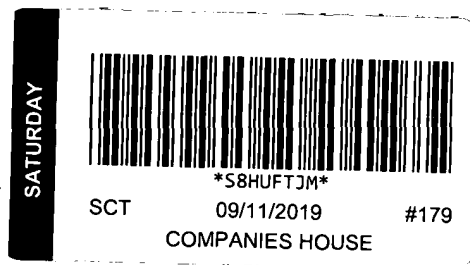


Cousland Smiddy Trust
(Limited by Guarantee)
Report and Financial Statements
For the Year Ended
31 March 2019



Company Registration Number: SC 116551

Scottish Charity No.: SC 009449

Cousland Smiddy Trust

**Report and Financial Statements
For the Year Ended 31 March 2019**

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Cousland Smiddy Trust

Reference and Administrative Information

Company Registration Number: SC 116551

Scottish Charity Number: SC 009449

Registered Office: Cousland Smiddy Cottage
31 Hadfast Road
Cousland
by Dalkeith
Midlothian, EH22 2NZ.

Website: www.couslandsmiddy.co.uk

Directors and Trustees:

The following served as directors of the company and trustees of the charity during the year and since:

Present Directors:

Sheena Irving	(Chairman)
Gordon Brown	(Secretary)
Robin Donald	(Treasurer)
Kenneth Carnie	
Peter Russell	
Michael Black	
David Connolly	
Candice Hatherley	
John Hamilton	(appointed 4/6/19)

Independent Examiner

John G. Norman C.A.

Accountants

John G. Norman Ltd
122 Giles Street
Leith
Edinburgh EH6 6BZ

Architects

Simpson & Brown
The Old Printworks
77a Brunswick Street
Edinburgh, EH7 5HS

Banks

The Royal Bank of Scotland plc
30 Nicolson Street
Edinburgh
EH8 9LD

Cousland Smiddy Trust

Report of the Trustees For the Year Ended 31 March 2019

The trustees are pleased to present their report together with financial statements for the year ended 31 March 2019.

Structure, Governance and Management

Cousland Smiddy Trust is incorporated as a company limited by guarantee, with the liability of members limited to £1 each. The company is governed by the terms of its Memorandum and Articles of Association and is a registered Scottish charity.

Trustees are appointed at the AGM and may be appointed by the Board during the year. One third of the trustees retire by rotation at each AGM and are eligible for re-appointment.

Other reference and administrative information, including those who served as trustees during the year, is shown on page 2.

Objectives and Review of Activities

The objects for which the Trust is established are:

- To preserve the Smiddy Building at Cousland, near Dalkeith, Midlothian and its collection for the benefit of the local community
- and to advance the education of the public in Scotland and elsewhere by the provision of the Smiddy Building as a museum.

Cousland Smiddy is a heritage asset, comprising an early 18th century smiddy, a Victorian cottage and other partially conserved associated buildings. There are also 16 organic plots and some amenity ground.

The Smiddy site is open to the public on a regular basis, on specified days and by appointment, between May and September (details are shown on the website, see page 2 above). Regular special events are also held, including Midlothian Doors Open Day, which regularly attracts many visitors, Midlothian Walking Festival and the village Christmas Carol Singing.

The Trust is a member of the Midlothian Tourism Forum, the Association of Independent Museums (AIM) and the Scottish Transport and Industrial Collections Knowledge (STICK) network. We participate in appropriate local exhibitions and give talks to other local groups, as requested.

There are regular volunteering opportunities for the local community.

Cousland Local History Project's archive is now held in the Cousland Community Heritage Hub, located in the Smiddy Cottage. It is home to the Cousland Local History Project who meet there monthly.

The Cousland Local History Project collaborates with the Smiddy Trust to display and interpret archive materials and key objects from the collection of artefacts, ensuring the visitor experience is updated annually.

We continue to have positive collaborations with Cousland Village Hall Association and have now established links with Cousland SWI (Scottish Women's Institute) and East Lothian Archaeology Service.

This has been a challenging year for the Trust. A project to ensure the buildings can be conserved appropriately and improved so that they remain suitable for our community's needs has been delayed due to the inability of one of the potential funders to respond timeously.

Cousland Smiddy Trust

Report of the Trustees (continued)

Objectives and Review of Activities (continued)

We have also had to operate with visiting blacksmiths for our open days, following the departure of our tenant blacksmith in the autumn.

The Trust is actively exploring a variety of options to ensure the smiddy remains a working smiddy on an almost daily basis.

Financial Review

The income and expenditure for the year is set out in the statement of financial activities on page 6. Total income amounted to £3,787. A grant of £500 was received from Midlothian Council. Other donations and fund-raising amounted to £2,362 and rent of £925 was received. The latter reduced due to departure of the tenant blacksmith at 31 October 2018.

Total expenditure amounted to £6,444 with further details in note 3. Expenditure also includes a depreciation charge of £2,433 (2% of net book value) in accordance with the Charities SORP(FRS102), which requires depreciation to be charged. There is further explanation in the accounting policies in note 1 on page 8.

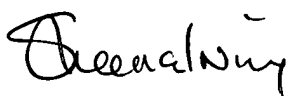
Development and other grants have been received in previous years on condition that the smiddy is kept open to the public for a minimum of 25 days each year, including 10 weekend openings between May and September.

The heritage assets, comprising the Cousland Smiddy buildings and contents of historic value, are stated in the balance sheet at cost less depreciation of £119,234, being the original purchase price plus development costs to date, net of depreciation. Due to the unique nature of the assets, it is difficult to establish an accurate market value and it is considered reasonable to use cost less depreciation.

Small Company Provisions

The Report of the Trustees has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

Signed on behalf of the Board of Trustees

Name: 
Trustee SHEENA IRVING

Date: 5/11/19

Report of the Independent Examiner To the Trustees of the Cousland Smiddy Trust

I report on the accounts of Cousland Smiddy Trust for the year ended 31 March 2019, which are set out on pages 6 to 13.

Respective responsibilities of trustees and examiner

The trustees of the charity (directors of the company) are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 (the 2005 Act) and the Charities Accounts (Scotland) Regulations 2006. They consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

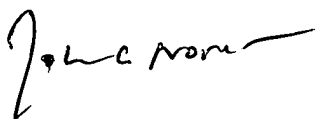
In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
- to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Date: 7/11/2019

John G. Norman Ltd
Chartered Accountants
122 Giles Street
Leith
Edinburgh EH6 6BZ

Cousland Smiddy Trust

Statement of Financial Activities (Including Income & Expenditure Account) For the Year Ended 31 March 2019

	Note	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Income					
Grants receivable	2	500	-	500	1,400
Donations & fund-raising		2,362	-	2,362	1,021
Rent received		925	-	925	1,380
Total income		<u>3,787</u>	<u>-</u>	<u>3,787</u>	<u>3,801</u>
Expenditure					
Charitable Activities:					
Property refurbishment and Heritage Hub development		808	-	808	1,847
Depreciation of heritage assets		-	2,433	2,433	2,483
Publicity & events		45	-	45	41
Property running costs		1,841	-	1,841	1,668
Administrative costs		1,317	-	1,317	1,466
Total expenditure	3	<u>4,011</u>	<u>2,433</u>	<u>6,444</u>	<u>7,505</u>
Net (expenditure)		<u>(224)</u>	<u>(2,433)</u>	<u>(2,657)</u>	<u>(3,704)</u>
Net movement in funds		(224)	(2,433)	(2,657)	(3,704)
Balances brought forward		<u>3,370</u>	<u>121,667</u>	<u>125,037</u>	<u>128,741</u>
Balances carried forward		<u>3,146</u>	<u>119,234</u>	<u>122,380</u>	<u>125,037</u>

Further details of funds are shown in Note 8 on page 12.

The statement of financial activities includes all gains and losses in the year.

All incoming resources and resources expended derive from continuing activities.

The comparative figures are analysed by class in note 10 to the financial statements.

The notes on pages 8 to 13 form part of these financial statements.

Cousland Smiddy Trust

Balance Sheet at 31 March 2019

	Note	2019 £	2018 £
Fixed Assets			
Heritage assets		119,234	121,667
Plant & equipment		<u>1,097</u>	<u>1,684</u>
Tangible assets	4	<u>120,331</u>	<u>123,351</u>
Current Assets			
Stock	5	250	50
Debtors	6	75	232
Cash at bank and in hand		<u>2,124</u>	<u>1,804</u>
		<u>2,449</u>	<u>2,086</u>
Creditors			
Amounts falling due within one year	7	<u>400</u>	<u>400</u>
Net Current Assets		<u>2,049</u>	<u>1,686</u>
Net Assets		<u>122,380</u>	<u>125,037</u>
Funds			
Restricted funds	8	119,234	121,667
Unrestricted funds	8	<u>3,146</u>	<u>3,370</u>
		<u>122,380</u>	<u>125,037</u>

For the year ended 31 March 2019 the company was entitled to exemption from an audit under section 477 of the Companies Act 2006 ("the Act") relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

Approved by the Board of Trustees and authorised for issue on 5 November 2019

Name:

Gordon Brown

Date:

5 Nov. '19

Trustee

GORDON BROWN

Company registration number: SC 116551

The notes on pages 8 to 13 form part of these financial statements.

Cousland Smiddy Trust

Notes to the Financial Statements for the Year Ended 31 March 2019

1. Accounting Policies

Basis of Accounting

The financial statements of the charity, which constitutes a public benefit entity as defined by FRS102, have been prepared on the historical cost basis and in accordance with the requirements of the Companies Act 2006, 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 (FRS102) (effective 1 January 2015)'; and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The charity has applied the alternative structure allowed by paragraph 4.22 of the Charities SORP and has not reported on an activity basis. It has also taken advantage of the exemption permitted for smaller charities not to prepare a Statement of Cash Flows.

Going Concern Basis

The financial statements have been prepared on a going concern basis. The directors have assessed the charitable company's ability to continue as a going concern and have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

Income

Generally income is recognised and included in the accounts when the charity has entitlement to the funds, any performance or other conditions attaching to the income have been met or are fully within the control of the charity, the income has been received or receipt is considered probable and the amount can be measured reliably.

Income from grants is recognised in the period to which the grant relates or when any conditions for use of the grant have been fulfilled. Any periodic grants received in advance or grant income of a contractual nature received in advance of performance are included as deferred income in creditors. Income from other grants and donations is recognised on receipt. Where a grant or donation is received for a specific purpose, it is included in restricted income and any unexpended portion carried forward as a restricted fund. Rental income is recognised on receipt.

Expenditure

All expenditure is accounted for on an accruals basis and when there is a legal or constructive obligation to make a payment to a third party.

Tangible Fixed Assets and Depreciation

Heritage assets comprise the Cousland Smiddy buildings and contents of historic value. Due to the unique nature of these assets, it is difficult to establish a meaningful valuation and they are stated at cost less depreciation. Cost comprises the original purchase price plus development costs to date.

Prior to the accounts for the year to 31 March 2018, the heritage assets were not depreciated on the grounds of having an indefinite useful life. In accordance with current accounting practice as set out in the Charities SORP (FRS102), depreciation is now being charged at a rate of 2% of net book value per annum by the reducing balance method.

Other tangible fixed assets are stated at cost less depreciation. Depreciation is charged by the straight line method over the estimated useful life of each asset at the following rates:

<i>Office IT Equipment</i>	<i>33.3% per annum</i>
<i>Other equipment & plant</i>	<i>25% per annum</i>
<i>Storage & display furniture</i>	<i>20% per annum</i>

Cousland Smiddy Trust

Notes to the Financial Statements for the Year Ended 31 March 2019

1. Accounting Policies (continued)

Stock

Stock comprises an estimate of heating oil unused at the year-end, at cost.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments relate to amounts paid in advance for expenditure attributable to future financial periods. Accrued income relates to income due for the current year, which had not been billed or received at the year-end.

Creditors

Creditors are recognised at settlement amount, where the charity has a present obligation resulting from a past event, which is likely to result in the transfer of funds to a third party, and the amount due can be measured or estimated reliably.

Other basic financial instruments

The company only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently at their settlement value.

Taxation

The company is a registered charity and is exempt from corporation tax on its charitable activity. It is not registered for VAT and expenditure includes VAT where relevant.

Fund Accounting

Unrestricted funds can be used in accordance with any of the charitable objects 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. The restricted *Heritage assets fund* in note 8 represents the purchase price and development costs of the smiddy, which were largely funded by restricted grants.

Accounting estimates

The trustees do not consider that there are any areas of the financial statements where significant judgements are being carried out.

Cousland Smiddy Trust

Notes to the Financial Statements for the Year Ended 31 March 2019

	2019 £	2018 £
2. Grants Receivable		
Midlothian Council Small Projects Regeneration Fund	500	400
Foundation Scotland - Red Nose Day Community Cash	-	1,000
	<u>500</u>	<u>1,400</u>
3. Expenditure		
Property refurbishment & Heritage Hub development		
Electrical work	808	-
Structural Condition Survey	-	1,847
	<u>808</u>	<u>1,847</u>
Depreciation of Heritage assets	<u>2,433</u>	<u>2,483</u>
Publicity & events		
Doors Open Day	15	23
Midlothian Tourism Forum	30	-
Publicity leaflets	-	18
	<u>45</u>	<u>41</u>
Property running costs		
Fuel costs and Heat & Light	1,062	722
Insurance	703	670
Property maintenance	76	276
	<u>1,841</u>	<u>1,668</u>
Administrative costs		
Telephone, post & stationery	309	248
Accountancy / independent examiner's remuneration	400	400
Depreciation - plant & equipment	587	797
Other costs	21	21
	<u>1,317</u>	<u>1,466</u>
Total Expenditure	<u>6,444</u>	<u>7,505</u>

Related Party Transactions:

No remuneration was paid to trustees during the year and no expenses were reimbursed.

Cousland Smiddy Trust

Notes to the Financial Statements (continued)

4. Tangible Fixed Assets	Heritage Assets (see note)	Plant & equipment	Total
<i>Cost or valuation:</i>	£	£	£
At 1 April 2018	124,150	3,057	127,207
Additions	-	-	-
At 31 March 2019	124,150	3,057	127,207
<i>Depreciation:</i>			
At 1 April 2018	2,483	1,373	3,856
Charge for year	2,433	587	3,020
At 31 March 2019	4,916	1,960	6,876
<i>Net Book Value:</i>			
At 31 March 2019	119,234	1,097	120,331
At 31 March 2018	121,667	1,684	123,351

Note

Heritage assets comprise the Cousland Smiddy buildings and contents of historic value, which are stated at cost less depreciation. Cost comprises the original purchase price of £30,000 plus development costs of £94,150.

Due to the uniqueness of the assets, it is difficult to establish an accurate market value and it is considered reasonable to use cost in the circumstances.

There have been no acquisitions or disposals of heritage assets and no adjustments for impairment in this year or the previous 4 years.

5. Stock	2019 £	2018 £
Stock of heating oil	250	50
	250	50
6. Debtors		
<i>Amounts due within one year:</i>	£	£
Prepayments	75	72
Accrued income	-	160
	75	232
7. Creditors		
<i>Amounts falling due within one year:</i>	£	£
Accruals	400	400
	400	400

Cousland Smiddy Trust

Notes to the Financial Statements (continued)

8. Movement on Funds

	Note	At 1/4/18 £	Movement in year		At 31/3/19 £
			Incoming £	Outgoing £	
Restricted funds:					
Heritage assets	(1)	<u>121,667</u>	<u>-</u>	<u>(2,433)</u>	<u>119,234</u>
Total restricted funds		<u>121,667</u>	<u>-</u>	<u>(2,433)</u>	<u>119,234</u>
Unrestricted funds:					
Fixed Asset Fund	(2)	<u>1,684</u>	<u>-</u>	<u>(587)</u>	<u>1,097</u>
General fund		<u>1,686</u>	<u>3,787</u>	<u>(3,424)</u>	<u>2,049</u>
Total unrestricted funds		<u>3,370</u>	<u>3,787</u>	<u>(4,011)</u>	<u>3,146</u>
Total funds		<u>125,037</u>	<u>3,787</u>	<u>(6,444)</u>	<u>122,380</u>

Notes:

- (1) The Heritage assets fund represents the carrying value of the Cousland Smiddy buildings and contents, which equates to the cost of the assets less depreciation.
- (2) The fixed asset fund represents the net book value of fixed assets, other than heritage assets. Depreciation is charged to the fund and the cost of assets purchased is transferred in.

9. Analysis of Net Assets by Fund

	Restricted Funds £	Unrestricted		Total Funds £
		Fixed Asset Fund £	General Fund £	
Heritage assets	119,234	-	-	119,234
Fixed assets	-	1,097	-	1,097
Stock	-	-	250	250
Debtors	-	-	75	75
Cash at bank & in hand	-	-	2,124	2,124
Creditors	-	-	(400)	(400)
Net Assets at 31/3/19	<u>119,234</u>	<u>1,097</u>	<u>2,049</u>	<u>122,380</u>

Cousland Smiddy Trust

Notes to the Financial Statements (continued)

10. Statement of Financial Activities - Comparative figures for the year ended 31 March 2018

	Unrestricted funds £	Restricted funds £	Total 2018 £
Income			
Grants receivable	1,400	-	1,400
Donations & fund-raising	1,021	-	1,021
Rent received	1,380	-	1,380
Total income	<u>3,801</u>	<u>-</u>	<u>3,801</u>
Expenditure			
Charitable Activities:			
Property refurbishment and Heritage Hub development	-	1,847	1,847
Depreciation of heritage assets	-	2,483	2,483
Publicity & events	41	-	41
Property running costs	1,668	-	1,668
Administrative costs	1,466	-	1,466
Total expenditure	<u>3,175</u>	<u>4,330</u>	<u>7,505</u>
Net income / (expenditure) for year	626	(4,330)	(3,704)
Transfers	<u>600</u>	<u>(600)</u>	<u>-</u>
Net movement in funds	1,226	(4,930)	(3,704)
Balances brought forward	<u>2,144</u>	<u>126,597</u>	<u>128,741</u>
Balances carried forward	<u>3,370</u>	<u>121,667</u>	<u>125,037</u>