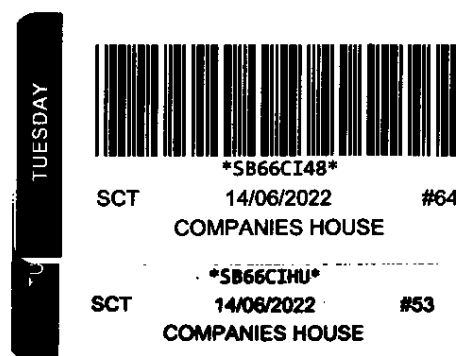


**Cousland Smiddy Trust
(Limited by Guarantee)
Report and Financial Statements
For the Year Ended
31 March 2022**



Company Registration Number: SC 116551

Scottish Charity No.: SC 009449

Cousland Smiddy Trust

**Report and Financial Statements
For the Year Ended 31 March 2022**

| Contents | Pages |
|---|--------------|
| Reference and administrative information | 2 |
| Report of the Trustees | 3 - 4 |
| Independent Examiner's report | 5 |
| Statement of financial activities (Including Income and Expenditure account) | 6 |
| Balance Sheet | 7 |
| Notes to the financial statements | 8 - 13 |

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 | (Chairman) |
| Gordon Brown | (Secretary) |
| Robin Donald | (Treasurer) |
| Kenneth Camie | |
| Peter Russell | |
| David Connolly | |
| Candice Hatherley | |
| John Hamilton | |
| Rognvald Corse | (Appointed 3/8/21) |

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 2022

The trustees are pleased to present their report together with financial statements for the year ended 31 March 2022.

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 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.

The Smiddy and cottage were closed to the public, because of the Covid-19 pandemic restrictions, for most of the past year and Doors Open Day in September was the only event organised to attract visitors. All our normal volunteering opportunities were withdrawn.

The annual village carol-singing around the forge was cancelled because of a local surge in Covid cases.

The tenant blacksmith/farrier was able to continue to work as his job was deemed to be essential for animal welfare and so we continued to receive some rental income throughout the year.

All meetings of the Trust were held via Zoom.

Cousland Local History Project's monthly meetings in the Smiddy cottage were suspended.

We continued to inspect the buildings regularly and kept 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 were protected.

It was a further difficult year for the Trust, but we are confident that we can make great progress in the next financial year, as life returns to near normal.

Cousland Smiddy Trust

Report of the Trustees (continued)

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 £3,235. A grant of £430 was received from Midlothian Council Micro-grant Programme to upgrade storage and display of the collection of blacksmithing tools. Other donations and fund-raising included £789 from the Doors Open Day and £601 from sale of donated Mauchlineware collection. Rental income totalled £1,405.

Total expenditure amounted to £5,989 with further details in note 3. Property and running costs were 25% higher than the previous year due mainly to increased oil costs. Expenditure also includes a further depreciation charge of £2,290 (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. As mentioned above this was not possible due to Covid.

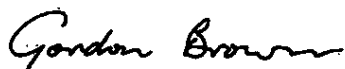
The heritage assets, comprising the Cousland Smiddy buildings and contents of historic value, are stated in the balance sheet at cost less depreciation of £112,222, being the original purchase price plus development costs to date, net of depreciation. Due to the unique nature of the assets, it is difficult 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 £112,222 in restricted funds being the value of the heritable assets as explained above; the unrestricted fund is made up of £335 being the net book value of the equipment held at the end of the year and £6,392 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

Trustee

Date: 9 June 2022

**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 2022, 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: 9 June 2022

Cousland Smiddy Trust**Statement of Financial Activities (Including Income & Expenditure Account)
For the Year Ended 31 March 2022**

| | Note | Unrestricted funds £ | Restricted funds £ | Total 2022 £ | Total 2021 £ |
|--|-------------|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Income | | | | | |
| Grants receivable | 2 | - | 430 | 430 | 38,982 |
| Donations & fund-raising | | 1,400 | - | 1,400 | 260 |
| Rent received | | 1,405 | - | 1,405 | 1,390 |
| Total income | | <u>2,805</u> | <u>430</u> | <u>3,235</u> | <u>40,632</u> |
| Expenditure | | | | | |
| Charitable Activities: | | | | | |
| Property refurbishment and Heritage Hub development | | 60 | 240 | 300 | 40,008 |
| Depreciation of heritage assets | | - | 2,290 | 2,290 | 2,337 |
| Publicity & events | | 112 | - | 112 | 196 |
| Property running costs | | 2,306 | - | 2,306 | 1,848 |
| Administrative costs | | 981 | - | 981 | 1,206 |
| Total expenditure | 3 | <u>3,459</u> | <u>2,530</u> | <u>5,989</u> | <u>45,595</u> |
| Net (expenditure) | | <u>(654)</u> | <u>(2,100)</u> | <u>(2,754)</u> | <u>(4,963)</u> |
| Transfers between funds | | <u>190</u> | <u>(190)</u> | <u>-</u> | <u>-</u> |
| Net movement in funds | | <u>(464)</u> | <u>(2,290)</u> | <u>(2,754)</u> | <u>(4,963)</u> |
| Balances brought forward | | <u>7,491</u> | <u>114,512</u> | <u>122,003</u> | <u>126,966</u> |
| Balances carried forward | | <u>7,027</u> | <u>112,222</u> | <u>119,249</u> | <u>122,003</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 2022**

| | Note | 2022 £ | 2021 £ |
|-------------------------------------|------|----------------|----------------|
| Fixed Assets | | | |
| Heritage assets | | 112,222 | 114,512 |
| Plant & equipment | | 335 | 138 |
| Tangible assets | 4 | <u>112,557</u> | <u>114,650</u> |
| Current Assets | | | |
| Stock | 5 | 200 | 150 |
| Debtors | 6 | 77 | 76 |
| Cash at bank and in hand | | <u>6,865</u> | <u>7,397</u> |
| | | <u>6,942</u> | <u>7,623</u> |
| Creditors | | | |
| Amounts falling due within one year | 7 | <u>250</u> | <u>270</u> |
| Net Current Assets | | <u>6,692</u> | <u>7,353</u> |
| Net Assets | | <u>119,249</u> | <u>122,003</u> |
| Funds | | | |
| Restricted funds | 8 | 112,222 | 114,512 |
| Unrestricted funds | 8 | <u>7,027</u> | <u>7,491</u> |
| | | <u>119,249</u> | <u>122,003</u> |

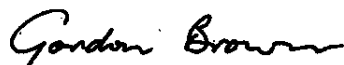
For the year ended 31 March 2022 the company was entitled to exemption from an audit under section 477 of the Companies Act 2006 ("the Act") relating to small companies.

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 7 June 2022



Date: 9 June 2022

Gordon Brown

Trustee

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 2022

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:

| | |
|-----------------------------|-----------------|
| Office IT Equipment | 33.3% per annum |
| Other equipment & plant | 25% per annum |
| Storage & display furniture | 20% per annum |

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 2022

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 2022**

| | 2022 | 2021 |
|--|---------------------|----------------------|
| | £ | £ |
| 2. Grants Receivable | | |
| Midlothian Council Micro-grant Programme | 430 | 400 |
| Covid 19 Small Business grant | - | 10,000 |
| <i>for Improvement Project</i> | | |
| Historic Environment Scotland | - | 7,892 |
| Midlothian Council (Tyne Esk Leader) grant | - | 20,690 |
| | <u>430</u> | <u>38,982</u> |
| 3. Expenditure | | |
| Property refurbishment & Heritage Hub development | | |
| Display / storage system | 300 | - |
| F A Sweeney Stonemasons | - | 39,240 |
| Architects | - | 768 |
| | <u>300</u> | <u>40,008</u> |
| Depreciation of Heritage assets | <u>2,290</u> | <u>2,337</u> |
| Publicity & events | | |
| Doors Open Day | 112 | - |
| Publicity materials | - | 160 |
| Repair to display board | - | 36 |
| | <u>112</u> | <u>196</u> |
| Property running costs | | |
| Fuel costs and Heat & Light | 1,148 | 822 |
| Insurance | 722 | 710 |
| Property maintenance | 436 | 316 |
| | <u>2,306</u> | <u>1,848</u> |
| Administrative costs | | |
| Telephone, post & stationery | 476 | 344 |
| Accountancy / independent examiner's remuneration | 250 | 270 |
| Depreciation - plant & equipment | 159 | 579 |
| Card reader | 83 | - |
| Companies House | 13 | 13 |
| | <u>981</u> | <u>1,206</u> |
| Total Expenditure | <u><u>5,989</u></u> | <u><u>45,595</u></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 2021 | 124,150 | 3,333 | 127,483 |
| Additions | - | 356 | 356 |
| At 31 March 2022 | 124,150 | 3,689 | 127,839 |
| <i>Depreciation:</i> | | | |
| At 1 April 2021 | 9,638 | 3,195 | 12,833 |
| Charge for year | 2,290 | 159 | 2,449 |
| At 31 March 2022 | 11,928 | 3,354 | 15,282 |
| <i>Net Book Value:</i> | | | |
| At 31 March 2022 | 112,222 | 335 | 112,557 |
| At 31 March 2021 | 114,512 | 138 | 114,650 |

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 | 2022 | 2021 |
|---|-------------|-------------|
| | £ | £ |
| Stock of heating oil | 200 | 150 |
| | 200 | 150 |
| 6. Debtors | | |
| <i>Amounts due within one year:</i> | £ | £ |
| Prepayments | 77 | 76 |
| | 77 | 76 |
| 7. Creditors | | |
| <i>Amounts falling due within one year:</i> | £ | £ |
| Accruals | 250 | 270 |
| | 250 | 270 |

Cousland Smiddy Trust**Notes to the Financial Statements (continued)****8. Movement on Funds**

| | Note | At 1/4/21 £ | Movement in year | | Transfers £ | At 31/3/22 £ |
|---------------------------------|------|-------------------|------------------|----------------|----------------|--------------------|
| | | | Incoming £ | Outgoing £ | | |
| Restricted funds: | | | | | | |
| Heritage assets | (1) | 114,512 | - | (2,290) | - | 112,222 |
| Display / storage system | (2) | - | 430 | (240) | (190) | - |
| Total restricted funds | | <u>114,512</u> | <u>430</u> | <u>(2,530)</u> | <u>(190)</u> | <u>112,222</u> |
| Unrestricted funds: | | | | | | |
| Fixed Asset Fund | (3) | 138 | - | (159) | 356 | 335 |
| General fund | | <u>7,353</u> | <u>2,805</u> | <u>(3,300)</u> | <u>(166)</u> | <u>6,692</u> |
| Total unrestricted funds | | <u>7,491</u> | <u>2,805</u> | <u>(3,459)</u> | <u>190</u> | <u>7,027</u> |
| Total funds | | <u>122,003</u> | <u>3,235</u> | <u>(5,989)</u> | <u>-</u> | <u>119,249</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) A Micro grant of £430 was received from Midlothian Council. This allowed us to upgrade our facility for storage and display / interpretation of the collection of blacksmithing tools within Cousland Smiddy.
- (3) 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 £ | 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 | <u>112,222</u> | <u>335</u> | <u>6,692</u> | <u>119,249</u> |

Cousland Smiddy Trust**Notes to the Financial Statements (continued)****10. Statement of Financial Activities - Comparative figures for the year ended 31 March 2021**

| | Unrestricted funds | Restricted funds | Total 2020 |
|--|-----------------------|---------------------|----------------|
| | £ | £ | £ |
| Income | | | |
| Grants receivable | 10,400 | 28,582 | 38,982 |
| Donations & fund-raising | 260 | - | 260 |
| Rent received | 1,390 | - | 1,390 |
| Total income | <u>12,050</u> | <u>28,582</u> | <u>40,632</u> |
| Expenditure | | | |
| <i>Charitable Activities:</i> | | | |
| Property refurbishment and Heritage Hub development | 3,828 | 36,180 | 40,008 |
| Depreciation of heritage assets | - | 2,337 | 2,337 |
| Publicity & events | 196 | - | 196 |
| Property running costs | 1,848 | - | 1,848 |
| Administrative costs | 1,206 | - | 1,206 |
| Total expenditure | <u>7,078</u> | <u>38,517</u> | <u>45,595</u> |
| Net income / (expenditure) for year | 4,972 | (9,935) | (4,963) |
| Transfers | <u>-</u> | <u>-</u> | <u>-</u> |
| Net movement in funds | 4,972 | (9,935) | (4,963) |
| Balances brought forward | <u>2,519</u> | <u>124,447</u> | <u>126,966</u> |
| Balances carried forward | <u>7,491</u> | <u>114,512</u> | <u>122,003</u> |