

Cousland Smiddy Trust
(Limited by Guarantee)
Report and Financial Statements
For the Year Ended
31 March 2023



Company Registration Number: SC 116551

Scottish Charity No.: SC 009449

Cousland Smiddy Trust

Report and Financial Statements For the Year Ended 31 March 2023

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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:

Present Directors:

Sheena Irving	(Chair)
Gordon Brown	(Secretary)
Robin Donald	(Treasurer)
Kenneth Carnie	
Peter Russell	
David Connolly	
Candice Hatherley	
John Hamilton	
Rognvald Corse	

Independent Examiner

John Paul FCIE
29 Avon Crescent
Broughty Ferry
Dundee, DD5 3TX

Architects

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

Bank

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 2023

The trustees are pleased to present their report together with financial statements for the year ended 31 March 2023.

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 the smiddy paddock (formerly leased but purchased during the year), 17 organic plots and some amenity ground.

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, and there are normally regular volunteering opportunities for the local community.

We received a very significant and generous donation from a villager's lifetime savings – a gift rather than a legacy – during the year, which enabled us to purchase the Smiddy Paddock in June 2022.

The Smiddy and cottage were open to the public on 25 advertised days and available for group visits by arrangement. Doors Open Day in September always attracts numerous visitors.

The annual village carol-singing around the forge was a great success and much enjoyed at Christmas time, following two cancelled years because of Covid.

A local Farrier continues to rent the smiddy and workshop. Having live demonstrations of blacksmithing as part of our visitor offering transforms the experience and we are very grateful to our tenant for his enthusiastic participation.

Meetings of the Trust are once again being held in person in the Smiddy Cottage.

Cousland Local History Project also meets monthly in the Smiddy cottage.

Cousland Smiddy Trust

Report of the Trustees (continued)

We continue to inspect the buildings regularly and keep them heated etc so that our own collections of tools and artefacts and Cousland Local History Project's archive of local history materials and displays are protected.

It was a good year for the Trust, and we are confident that we can make great progress in the next financial year.

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 £92,955. A grant of £1,000 was received from Foundation Scotland. As detailed above there was a donation of £90,000 from a villager. Other donations and fund-raising included donations from the Doors Open Day, carol singing and visitor donations. Rental income totalled £1,380.

Total expenditure amounted to £14,271 with further details in note 4. Expenditure was higher than in the previous year due mainly to legal fees (£8,819) associated with the purchase of the Smiddy Paddock. Expenditure also includes a further depreciation charge of £2,244 (2% of Net Book Value) in accordance with the Charities SORP(FRS102), which requires depreciation to be charged.

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. We were able to achieve this this year following the hiatus caused by covid.

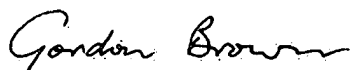
The heritage assets, comprising the Cousland Smiddy buildings and contents of historic value, are stated in the balance sheet at cost less depreciation of £109,978, being the original purchase price plus development costs to date, net of depreciation. Due to the unique nature of the assets, it is difficult to establish an accurate market value and it is considered reasonable to use cost.

Funds of £119,249 are carried forward at the end of the year consisting of £109,978 in restricted funds being the value of the heritable assets as explained above; the unrestricted fund is made up of £176 being the net book value of the equipment held at the end of the year, £85,000 being the purchase price of the Smiddy Paddock and £2,779 in the general fund available for day to day running costs and the overall objectives of the charity.

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



Gordon Brown
Director

Date: 24 July 2023

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 2023, 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 Regulationshave 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.



John Paul FCIE
29 Avon Crescent
Broughty Ferry
Dundee
DD5 3TX

Date: 24 July 2023

Cousland Smiddy Trust

Statement of Financial Activities (Including Income & Expenditure Account) For the Year Ended 31 March 2023

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Income					
Grants receivable	2	1,000	-	1,000	430
Donations & fund-raising	3	90,575	-	90,575	1,400
Rent received		1,380	-	1,380	1,405
Total income		<u>92,955</u>	<u>-</u>	<u>92,955</u>	<u>3,235</u>
Expenditure					
<i>Charitable Activities:</i>					
Property refurbishment and Heritage Hub development		-	-	-	300
Depreciation of heritage assets		-	2,244	2,244	2,290
Publicity & events		68	-	68	112
Property running costs		2,030	-	2,030	2,306
Administrative costs		9,929	-	9,929	981
Total expenditure	4	<u>12,027</u>	<u>2,244</u>	<u>14,271</u>	<u>5,989</u>
Net income / (expenditure)		<u>80,928</u>	<u>(2,244)</u>	<u>78,684</u>	<u>(2,754)</u>
Transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		80,928	(2,244)	78,684	(2,754)
Balances brought forward		<u>7,027</u>	<u>112,222</u>	<u>119,249</u>	<u>122,003</u>
Balances carried forward		<u>87,955</u>	<u>109,978</u>	<u>197,933</u>	<u>119,249</u>

Further details of funds are shown in Note 9 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 11 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 2023

	Note	2023 £	2022 £
Fixed Assets			
Heritage assets		109,978	112,222
Smiddy Paddock		85,000	-
Plant & equipment		176	335
Tangible assets	5	<u>195,154</u>	<u>112,557</u>
Current Assets			
Stock	6	40	200
Debtors	7	81	77
Cash at bank and in hand		<u>2,908</u>	<u>6,665</u>
		<u>3,029</u>	<u>6,942</u>
Creditors			
Amounts falling due within one year	8	<u>250</u>	<u>250</u>
Net Current Assets		<u>2,779</u>	<u>6,692</u>
Net Assets		<u>197,933</u>	<u>119,249</u>
Funds			
Restricted funds	9	109,978	112,222
Unrestricted funds	9	<u>87,955</u>	<u>7,027</u>
		<u>197,933</u>	<u>119,249</u>

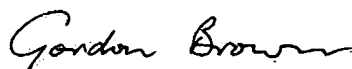
For the year ended 31 March 2023 the company was entitled to exemption from an audit under section 477 of the Companies Act 2006 ("the Act") relating to small companies.

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 24 July 2023



Date: 24 July 2023

Gordon Brown

Director

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 2023

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.

The heritage assets were not previously 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>

Stock

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

Cousland Smiddy Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

1. Accounting Policies (continued)

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 2023

	2023 £	2022 £
2. Grants Receivable		
Foundation Scotland	1,000	-
Midlothian Council Micro-grant Programme	-	430
	<u>1,000</u>	<u>430</u>
3. Donations & fundraising		
Donation from individual	90,000	-
Other donations & fundraising	575	1,400
	<u>90,575</u>	<u>1,400</u>
A donation of £90,000 from a villager was used to purchase the Smiddy Paddock (£85,000) and towards the costs of legal fees associated with the purchase.		
4. Expenditure		
Property refurbishment & Heritage Hub development		
Display / storage system	-	300
	<u>-</u>	<u>300</u>
Depreciation of Heritage assets	<u>2,244</u>	<u>2,290</u>
Publicity & events		
Doors Open Day	68	112
	<u>68</u>	<u>112</u>
Property running costs		
Fuel costs and Heat & Light	1,255	1,148
Insurance	759	722
Property maintenance	16	436
	<u>2,030</u>	<u>2,306</u>
Administrative costs		
Telephone, post & stationery	592	476
Legal fees	8,819	-
Accountancy / independent examiner's remuneration	250	250
Depreciation - plant & equipment	159	159
Card reader	96	83
Companies House	13	13
	<u>9,929</u>	<u>981</u>
Total Expenditure	<u>14,271</u>	<u>5,989</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)

5. Tangible Fixed Assets	Heritage Assets (see note)	Smiddy Paddock	Plant & equipment	Total
<i>Cost or valuation:</i>	£	£	£	£
At 1 April 2022	124,150	-	3,689	127,839
Additions	-	85,000	-	85,000
At 31 March 2023	124,150	85,000	3,689	212,839
<i>Depreciation:</i>				
At 1 April 2022	11,928	-	3,354	15,282
Charge for year	2,244	-	159	2,403
At 31 March 2023	14,172	-	3,513	17,685
<i>Net Book Value:</i>				
At 31 March 2023	109,978	85,000	176	195,154
At 31 March 2022	112,222	-	335	112,557

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.

6. Stock	2023	2022
	£	£
Stock of heating oil	40	200
	40	200
7. Debtors		
<i>Amounts due within one year:</i>	£	£
Prepayments	81	77
	81	77
8. Creditors		
<i>Amounts falling due within one year:</i>	£	£
Accruals	250	250
	250	250

Cousland Smiddy Trust

Notes to the Financial Statements (continued)

9. Movement on Funds

	Note	At 1/4/22 £	Movement in year		Transfers £	At 31/3/23 £
			Incoming £	Outgoing £		
Restricted funds:						
Heritage assets	(1)	112,222	-	(2,244)	-	109,978
Total restricted funds		<u>112,222</u>	<u>-</u>	<u>(2,244)</u>	<u>-</u>	<u>109,978</u>
Unrestricted funds:						
Fixed Asset Fund	(2)	335	-	(159)		176
Smiddy Paddock		-	-	-	85,000	85,000
General fund		6,692	92,955	(11,868)	(85,000)	2,779
Total unrestricted funds		<u>7,027</u>	<u>92,955</u>	<u>(12,027)</u>	<u>-</u>	<u>87,955</u>
Total funds		<u>119,249</u>	<u>92,955</u>	<u>(14,271)</u>	<u>-</u>	<u>197,933</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.

10. Analysis of Net Assets by Fund

	Restricted Funds £	Unrestricted Fixed Assets Fund £	Unrestricted General Fund £	Total Funds £
Heritage assets	109,978	-	-	109,978
Smiddy Paddock	-	85,000	-	85,000
Fixed assets	-	176	-	176
Stock	-	-	40	40
Debtors	-	-	81	81
Cash at bank & in hand	-	-	2,908	2,908
Creditors	-	-	(250)	(250)
Net Assets at 31/3/23	<u>109,978</u>	<u>85,176</u>	<u>2,779</u>	<u>197,933</u>

Cousland Smiddy Trust

Notes to the Financial Statements (continued)

11. Statement of Financial Activities - Comparative figures for the year ended 31 March 2022

Income	Unrestricted funds £	Restricted funds £	Total 2022 £
Grants receivable	-	430	430
Donations & fund-raising	1,400	-	1,400
Rent received	1,405	-	1,405
Total income	2,805	430	3,235
Expenditure			
<i>Charitable Activities:</i>			
Property refurbishment and			
Heritage Hub development	60	240	300
Depreciation of heritage assets	-	2,290	2,290
Publicity & events	112	-	112
Property running costs	2,306	-	2,306
Administrative costs	981	-	981
Total expenditure	3,459	2,530	5,989
Net (expenditure) for year	(654)	(2,100)	(2,754)
Transfers	190	(190)	-
Net movement in funds	(464)	(2,290)	(2,754)
Balances brought forward	7,491	114,512	122,003
Balances carried forward	7,027	112,222	119,249

12 Analysis of Net Assets by Fund (Previous year)

	Restricted Funds £	Unrestricted Fixed Assets Fund £	Unrestricted General Fund £	Total Funds £
Heritage assets	112,222	-	-	112,222
Fixed assets	-	335	-	335
Stock	-	-	200	200
Debtors	-	-	77	77
Cash at bank & in hand	-	-	6,665	6,665
Creditors	-	-	(250)	(250)
Net Assets at 31/3/22	112,222	335	6,692	119,249