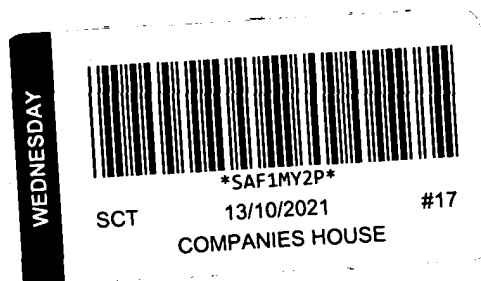


**Cousland Smiddy Trust
(Limited by Guarantee)
Report and Financial Statements
For the Year Ended
31 March 2021**



Company Registration Number: SC 116551

Scottish Charity No.: SC 009449

Cousland Smiddy Trust

Report and Financial Statements For the Year Ended 31 March 2021

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

We were sorry to hear of the death of Trust Director Michael Black in December 2020. Michael was a highly valued member of the Trust and will be much missed for his thoughtful and considered comments and input, not to mention his photographic skills which documented many of the smiddy events & happenings

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 2021

The trustees are pleased to present their report together with financial statements for the year ended 31 March 2021.

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 Covid-19 pandemic restrictions on travel and rules for social distancing had a severe adverse effect on our normal activities during 2020-2021.

The Smiddy site was closed to the public and there were no special events to attract visitors. All our volunteering opportunities were withdrawn.

Prospects looked very bleak in April 2020.

We applied for and were successful in receiving a Covid resilience grant. This gave us the financial security and confidence we needed to survive a total loss of visitor donations and local fundraising opportunities.

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.

All meetings of the Trust were held via Zoom and our Articles of Association were amended to ensure such meetings were allowed.

The Trust participated in a virtual Doors Open Day, with a specially crafted short film and slide show.

Cousland Smiddy Trust

Report of the Trustees (continued)

Objectives and Review of Activities (continued)

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.

Late in 2020, as Covid-19 restrictions eased, our project to ensure the buildings can be conserved appropriately and improved so that they remain suitable for our community's needs eventually restarted and was completed early in 2021. A much improved floor in the Smiddy is the star outcome of that process.

It was an extraordinary year for the Trust, but we survived, thanks to the grant received and the personal resilience of our volunteers and we are confident that we can make great progress in the next financial year, if life returns to near normal.

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 £40,632. In addition to the resilience grant of £10,000, grants were also received for £400 from Midlothian Council Micro-grant Programme and for £7,892 and £20,690 from Historic Environment Scotland and Midlothian Council to continue work on the Improvement Project. Other donations and fund-raising amounted to £260 and rent of £1,390 was received.

Total expenditure amounted to £45,595 with further details in note 3. The main cost (£40,008) was for work on the Improvement Project. Expenditure also includes a further depreciation charge of £2,337 (2% of Net Book Value) in accordance with the Charities SORP(FRS102), which requires depreciation to be charged.

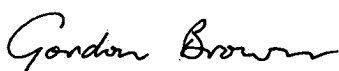
Development and other grants have been received in previous years on condition that the smiddy is kept open to the public for a minimum of 25 days each year, including 10 weekend openings between May and September. As mentioned above this was not possible due to Covid.

The heritage assets, comprising the Cousland Smiddy buildings and contents of historic value, are stated in the balance sheet at cost less depreciation of £114,512, 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.

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: 12 October 2021

**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 2021, 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.



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

Date: 12 October 2021

Cousland Smiddy Trust

Statement of Financial Activities (Including Income & Expenditure Account) For the Year Ended 31 March 2021

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Income					
Grants receivable	2	10,400	28,582	38,982	8,768
Donations & fund-raising		260	-	260	1,164
Rent received		1,390	-	1,390	705
Total income		<u>12,050</u>	<u>28,582</u>	<u>40,632</u>	<u>10,637</u>
Expenditure					
<i>Charitable Activities:</i>					
Property refurbishment and Heritage Hub development		3,828	36,180	40,008	720
Depreciation of heritage assets		-	2,337	2,337	2,385
Publicity & events		196	-	196	100
Property running costs		1,848	-	1,848	1,628
Administrative costs		1,206	-	1,206	1,218
Total expenditure	3	<u>7,078</u>	<u>38,517</u>	<u>45,595</u>	<u>6,051</u>
Net income / (expenditure)		<u>4,972</u>	<u>(9,935)</u>	<u>(4,963)</u>	<u>4,586</u>
Net movement in funds		4,972	(9,935)	(4,963)	4,586
Balances brought forward		<u>2,519</u>	<u>124,447</u>	<u>126,966</u>	<u>122,380</u>
Balances carried forward		<u>7,491</u>	<u>114,512</u>	<u>122,003</u>	<u>126,966</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 2021

	Note	2021 £	2020 £
Fixed Assets			
Heritage assets		114,512	116,849
Plant & equipment		138	717
Tangible assets	4	<u>114,650</u>	<u>117,566</u>
Current Assets			
Stock	5	150	280
Debtors	6	76	77
Cash at bank and in hand		<u>7,397</u>	<u>9,703</u>
		<u>7,623</u>	<u>10,060</u>
Creditors			
Amounts falling due within one year	7	<u>270</u>	<u>660</u>
Net Current Assets		<u>7,353</u>	<u>9,400</u>
Net Assets		<u><u>122,003</u></u>	<u><u>126,966</u></u>
Funds			
Restricted funds	8	114,512	124,447
Unrestricted funds	8	<u>7,491</u>	<u>2,519</u>
		<u><u>122,003</u></u>	<u><u>126,966</u></u>

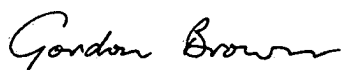
For the year ended 31 March 2021 the company was entitled to exemption from an audit under section 477 of the Companies Act 2006 ("the Act") relating to small companies.

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 12 October 2021



Date: 12 October 2021

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 2021

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 2021

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 2021

	2021	2020
	£	£
2. Grants Receivable		
Covid 19 Small Business grant	10,000	-
Midlothian Council Micro-grant Programme	400	450
<i>for Improvement Project</i>		
Historic Environment Scotland	7,892	7,891
Midlothian Council (Tyne Esk Leader) grant	20,690	427
	<u>38,982</u>	<u>8,768</u>
3. Expenditure		
Property refurbishment & Heritage Hub development		
F A Sweeney Stonemasons	39,240	-
Architects	788	-
University of Edinburgh	-	720
	<u>40,008</u>	<u>720</u>
Depreciation of Heritage assets	<u>2,337</u>	<u>2,385</u>
Publicity & events		
Publicity materials	160	100
Repair to display board	36	-
	<u>196</u>	<u>100</u>
Property running costs		
Fuel costs and Heat & Light	822	672
Insurance	710	720
Property maintenance	316	236
	<u>1,848</u>	<u>1,628</u>
Administrative costs		
Telephone, post & stationery	344	281
Accountancy / independent examiner's remuneration	270	260
Depreciation - plant & equipment	579	656
Other costs	13	21
	<u>1,206</u>	<u>1,218</u>
Total Expenditure	<u><u>45,595</u></u>	<u><u>6,051</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 2020	124,150	3,333	127,483
Additions	-	-	-
At 31 March 2021	124,150	3,333	127,483
<i>Depreciation:</i>			
At 1 April 2020	7,301	2,616	9,917
Charge for year	2,337	579	2,916
At 31 March 2021	9,638	3,195	12,833
<i>Net Book Value:</i>			
At 31 March 2021	114,512	138	114,650
At 31 March 2020	116,849	717	117,566

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	2021	2020
	£	£
Stock of heating oil	150	280
	150	280
6. Debtors		
<i>Amounts due within one year:</i>	£	£
Prepayments	76	77
Accrued income	-	-
	76	77
7. Creditors		
<i>Amounts falling due within one year:</i>	£	£
Deferred income	-	400
Accruals	270	260
	270	660

A grant of £400 was received in March 2020 from Midlothian Council Micro-grant Programme for the financial year 2020 / 2021. This was treated as deferred income in the previous year.

Cousland Smiddy Trust

Notes to the Financial Statements (continued)

8. Movement on Funds

	Note	At 1/4/20 £	Movement in year		Transfers £	At 31/3/21 £
			Incoming £	Outgoing £		
Restricted funds:						
Heritage assets	(1)	116,849	-	(2,337)	-	114,512
Improvement Project	(2)	7,598	28,582	(36,180)	-	-
Total restricted funds		<u>124,447</u>	<u>28,582</u>	<u>(38,517)</u>	<u>-</u>	<u>114,512</u>
Unrestricted funds:						
Fixed Asset Fund	(3)	717	-	(579)	-	138
General fund		1,802	12,050	(6,499)	-	7,353
Total unrestricted funds		<u>2,519</u>	<u>12,050</u>	<u>(7,078)</u>	<u>-</u>	<u>7,491</u>
Total funds		<u>126,966</u>	<u>40,632</u>	<u>(45,595)</u>	<u>-</u>	<u>122,003</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) Grants were received from Historic Environment Scotland and Midlothian Council (Tyne Esk Leader) to allow work to continue on a project to ensure the buildings could be conserved appropriately and improved so that they remained suitable for our community's needs.
- (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	114,512	-	-	114,512
Fixed assets	-	138	-	138
Stock	-	-	150	150
Debtors	-	-	76	76
Cash at bank & in hand	-	-	7,397	7,397
Creditors	-	-	(270)	(270)
Net Assets at 31/3/21	<u>114,512</u>	<u>138</u>	<u>7,353</u>	<u>122,003</u>

Cousland Smiddy Trust

Notes to the Financial Statements (continued)

10. Statement of Financial Activities - Comparative figures for the year ended 31 March 2020

	Unrestricted funds	Restricted funds	Total 2020
	£	£	£
Income			
Grants receivable	450	8,318	8,768
Donations & fund-raising	1,164	-	1,164
Rent received	705	-	705
Total income	<u>2,319</u>	<u>8,318</u>	<u>10,637</u>
Expenditure			
<i>Charitable Activities:</i>			
Property refurbishment and Heritage Hub development	-	720	720
Depreciation of heritage assets	-	2,385	2,385
Publicity & events	100	-	100
Property running costs	1,628	-	1,628
Administrative costs	1,218	-	1,218
Total expenditure	<u>2,946</u>	<u>3,105</u>	<u>6,051</u>
Net income / (expenditure) for year	(627)	5,213	4,586
Transfers	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds	(627)	5,213	4,586
Balances brought forward	<u>3,146</u>	<u>119,234</u>	<u>122,380</u>
Balances carried forward	<u>2,519</u>	<u>124,447</u>	<u>126,966</u>