to conduct research and design on employing a heritage themed programme to work with young people at risk of offending. |
| | Offer meaningful community engagement activities that resonate with a diverse audience. | Via the Culture Recovery Fund, we were able to recruit a Development Officer to develop a strategy for sustainable funding of community projects that promote access and inclusion |
| TECHNOLOGY Increase our engagement on media channels and technical platforms. | We will develop our digital media platforms, and experiment with fresh ways of communicating the value of cultural heritage to the public. | . Invested resource in creating consistent, themed content for our WA YouTube channel resulting in a 325% increase in views to over 200,000. Our digital reach on Facebook, Twitter and Instagram also reflected positive growth in reach and engagement; our reach grew by over 1,000,000 to > 4,000,000. Our Covid pandemic response included replacing in person lectures with webinar talks and digital wellbeing content through our Heritage 360 series of natural historic environment videos. |
| | We will increase our digital media production capabilities with innovative capture and content creation, to increase our engagement across these platforms. | Culture Recovery Funding enabled us, during the Covid pandemic, to invest in an animation artist and 3D VR artist to develop new digital media engagement techniques in our Studio department. |
| INCLUSION Challenge inherent bias and continue to target and engage hard-to-reach groups. | 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 | We initiated contact with the founder of Razana Africa, Christelle Pellecuer, to explore opportunities for partnership working with black communities in the Bristol area. |
| | We will identify and target underserved groups and those who would not ordinarily engage with heritage, and, in particular, those who would derive therapeutic benefits from heritage. | With Historic England Emergency Response Fund support we were able to deliver an on-line, therapeutic, heritage intervention project entitled "Lost and Found" during the lock down arising from the Covid Pandemic. Groups included carers, deaf children, individuals with mental ill-health and individuals with brain injuries. |
| | We will become a social prescribing provider, promoting health, wellbeing and social welfare for underserved groups through heritage services. | As lead partner we were awarded NCLF (National Community Lottery Fund) funding for a 3-year Well City Salisbury project to support individuals with mental ill health. |

Developing Our People

| | Our ambition | What we achieved |
|--|---|---|
| Health and Safety Develop our Health, Safety and Environmental Management systems, | Gain ISO 45001 Health and Safety accreditation. | Reviewed and amended all Health and Safety policy documentation in line with the standard. Completed a gap analysis in preparation for external audit. |

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| seeking and maintaining accreditations. | Create and deliver engaging Health & Safety videos for staff to improve and augment our existing Health and Safety processes. | Produced and promoted our Cat and Genny Training video – receiving over 20,000 views on YouTube. |
| Human Resources Streamline our Human Resources functions. | Implement an HR management system to streamline our HR function. | Researched and assessed a range of cloud-based HR management tools. Collated user requirement information. |
| Increase the wellbeing of our staff. | Enact our Mental Health & Wellbeing Strategy. We will deliver Mental Health Awareness Training to all staff. We will review our employee benefit offering and establish opportunities for improvement. | Completed Mental Health First Aid training for 25 staff. Commissioned a programme of communication campaigns on the theme of mental health and wellbeing. |
| 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. We will implement Personal Development Plans for all staff. | Delivered 2238 hours of compliance training. Delivered 4431 hours of technical training. |
| Engage staff with our values and define our culture. | We will undertake a staff engagement survey to gain feedback, understand what really matters to our people and drive meaningful change. We will improve engagement through better internal communications and collaboration. | Successfully conducted a staff engagement survey in October 2019 and used the results to inform improvements in management procedures and internal communications. We rapidly improved virtual teamworking to accommodate the Covid lockdown and the need to interact remotely. |

Building a Sustainable Business

| | Our ambition | What we achieved |
|-----------------|---|---|
| Digital | 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 | Maintained and improved security performance in compliance with Cyber Essentials. Deployed improved data storage capacity and ensured ubiquitous and secure remote access through improved VPN services. Adopted and developed remote, collaboration tools based in MS365. Scaled tablet recording capabilities to meet the demands of HS2 and A303 projects. Researched suitable specifications for an organisational Digital Asset Management System. Early “out of print” WA monographs scanned and made available for internal access. |
| Services | Develop an integrated suite of innovative archaeological and heritage management services that ensure that we deliver a high-quality solution. | Delivered over £21M of integrated data collection, research, dissemination, and community engagement services to commercial clients Established the largest ever consortium of archaeological service providers and tendered successfully for the A303 Stonehenge Tunnel Project. |
| Diversification | Continue to diversify revenue streams into related areas to | Successfully attracted grant funding to develop approaches to public engagement focusing on wellbeing and inclusion. Successfully delivered |

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| | enhance our public benefit capability. | extended public benefit activity as part of HS2 programme. |
| Reach and Influence | Increase our national and international reach, through developing new and existing partnerships, refining our international offering and proactively seeking global opportunities. | Completed our first commercial project through our Trident Subsidiary in Germany. Established an MoU with Extent Heritage in Australia and commissioned a joint research project targeting the marine renewables sector. |

Our Plans for the Future

Maximising Public Benefit

| Our 2021-22 ambition | What we will do |
|--|---|
| <p>EDUCATION Deliver our findings to the public in engaging, informative and accessible formats, free of charge.</p> | <p>Invest in a new dissemination platform.</p> |
| <p>COMMUNITY Deliver sector-leading community engagement activities to serve the broadest and most diverse audience possible and leave a meaningful legacy. Become a social prescribing provider in heritage services to promote health, wellbeing and social welfare for underserved groups</p> | <p>Through a Heritage and Wellbeing Working Group, work in partnership with heritage sector bodies to raise awareness and improve the evidence of the social value of engagement with heritage. Deliver Year 1 Well City Salisbury Project programmes and evaluate their efficacy.</p> |
| <p>TECHNOLOGY Increase our engagement on media channels and technical platforms.</p> | <p>Develop a collaborative platform on which to consolidate the output of not-for-profit organisations. Continue to develop our 3D VR capability to populate heritage settings with characters to support interpretation. Launch our own TikTok social media channel to reach a younger digital audience.</p> |
| <p>INCLUSION Challenge inherent bias and continue to target and engage underserved groups.</p> | <p>Launch an internal fund to enable staff from across the company to deliver public benefit heritage engagement projects that have access and inclusion at the core. Develop our understanding of underserved communities and provision in the Sheffield region to build partnerships and opportunities for heritage engagement. Continue to develop a pilot programme for young people at risk of offending in partnership with Historic England and Isle Heritage CIC.</p> |

Developing Our People

| Our 2021-22 ambition | What we will do |
|---|---|
| <p>Develop our Health, Safety and Environmental Management systems, seeking and maintaining accreditations.</p> | <p>We will gain ISO 45001 Health and Safety accreditation. We will continue to develop a close working relationship with the operational teams ensuring that we deliver an OHS process focussed on:</p> <ol style="list-style-type: none"> 1. OHS Culture and development 2. H&S systems management 3. Proactive OH&S monitoring 4. Reactive OH&S monitoring 5. Training and Development |
| <p>Streamline our Human Resources functions.</p> | <p>We will recruit into the HR team, to develop the capacity and capability of the HR function to influence, steer, and implement a people strategy which aligns capabilities across the whole organisation.</p> |
| <p>Increase the wellbeing of our staff.</p> | <p>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.</p> |

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| 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 implement a ILM accredited Leadership & Management development programmes for junior and middle managers 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 2021-22 ambition | What we will do |
|--|---|
| Enact our Sustainability Strategy | Develop an actionable sustainability plan for the business by analysing all internal functions, operational practice and infrastructure focusing on opportunities to reduce energy use and carbon emissions. Consolidate our sustainability offer for our clients by continuing to engage with our customers and supply chain to identify further sustainability improvements and where possible share best practice. |
| 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. |

Financial Review

Income for the year was £21,291,097 an increase of 39% over the previous year. Expenditure grew by 29% which resulted in a net operating profit of £1,049,259 with a net margin of 4.9% an improvement of £1,338,377 on the result for the year to March 2020. The total funds of the Charitable Company, all unrestricted, at 31st March 2021 were £6,218,166 (2020 - £5,168,907). The increased revenue was the result of sales levels ahead of forecasts achieved through the company's ability to continue trading despite the impact of the COVID-19 pandemic. The Charity continues to improve its systems and to invest in equipment to improve efficiency, which is reflected by the increase in the depreciation charge from £325k to £404k for the year.

Working capital was supported by new finance leases totalling £127,088 (2019 - £243,1021) and operating leases continued to support investment in key infrastructure and equipment to improve efficiency and the maintenance and provision of our regional offices.

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The number of Group Personal Pension Plan members at 31st March 2021 was 294 (2020 - 305) with only 4 (2020 – 6) staff opting out. The total employer's contribution for the year was £401,266 (2020 - £396,145). The Charity has worked closely with Aviva to increase the visibility of Pension Information and online Pension Management to members during the year.

Overall expenditure on salaries and benefits increased by 4.3% to £9,923,110 (2020 - £9,543,925) and this remains the largest single category of expenditure. Average headcount was 318 (2020 - 311). The Company adopted a performance management approach to optimise its response to fluctuations in demand and redundancies implemented in mitigation of the early impacts of the pandemic cost £140k. Salary increases were awarded in the second half of the year, in line with market conditions.

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 Risk and Audit Committee in October 2021, the Trustees have 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 minimum reserves 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.

Total Group assets in the Balance Sheet as at 31st March 2021 stood at £6,218,166 (an increase of £1,049,259 on the previous year). The entirety of total assets was unrestricted. Total assets include fixed assets of £1,574,287 (2020 - £1,730,233) leaving available reserves of £4,643,879 (2020 - £3,438,674). Whilst reserves were £1.1m in excess of the minimum reserve it is anticipated that future large projects may necessitate an increase in reserves owing to the additional working capital requirement.

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 is 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. It is supported in this work by the Resilience Team which comprises the Directors with accountability for HR, H&S and Quality.

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 responsive delegation of powers of authority and clear documentation of roles and responsibilities.

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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).

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.

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 economic changes resulting from both Brexit and the COVID19 outbreak are yet to be fully ascertained and potential staff

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shortages and the potential inflationary impacts are of particular concern. In mitigation the Trustees and the Executive continue to monitor economic developments closely and the 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. Several 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 is the sole shareholder of Trident WA GmbH Germany. The Trading results of these subsidiaries have been incorporated within the Group financial statements. Wessex Archaeology Ventures Limited also agreed to close its US trading partnership, CEWA Inc. of Delaware, USA in July 2021

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 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 Trustees, 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.

WESSEX ARCHAEOLOGY LIMITED

TRUSTEES' REPORT (INCLUDING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

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.

Inclusive employment Policies

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, to ensure 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.

Gender Pay information

As an organisation of over 250 employees, Wessex Archaeology is required to monitor and publish Gender Pay Gap information. To comply with these regulations the Group;

- reports and publishes gender pay gap information annually,
- reports gender pay gap information to the government online, using the Gender Pay Gap Service and
- publishes gender pay gap information on its public-facing website at <https://www.wessexarch.co.uk/gender-pay-reporting>

Wessex Archaeology strives to maintain a workplace where people can engage in a fulfilling career and can thrive at work. To do this we make a consistent effort to attract as diverse a range of candidates as possible, create opportunities so that everyone can explore a career in a way that works for them and ensure that we have the right processes in place to make pay and progression fair for everyone.

Wessex Archaeology is committed to the development of our staff, by fostering a culture of inclusion, fairness and flexibility. Wessex strives to maintain a workplace where people can engage in a fulfilling career and can thrive at work. We make a consistent effort to build a culture that ensures that all employees feel a sense of belonging and that everyone is valued for the differences they bring. Every level of our business is challenged to create opportunities so that everyone can explore a career in a way that works for them ensuring we have the right processes in place to make pay and progression fair for everyone.

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. 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.

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.

WESSEX ARCHAEOLOGY LIMITED

TRUSTEES' REPORT (INCLUDING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

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

Secretary

Mr P A Sealey - Appointed 8 December 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

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

Beechmast Consultancy Ltd, Wellgarth, Rivar Road, Shalbourne, Marlborough, Wiltshire SN8 3PU

WESSEX ARCHAEOLOGY LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

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 29 October 2021 and signed on their behalf by:



.....
Dr I C Selby – Trustee

Opinion

We have audited the financial statements of Wessex Archaeology Limited for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated 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's and of the parent charitable company's affairs as at 31 March 2021 and of the group's and parent 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.

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 group'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Executive Summary, Chair's Report, and the Trustees' 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
- the parent 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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 15, 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 and the parent 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 group or the parent 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements of the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, The Charities Act 2011, VAT, and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in certain accounting estimates and judgements such as the income recognition policy applied to work in progress. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, such as the recognition of work in progress.

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.

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

For and on behalf of Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 12 November 2021

WESSEX ARCHAEOLOGY LIMITED

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

| | Notes | Total 2021 £ | Total 2020 £ |
|--------------------------------------|-------|-------------------------|-------------------------|
| INCOME FROM: | | | |
| Charitable activities | 3 | | |
| Archaeological projects | | 21,291,097 | 15,347,836 |
| Total income | | <u>21,291,097</u> | <u>15,347,836</u> |
| EXPENDITURE ON | | | |
| Charitable activities | 4 | 20,241,838 | 15,636,954 |
| Total expenditure | | <u>20,241,838</u> | <u>15,636,954</u> |
| NET INCOME/(EXPENDITURE) | | 1,049,259 | (289,118) |
| Gains on revaluation of fixed assets | | - | 50,000 |
| NET MOVEMENT IN FUNDS | | <u>1,049,259</u> | <u>(239,118)</u> |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | | 5,168,907 | 5,408,025 |
| TOTAL FUNDS CARRIED FORWARD | | <u><u>6,218,166</u></u> | <u><u>5,168,907</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 years ended 31 March 2021 and 31 March 2020.

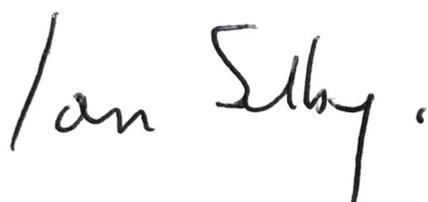
The notes on pages 22 to 34 form part of these financial statements.

CONSOLIDATED AND CHARITY BALANCE SHEETS

AT 31 MARCH 2021

| | Notes | Group | | Charity | |
|---|-------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2021 £ | 2020 £ | 2021 £ | 2020 £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 8 | 1,574,287 | 1,730,233 | 1,574,287 | 1,730,233 |
| Investments | | - | - | 10 | 10 |
| Total fixed assets | | <u>1,574,287</u> | <u>1,730,233</u> | <u>1,574,297</u> | <u>1,730,243</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 9 | 6,787,725 | 5,269,596 | 6,964,483 | 5,373,464 |
| Cash at bank and in hand | | 4,096,778 | 1,679,464 | 4,050,281 | 1,635,329 |
| Total current assets | | <u>10,884,503</u> | <u>6,949,060</u> | <u>11,014,764</u> | <u>7,008,793</u> |
| CREDITORS: amounts falling due within one year | 10 | <u>(5,754,272)</u> | <u>(3,052,693)</u> | <u>(5,690,089)</u> | <u>(3,051,863)</u> |
| NET CURRENT ASSETS | | <u>5,130,231</u> | <u>3,896,367</u> | <u>5,324,675</u> | <u>3,956,930</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>6,704,518</u> | <u>5,626,600</u> | <u>6,898,972</u> | <u>5,687,173</u> |
| CREDITORS: amounts falling due after one year | 11 | <u>(147,176)</u> | <u>(171,350)</u> | <u>(147,176)</u> | <u>(171,350)</u> |
| PROVISIONS FOR LIABILITIES | 13 | <u>(339,176)</u> | <u>(286,343)</u> | <u>(339,176)</u> | <u>(286,343)</u> |
| NET ASSETS | | <u><u>6,218,166</u></u> | <u><u>5,168,907</u></u> | <u><u>6,412,620</u></u> | <u><u>5,229,480</u></u> |
| FUNDS | 14 | | | | |
| Unrestricted funds: | | | | | |
| General fund | | 5,980,858 | 4,931,599 | 6,175,312 | 4,992,172 |
| Revaluation reserve | | 237,308 | 237,308 | 237,308 | 237,308 |
| TOTAL FUNDS | | <u><u>6,218,166</u></u> | <u><u>5,168,907</u></u> | <u><u>6,412,620</u></u> | <u><u>5,229,480</u></u> |

The financial statements were approved by the Board of Trustees and authorised for issue on 29 October 2021 and are signed on its behalf by:



.....
Dr I C Selby -Trustee

The notes on pages 22 to 34. form part of these financial statements.

WESSEX ARCHAEOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

| | Note | Total 2021 £ | Total 2020 £ |
|---|------|-------------------------|-------------------------|
| Cash flows from operating activities: | | | |
| Cash generated from operations | A | 2,703,764 | 607,948 |
| Interest paid | | (7,871) | (5,873) |
| Interest element of hire purchase and finance lease rental payments | | (13,741) | (11,139) |
| Net cash provided by operating activities | | <u>2,682,152</u> | <u>590,936</u> |
| Cash flows from investing activities: | | | |
| Purchase of tangible fixed assets | | (248,533) | (567,667) |
| Net cash provided by (used in) investing activities | | <u>(248,533)</u> | <u>(567,667)</u> |
| Cash flows from financing activities: | | | |
| Assets purchased under finance leases | | 127,088 | 243,102 |
| Capital repayments in the year | | (143,393) | (114,457) |
| Net cash provided by (used in) financing activities | | <u>(16,305)</u> | <u>128,645</u> |
| Change in cash and cash equivalents in the reporting period | | <u>2,417,314</u> | <u>151,914</u> |
| Cash and cash equivalents at the beginning of the reporting period | | <u>1,679,464</u> | <u>1,527,550</u> |
| Cash and cash equivalents at the end of the reporting period | | <u><u>4,096,778</u></u> | <u><u>1,679,464</u></u> |

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

| | Total 2021 £ | Total 2020 £ |
|---|--------------------|--------------------|
| Net income for the reporting period (as per Statement of Financial Activities) | 1,049,259 | (239,118) |
| Adjustments for: | | |
| Gains on fixed asset revaluation | - | (50,000) |
| Depreciation charges | 404,479 | 324,621 |
| Interest paid | 7,871 | 5,873 |
| Interest element of hire purchase and finance lease rental payments | 13,741 | 11,139 |
| Increase in provisions | 52,833 | 58,502 |
| (Increase)/decrease in debtors | (1,518,129) | 790,195 |
| Increase/(Decrease) in creditors | 2,693,710 | (293,264) |
| Net cash provided by (used in) operating activities | <u>2,703,764</u> | <u>607,948</u> |

The notes on pages 22 to 34 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 (2020 – 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 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.

Income claimed under the coronavirus job retention scheme is recognised when the associated staff costs are incurred.

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.

2. ACCOUNTING POLICIES - continued

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.

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 2021

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 the forecast income and expenditure streams and the continuing impact of the COVID-19 pandemic and Brexit on the Charity's operations and finances. The Trustees consider 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:

| | 2021 | 2020 |
|---|-------------------|-------------------|
| | £ | £ |
| Coastal | 600,127 | 628,987 |
| Community | 303,626 | 30,616 |
| Fieldwork | 15,581,521 | 10,698,497 |
| GeoServices | 2,307,879 | 1,531,703 |
| Graphics | 343,845 | 21,939 |
| Heritage | 732,217 | 1,211,413 |
| Research | 888,834 | 1,204,032 |
| Other | 80,375 | 20,649 |
| Amounts received under the Coronavirus Job Retention Scheme | 452,673 | - |
| | <u>21,291,097</u> | <u>15,347,836</u> |

Income relating to Community engagement 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:

| | 2021 | 2020 |
|-------------------------------------|-------------------|-------------------|
| | £ | £ |
| Archaeological & Community projects | 17,163,191 | 12,763,745 |
| Support costs | 2,962,431 | 2,744,064 |
| Governance costs | 116,216 | 129,145 |
| | <u>20,241,838</u> | <u>15,636,954</u> |

Governance costs include £23,941 (2020: £23,945) salaries (incl. pensions and employer's national insurance).

Analysis of archaeological projects & education costs:

| | 2021 | 2020 |
|---|-------------------|-------------------|
| | £ | £ |
| Salaries (incl. pensions and employer's national insurance) | 7,473,166 | 7,415,918 |
| Plant/Buildings hire and other site costs | 5,056,424 | 2,064,624 |
| Travel and vehicle hire | 878,591 | 781,130 |
| Staff accommodation | 755,862 | 602,168 |
| External specialists' fees | 1,306,191 | 209,210 |
| Direct facilities and services costs | 941,905 | 934,799 |
| Other project costs | 401,048 | 474,995 |
| Depreciation | 350,004 | 280,901 |
| | <u>17,163,191</u> | <u>12,763,745</u> |

Included in direct facilities and services costs is an operating lease charge of £181,436 for land and buildings (2020 - £162,325). Included in travel and vehicle hire costs is an operating lease charge of £41,714 for other operating lease charges (2020 - £47,224). In addition, the Charity incurred other operating lease costs relating to software and IT assets of £113,639 (2020 - £49,560).

Analysis of support costs:

| | 2021 | 2020 |
|---|------------------|------------------|
| | £ | £ |
| Salaries (incl. pensions and employer's national insurance) | 2,426,003 | 2,151,434 |
| Travel and subsistence | 75,294 | 94,673 |
| Telephone and IT related services | 78,312 | 79,069 |
| Print, postage and stationery | 23,392 | 20,497 |
| Professional fees and services | 40,343 | 70,963 |
| Insurance | 7,527 | 6,303 |
| Utilities and facilities costs | 133,914 | 139,266 |
| Other support costs | 123,171 | 138,139 |
| Depreciation | 54,475 | 43,720 |
| | <u>2,962,431</u> | <u>2,744,064</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

4. CHARITABLE ACTIVITIES COSTS (continued)

Analysis of direct charitable expenditure by activity:

Year ended 31 March 2021

| | Archaeological & Community Projects £ | Support costs £ | Governance costs £ | Total £ |
|-------------|--|--------------------------------|-----------------------------------|--------------------|
| Coastal | 528,084 | 92,694 | 3,685 | 624,463 |
| Community | 508,712 | 39,089 | - | 547,801 |
| Fieldwork | 13,065,270 | 2,288,066 | 90,691 | 15,414,297 |
| Geoservices | 1,413,005 | 248,023 | 9,860 | 1,670,888 |
| Graphics | 277,947 | 48,788 | 1,940 | 328,675 |
| Heritage | 589,330 | 103,444 | 4,112 | 732,216 |
| Research | 810,483 | 142,327 | 5,658 | 958,828 |
| Other | - | - | - | - |
| | <u>17,163,191</u> | <u>2,962,431</u> | <u>116,216</u> | <u>20,241,838</u> |

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> |

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:

| | 2021 £ | 2020 £ |
|---------------------------------------|-------------------|-------------------|
| Depreciation | 404,479 | 324,621 |
| Operating leases - land and buildings | 181,436 | 162,325 |
| Operating leases - other | 155,353 | 96,784 |
| Auditors' remuneration - audit | 19,150 | 18,500 |
| Auditors' remuneration - other | 4,850 | 6,337 |
| | <u>865,268</u> | <u>708,567</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

6. TRUSTEES' REMUNERATION AND BENEFITS

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

| | 2021 | 2020 |
|-----------------------|---------------|---------------|
| | £ | £ |
| Salaries | 81,596 | 81,625 |
| Pension contributions | 4,121 | 4,081 |
| Benefit in Kind | 6,834 | 6,593 |
| | <u>92,551</u> | <u>92,299</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

No trustees were reimbursed expenses of during the year (2020: £299 expenses were reimbursed to 2 trustees).

7. STAFF COSTS

The aggregate payroll costs were:

| | 2021 | 2020 |
|-------------------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 8,569,531 | 8,399,278 |
| Employer's national insurance | 812,302 | 748,502 |
| Pension contributions | 401,266 | 396,145 |
| Redundancy payments | 140,011 | - |
| | <u>9,923,110</u> | <u>9,543,925</u> |

Particulars of employees:

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

| | 2021 | 2020 |
|--------------------------|-------------|-------------|
| Archaeologists | 262 | 260 |
| Education/Outreach staff | 3 | 2 |
| Support staff | 53 | 49 |
| | <u>318</u> | <u>311</u> |

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

| | 2021 | 2020 |
|-------------------|-------------|-------------|
| | No. | No. |
| £60,000 - £69,999 | 3 | 2 |
| £70,000 - £79,999 | 2 | 2 |
| £80,000 - £89,999 | 1 | 1 |
| | <u>6</u> | <u>5</u> |

7. STAFF COSTS (Continued)

The key management personnel of the charity during the year comprised 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 (2020 – 15) key management personnel of the charity were £1,009,397 (2020: £1,019,788).

WESSEX ARCHAEOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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 2020 | 750,000 | 57,674 | 513,484 | 13,300 | 1,135,710 | 2,470,168 |
| Additions | - | 16,530 | 111,467 | 24,720 | 95,816 | 248,533 |
| Disposals | - | - | (43,860) | (5,845) | - | (49,705) |
| At 31 March 2021 | 750,000 | 74,204 | 581,091 | 32,175 | 1,231,526 | 2,668,996 |
| DEPRECIATION | | | | | | |
| At 1 April 2020 | - | 29,009 | 268,360 | 13,300 | 429,266 | 739,935 |
| Charge for year | - | 6,016 | 145,355 | 3,090 | 250,018 | 404,479 |
| Disposals | - | - | (43,860) | (5,845) | - | (49,705) |
| At 31 March 2021 | - | 35,025 | 369,855 | 10,545 | 679,284 | 1,094,709 |
| NET BOOK VALUE | | | | | | |
| At 31 March 2021 | 750,000 | 39,179 | 211,236 | 21,630 | 552,242 | 1,574,287 |
| At 31 March 2020 | 750,000 | 28,665 | 245,124 | - | 706,444 | 1,730,233 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

8. TANGIBLE FIXED ASSETS (continued)

Included within the net book value of £1,574,287 is £182,127 (2020 - £211,048) 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 £137,874 (2020 - £117,749).

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 2021 and are satisfied that there is no material difference between the valuation at 31 March 2021 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:

| | 2021 | 2020 |
|------------------------|-------------|-------------|
| | £ | £ |
| 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 | |
|---|------------------|------------------|------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Trade debtors | 4,611,102 | 3,690,209 | 4,601,212 | 3,697,734 |
| Amounts recoverable on contracts | 1,078,713 | 1,190,757 | 1,078,713 | 1,190,757 |
| Amounts owed by subsidiary undertakings | - | - | 188,518 | 100,069 |
| Other debtors | 954,344 | 279,080 | 954,192 | 278,922 |
| Prepayments | 143,566 | 109,550 | 141,848 | 105,982 |
| | <u>6,787,725</u> | <u>5,269,596</u> | <u>6,964,483</u> | <u>5,373,464</u> |

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Charity | |
|---------------------------------|------------------|------------------|------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Finance lease (see note 12) | 133,700 | 125,831 | 133,700 | 125,831 |
| Payments on account | 2,250,833 | 1,357,643 | 2,250,833 | 1,357,643 |
| Trade creditors | 1,533,787 | 695,191 | 1,465,418 | 695,191 |
| Social security and other taxes | 1,513,417 | 755,737 | 1,501,601 | 756,025 |
| Other creditors | 256,555 | 64,428 | 276,148 | 63,310 |
| Accruals and deferred income | 65,980 | 53,863 | 62,389 | 53,863 |
| | <u>5,754,272</u> | <u>3,052,693</u> | <u>5,690,089</u> | <u>3,051,863</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

| | 2021 £ | 2020 £ |
|-----------------------------|-----------|-----------|
| Finance lease (see note 12) | 147,176 | 171,350 |

12. LEASING AGREEMENTS (GROUP AND CHARITY)

| | Finance leases | |
|----------------------------|----------------|----------------|
| | 2021 £ | 2020 £ |
| Net obligations repayable: | | |
| Within one year | 133,700 | 125,831 |
| Between one and five years | 147,176 | 171,350 |
| | <u>280,876</u> | <u>297,181</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:

| | 2021 £ | 2020 £ |
|----------------------------|----------------|----------------|
| Within one year | 313,679 | 323,457 |
| Between one and five years | 456,105 | 597,930 |
| | <u>769,784</u> | <u>921,387</u> |

13. PROVISIONS FOR LIABILITIES (GROUP AND CHARITY)

| | Bad debts £ | Publication £ | Deposition £ | Total £ |
|---------------------------------|----------------|------------------|-----------------|----------------|
| 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> |
| At 1 April 2020 | 50,362 | 11,004 | 224,977 | 286,343 |
| Arising and charged in the year | 30,890 | 7,592 | 61,929 | 100,411 |
| Utilised in the year | - | (8,454) | (39,124) | (47,578) |
| | <u>81,252</u> | <u>10,142</u> | <u>247,782</u> | <u>339,176</u> |
| At 31 March 2021 | <u>81,252</u> | <u>10,142</u> | <u>247,782</u> | <u>339,176</u> |

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. There were no movements in the revaluation reserve during the year (2020: increased by £50,000 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 £nil (2020 - £1,655).

Dr R Whimster is a freelance editor for Historic England Limited. The Charitable Company received £353,626 from, Historic England Limited during the year (2020: £5,446).

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 £24,598 (2020 - £35,885).

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 £1,090 (2020 - £830).

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 £nil (2020 - £70). The charitable company sold services to RCAHMW to the value of £3,816 (2020 - £437).

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 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

| | 2021 | 2020 |
|---------------------|------------------------|-----------------------|
| | £ | £ |
| Turnover | 32,300 | 1,915 |
| Expenditure | (68,321) | (3,706) |
| | <u>(36,021)</u> | <u>(1,791)</u> |
| Operating loss | (36,021) | (1,791) |
| Interest receivable | 2,537 | 135 |
| Interest payable | (3,678) | (335) |
| | <u>(37,162)</u> | <u>(2,011)</u> |
| Loss for the year | <u><u>(37,162)</u></u> | <u><u>(2,011)</u></u> |

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:

| | 2021 | 2020 |
|-------------------|-------------------------|------------------------|
| | £ | £ |
| Turnover | 87,366 | - |
| Expenditure | (193,294) | (57,904) |
| | <u>(105,928)</u> | <u>(57,904)</u> |
| Operating loss | (105,928) | (57,904) |
| Interest payable | (2,306) | (143) |
| | <u>(108,234)</u> | <u>(58,047)</u> |
| Loss for the year | <u><u>(108,234)</u></u> | <u><u>(58,047)</u></u> |

WESSEX ARCHAEOLOGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

18. CHARITY-ONLY STATEMENT OF FINANCIAL ACTIVITIES

| | Total 2021 £ | Total 2020 £ |
|--------------------------------------|-----------------------------|-----------------------------|
| INCOME FROM: | | |
| Charitable activities | | |
| Archaeological projects | 21,220,195 | 15,348,311 |
| | <u>21,220,195</u> | <u>15,348,311</u> |
| EXPENDITURE ON | | |
| Charitable activities | 20,037,055 | 15,576,856 |
| Total | <u>20,037,055</u> | <u>15,576,856</u> |
| NET INCOME/(EXPENDITURE) | 1,183,140 | (228,545) |
| Gains on revaluation of fixed assets | - | 50,000 |
| | <u>1,183,140</u> | <u>(178,545)</u> |
| NET MOVEMENT IN FUNDS | 1,183,140 | (178,545) |
| RECONCILIATION OF FUNDS | | |
| Total funds brought forward | 5,229,480 | 5,408,025 |
| TOTAL FUNDS CARRIED FORWARD | <u><u>6,412,620</u></u> | <u><u>5,229,480</u></u> |