

REGISTERED COMPANY NUMBER: SC461601 (Scotland)
REGISTERED CHARITY NUMBER: SC46307

Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 October 2019
for
Caithness Broch Project

Mackay & Co
Chartered Accountants
Unit 8
Golspie Business Park
Golspie
Sutherland
KW10 6UB

Caithness Broch Project

Contents of the Financial Statements
for the Year Ended 31 October 2019

	Page
Report of the Trustees	1 to 4
Independent Examiner's Report	5
Statement of Financial Activities	6
Balance Sheet	7 to 8
Notes to the Financial Statements	9 to 16
Detailed Statement of Financial Activities	17 to 18

Caithness Broch Project

Report of the Trustees for the Year Ended 31 October 2019

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 October 2019. The trustees have adopted the provisions of 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) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The overall objective of the Caithness Broch Project is to raise the potential of Caithness as a viable heritage tourism destination and, thus, improve the region's economic sustainability. Caithness Broch Project seek to achieve this through outreach events - to help build both tourist's and local's awareness and interest in the archaeological landscape of Caithness - as well as through promotion, such as use of social media, to help market the area.

As per Caithness Broch Project's articles of association, the company's objects are specifically restricted to the following charitable purposes.-

The company has been formed to promote the benefit of the public within Caithness by advancing education, community development, heritage and culture by working with individuals, local groups and agencies in Caithness, and encouraging people to learn about, record, and become involved in their heritage through -

- (a) Providing opportunities for all ages and abilities to learn about the rich archaeological heritage of their communities.
- (b) Developing an understanding of the archaeological heritage through recreating a broch(s) or other structures.
- (c) Recording the past, with photographs, drawings, plans or memories. to be made as widely available as possible on websites and local archives.
- (d) Offering a range of activities to suit all interests and to allow progression including courses, above ground surveys, excavation, post excavation activities and archival research, working in partnership with other groups and societies.
- (e) Providing tools and knowledge to enable people to make quality contributions to and to manage their local heritage.
- (f) Working with other individuals, organisations. museums, schools and projects to further the above aims of the Caithness Broch Project.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

It was decided to progress our main project, building a replica broch, using an architect to phase the work based on the RIBA Plan of Work 2013. The first two phases are "Strategic Definition" and "Preparation and Brief". In line with this, we went out to tender to Scottish architects with the specification to deliver a "Project Brief". We raised the money to fund this mainly through Crowdfunder, Caithness and North Sutherland Fund (CNSF), and other sources including Your Cash Your Caithness, Dunnet Bay Distillers, and Tesco. The work has progressed slowly, with care being taken over the identification and assessment of potential sites. No invoices have been raised yet by the architect, so no funds have been transferred from CNSF. The financial viability of the replica broch is a key consideration in the work of the architect and their sub-contracted consultants.

Our project to conserve the broch at Ousdale is getting off to a slow start. The work is funded by Historic Environment Scotland, the European Development Fund LEADER, and SSE. Negotiations with LEADER are on-going to ensure that our costs are covered to the greatest extent possible and that our cashflow will be managed. LEADER funds are transferred after payment of suppliers is made, which is of concern. A no-interest £40k loan has been secured from the Highland Council to help with cashflow. The contract for the stonemasons will be administered by a firm of consulting engineers. They will also provide engineering supervision on site. The archaeology services have been tendered and the lowest cost supplier selected. A drone survey was conducted free of charge by a local supplier. The path construction works were tendered but due to changes in the specification from site meetings it has been decided to retender this package.

Conservation work was carried out on Achvarasdal Broch. The main work took one day and involved the Caithness Countryside Volunteers. Funding was provided by West Caithness Community Fund to cover supplier costs.

CBP met with a windfarm developer who was offering a stable source of funding for local projects. While the Project is glad to receive funding from windfarms and their community funds, it was not felt to be appropriate for the Project to invest in a windfarm, which essentially what was on offer.

Merchandise sales included the regular stock (e.g. t-shirts) with additions of tea towels and a 2019 calendar. Because of the slow returns on investment in stock and the requirement to buy in quantity to get good unit prices, purchase of new stock during 2019 has been paused to build up cash reserves to help the Ousdale project. The business finds it difficult to balance choice of sizes and colours of t-shirts for bulk orders, and suppliers offering manufacture to customer order and drop shipment were thought to be too expensive on the sale price for the quality. A fantasy-style map of Caithness is being procured from a map artist to promote Caithness attractions and to be used on merchandise.

CBP continued to give talks about archaeology, history, and CBP work and objectives within and outside Caithness. We are now trying to proactively get the receiving group or venue to cover our travel costs in these instances.

FINANCIAL REVIEW

Financial position

Total income during the year was £53,400 (2018 - £32,506), expenditure was £11,365 (2018 - £42,326) leaving a surplus of £42,035 (2018 - deficit of £(9,820)). for the year. We carried forward reserves of £44,407 (2018 - £2,372) for the continuation of our projects and events and sustainability of the charity.

Reserves policy

The Directors have reviewed the reserves at the year end and of the opinion that they are sufficient to cover the current project work, but will need to build up over future years in the expectation of managing larger value projects of the charity going forward.

Caithness Broch Project

Report of the Trustees for the Year Ended 31 October 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Charity constitution

The charity is a company limited by guarantee and is governed by its Memorandum and Articles of Association.

Recruitment and appointment of new trustees

The methods used to recruit and appoint new charity trustees are identified in the Memorandum and Articles of Association.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC461601 (Scotland)

Registered Charity number

SC46307

Registered office

50 Springpark Terrace
Thurso
Caithness
KW14 8NN

Trustees

R Herrick Chairman
Ms J L Howdle-Orange
I K Maclean
K G McElroy
Ms S Cowe (resigned 18.11.18)
Ms L Poulsen (resigned 18.11.18)
C Aitken
Ms D C Mackay

Independent Examiner

Marcus D. MacIver
CA (ICAS)
Mackay & Co
Chartered Accountants
Unit 8
Golspie Business Park
Golspie
Sutherland
KW10 6UB

Approved by order of the board of trustees on 21 May 2020 and signed on its behalf by:

Caithness Broch Project

Report of the Trustees
for the Year Ended 31 October 2019

R Herrick - Trustee

Independent Examiner's Report to the Trustees of
Caithness Broch Project

Independent examiner's report to the trustees of Caithness Broch Project ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 October 2019.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Marcus D. MacIver
CA (ICAS)
Mackay & Co
Chartered Accountants
Unit 8
Golspie Business Park
Golspie
Sutherland
KW10 6UB

21 May 2020

Caithness Broch Project

Statement of Financial Activities
for the Year Ended 31 October 2019

	Notes	Unrestricted fund £	Restricted funds £	31.10.19 Total funds £	31.10.18 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	8,528	10,965	19,493	9,850
Charitable activities					
Caithness broch festival	4	-	1,172	1,172	10,000
Ousdale		-	27,720	27,720	-
Achvarasdal		-	500	500	-
Other charitable activities		-	-	-	10,840
Other trading activities	3	4,515	-	4,515	1,816
Total		<u>13,043</u>	<u>40,357</u>	<u>53,400</u>	<u>32,506</u>
EXPENDITURE ON					
Raising funds		1,560	63	1,623	2,546
Charitable activities					
Caithness broch festival		-	777	777	-
Ousdale		-	3,676	3,676	-
Other charitable activities		5,289	-	5,289	39,780
Total		<u>6,849</u>	<u>4,516</u>	<u>11,365</u>	<u>42,326</u>
NET INCOME/(EXPENDITURE)		<u>6,194</u>	<u>35,841</u>	<u>42,035</u>	<u>(9,820)</u>
Transfers between funds	11	<u>(2,309)</u>	<u>2,309</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>3,885</u>	<u>38,150</u>	<u>42,035</u>	<u>(9,820)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>2,372</u>	<u>-</u>	<u>2,372</u>	<u>12,192</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>6,257</u></u>	<u><u>38,150</u></u>	<u><u>44,407</u></u>	<u><u>2,372</u></u>

The notes form part of these financial statements

Caithness Broch Project

Balance Sheet 31 October 2019

	Notes	Unrestricted fund £	Restricted funds £	31.10.19 Total funds £	31.10.18 Total funds £
FIXED ASSETS					
Tangible assets	8	231	-	231	1,138
CURRENT ASSETS					
Stocks	9	200	-	200	200
Cash at bank and in hand		6,853	38,200	45,053	2,976
		<u>7,053</u>	<u>38,200</u>	<u>45,253</u>	<u>3,176</u>
CREDITORS					
Amounts falling due within one year	10	(1,027)	(50)	(1,077)	(1,942)
		<u>6,026</u>	<u>38,150</u>	<u>44,176</u>	<u>1,234</u>
NET CURRENT ASSETS					
		<u>6,026</u>	<u>38,150</u>	<u>44,176</u>	<u>1,234</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>6,257</u>	<u>38,150</u>	<u>44,407</u>	<u>2,372</u>
NET ASSETS		<u>6,257</u>	<u>38,150</u>	<u>44,407</u>	<u>2,372</u>
FUNDS	11				
Unrestricted funds				6,257	2,372
Restricted funds				38,150	-
TOTAL FUNDS				<u>44,407</u>	<u>2,372</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 October 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 October 2019 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

Caithness Broch Project

Balance Sheet - continued

31 October 2019

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 21 May 2020 and were signed on its behalf by:

R Herrick - Trustee

1. 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) (effective 1 January 2015)', 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.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 33% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Notes to the Financial Statements - continued
for the Year Ended 31 October 2019

2. DONATIONS AND LEGACIES

	31.10.19	31.10.18
	£	£
Donations	15,503	5,005
Gift aid	-	632
Subscriptions	3,990	4,213
	<u>19,493</u>	<u>9,850</u>

3. OTHER TRADING ACTIVITIES

	31.10.19	31.10.18
	£	£
Shop income	<u>4,515</u>	<u>1,816</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	31.10.19	31.10.18
	£	£
Grants	1,172	10,000
Grants	27,720	-
Grants	500	-
Grants	-	10,840
	<u>29,392</u>	<u>20,840</u>

Grants received, included in the above, are as follows:

	31.10.19	31.10.18
	£	£
The Highland Council	1,000	-
Historical Environment Scotland	-	4,840
Caithness & North	-	10,000
Baille Wind Farm	-	6,000
Beatrice Offshore Windfarm	20,000	-
Dunnet Bay Distillers	3,720	-
Groundworks UK	2,000	-
Ecclesiastical Insurance Group	1,000	-
West Caithness Community Fund	500	-
Stroupster Community Fund	1,172	-
	<u>29,392</u>	<u>20,840</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2019

5. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.10.19 £	31.10.18 £
Depreciation - owned assets	907	965
	<u>907</u>	<u>965</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 October 2019 nor for the year ended 31 October 2018.

Trustees' expenses

The following expenses were paid to Trustees as reimbursement for expenses incurred on behalf of Caithness Broch Project:

TRUSTEE	31.10.19
I K MacLean	161.10
R Herrick	508.07
K McElroy	758.31
	<u>3,108.27</u>

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	9,550	300	9,850
Charitable activities			
Caithness broch festival	-	10,000	10,000
Other charitable activities	3,840	7,000	10,840
Other trading activities	1,816	-	1,816
Total	<u>15,206</u>	<u>17,300</u>	<u>32,506</u>
EXPENDITURE ON			
Raising funds	2,546	-	2,546
Charitable activities			
Other charitable activities	15,898	23,882	39,780
Total	<u>18,444</u>	<u>23,882</u>	<u>42,326</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2019

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
NET INCOME/(EXPENDITURE)	(3,238)	(6,582)	(9,820)
Transfers between funds	(582)	582	-
Net movement in funds	(3,820)	(6,000)	(9,820)
RECONCILIATION OF FUNDS			
Total funds brought forward	6,192	6,000	12,192
TOTAL FUNDS CARRIED FORWARD	<u>2,372</u>	<u>-</u>	<u>2,372</u>

8. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 November 2018 and 31 October 2019	<u>2,895</u>
DEPRECIATION	
At 1 November 2018	1,757
Charge for year	<u>907</u>
At 31 October 2019	<u>2,664</u>
NET BOOK VALUE	
At 31 October 2019	<u>231</u>
At 31 October 2018	<u>1,138</u>

Notes to the Financial Statements - continued
for the Year Ended 31 October 2019

9. STOCKS

	31.10.19	31.10.18
	£	£
Stocks	200	200
	<u>200</u>	<u>200</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.10.19	31.10.18
	£	£
Accrued expenses	1,077	1,942
	<u>1,077</u>	<u>1,942</u>

11. MOVEMENT IN FUNDS

	At 1.11.18 £	Net movement in funds £	Transfers between funds £	At 31.10.19 £
Unrestricted funds				
General fund	2,372	6,194	(2,309)	6,257
Restricted funds				
Caithness Broch Festival	-	382	(432)	(50)
Project Development	-	35,459	2,741	38,200
	<u>-</u>	<u>35,841</u>	<u>2,309</u>	<u>38,150</u>
TOTAL FUNDS	<u>2,372</u>	<u>42,035</u>	<u>-</u>	<u>44,407</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	13,043	(6,849)	6,194
Restricted funds			
Caithness Broch Festival	1,222	(840)	382
Project Development	39,135	(3,676)	35,459
	<u>40,357</u>	<u>(4,516)</u>	<u>35,841</u>
TOTAL FUNDS	<u>53,400</u>	<u>(11,365)</u>	<u>42,035</u>

11. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.11.17 £	Net movement in funds £	Transfers between funds £	At 31.10.18 £
Unrestricted funds				
General fund	6,192	(3,238)	(582)	2,372
Restricted funds				
Caithness Broch Festival	6,000	10,300	(16,300)	-
Project Development	-	(16,702)	16,702	-
Travel	-	(180)	180	-
	<u>6,000</u>	<u>(6,582)</u>	<u>582</u>	<u>-</u>
TOTAL FUNDS	<u>12,192</u>	<u>(9,820)</u>	<u>-</u>	<u>2,372</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	15,206	(18,444)	(3,238)
Restricted funds			
Caithness Broch Festival	10,300	-	10,300
Project Development	6,000	(22,702)	(16,702)
Travel	1,000	(1,180)	(180)
	<u>17,300</u>	<u>(23,882)</u>	<u>(6,582)</u>
TOTAL FUNDS	<u>32,506</u>	<u>(42,326)</u>	<u>(9,820)</u>

11. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.11.17 £	Net movement in funds £	Transfers between funds £	At 31.10.19 £
Unrestricted funds				
General fund	6,192	2,956	(2,891)	6,257
Restricted funds				
Caithness Broch Festival	6,000	10,682	(16,732)	(50)
Project Development	-	18,757	19,443	38,200
	<u>6,000</u>	<u>29,439</u>	<u>2,711</u>	<u>38,150</u>
TOTAL FUNDS	<u>12,192</u>	<u>32,215</u>	<u>-</u>	<u>44,407</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	28,249	(25,293)	2,956
Restricted funds			
Caithness Broch Festival	11,522	(840)	10,682
Project Development	45,135	(26,378)	18,757
	<u>56,657</u>	<u>(27,218)</u>	<u>29,439</u>
TOTAL FUNDS	<u>85,906</u>	<u>(53,691)</u>	<u>32,215</u>

The restricted funds represent grants and donations towards the consolidation and conservation of the Ousdale Broch.

12. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 October 2019.

13. COMPANY LIMITED BY GUARANTEE

Caithness Broch Project is a company limited by guarantee and accordingly does not have a share capital. Every member of the company undertakes to contribute such an amount as may be required, not exceeding £1, to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

Caithness Broch Project

Detailed Statement of Financial Activities
for the Year Ended 31 October 2019

	Unrestricted funds £	Restricted funds £	31.10.19 Total funds £	31.10.18 Total funds £
INCOME AND ENDOWMENTS				
Donations and legacies				
Donations	4,538	10,965	15,503	5,005
Gift aid	-	-	-	632
Subscriptions	3,990	-	3,990	4,213
	<hr/>	<hr/>	<hr/>	<hr/>
	8,528	10,965	19,493	9,850
Other trading activities				
Shop income	4,515	-	4,515	1,816
Charitable activities				
Grants	-	29,392	29,392	20,840
	<hr/>	<hr/>	<hr/>	<hr/>
Total incoming resources	13,043	40,357	53,400	32,506
EXPENDITURE				
Other trading activities				
Purchases	1,560	63	1,623	2,546
Charitable activities				
Insurance	221	-	221	219
Archaeological services	-	3,676	3,676	26,542
Broch & Map designs	375	-	375	2,653
Postage	426	-	426	717
Advertising	305	-	305	852
Sundries	266	-	266	706
Travel and hospitality	1,462	77	1,539	2,598
IT	146	-	146	940
Room hire	121	-	121	76
Lego broch	-	-	-	82
Stationery & office costs	240	-	240	642
Fees	-	700	700	-
Repairs and renewals	-	-	-	1,347
Depreciation of tangible fixed assets	907	-	907	965
	<hr/>	<hr/>	<hr/>	<hr/>
	4,469	4,453	8,922	38,339
Support costs				

This page does not form part of the statutory financial statements

Caithness Broch Project

Detailed Statement of Financial Activities
for the Year Ended 31 October 2019

	Unrestricted funds £	Restricted funds £	31.10.19 Total funds £	31.10.18 Total funds £
Support costs				
Governance costs				
Accountancy and legal fees	820	-	820	1,441
Total resources expended	6,849	4,516	11,365	42,326
Net (expenditure)/income	6,194	35,841	42,035	(9,820)

This page does not form part of the statutory financial statements