

**COTSWOLD ARCHAEOLOGY LIMITED**  
**(A Company Limited by Guarantee)**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31st MARCH 2022**

**COMPANY REGISTRATION NUMBER - 2362531**  
**CHARITY NUMBER - 1001653**

**COTSWOLD ARCHAEOLOGY LIMITED**  
**(A Company Limited by Guarantee and not having a Share Capital)**

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31st MARCH 2022**

**OBJECTIVES AND ACTIVITIES**

**Objectives**

The object of the Charity is to advance the education of the public in the subject of archaeology and the appreciation and understanding of the historic environment in the United Kingdom and other parts of the world. We achieve this by creating knowledge which is gathered from archaeological investigations and other research.

Cotswold Archaeology strongly supports a sustainable approach to our cultural heritage, and we utilise our professional expertise to balance the preservation of the most important aspects of our heritage with society's current and future needs. Within this framework of environmental sustainability, we adhere to the principle that significant heritage assets and their settings should be preserved, but where this is not possible ensure that such assets are recorded to the highest standards, and the results of this work are widely disseminated. As a Registered Organisation with the Chartered Institute for Archaeologists (CIfA) we signify our commitment to the maintenance and development of the highest professional standards.

The Charity has adopted a Strategic Plan to guide its activities until the end of 2025.

**Mission**

Cotswold Archaeology exists to increase public awareness and appreciation of the past. We create and communicate knowledge so that it can be valued and enjoyed by present and future generations. We are a leading supplier of professional heritage services who provides high-quality expertise and advice to our customers. We continually aim to improve our service so that we maintain our market-leading reputation.

**Values**

Our Guiding Principles are:

- We use our research to make the past relevant, interesting and enjoyable to a broad spectrum of beneficiaries;
- Developing knowledge of the past amongst stakeholders increases community cohesion and identity, and furthers an overall appreciation of the world we live in;
- Engagement with heritage activities, either directly or indirectly, benefits individual wellbeing;
- We commit to the maintenance and development of the highest professional standards in our activities;
- We always strive to meet the needs and aspirations of our customers; and
- We want to be a great company to work for.

We link our activities to our Mission and Values through a performance chain that measures our efficiency and effectiveness.

**Vision / Strategic Goals**

We have defined six objectives for the period to 2025:

*Objective 1:* Increase society's understanding and appreciation of the past through improved awareness and knowledge of archaeology.

*Objective 2:* Enhance our reputation as a high performing and innovative Charity that produces excellent work.

*Objective 3:* Commitment to the health, safety, wellbeing and safeguarding of our staff.

*Objective 4:* Remain a top tier provider of professional heritage services in the UK.

*Objective 5:* Be a resilient, secure and stable Charity that can adapt to changing circumstances and is well prepared for unexpected events.

*Objective 6:* A great employer. Be one of the best companies in our sector to work for.

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**REPORT OF THE DIRECTORS (CONTINUED)**  
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**Public Benefit**

Our Mission, Values and Vision all combine towards the delivery of a public benefit, which Trustees keep under regular review by reference to the guidance on public benefit published by the Charity Commission following the Charities Act 2011. This requires an identifiable benefit or benefits to arise from the work of charities, and such benefits to be available to the public or a section of the public. The activities of Cotswold Archaeology meet that test.

**STRATEGIC REPORT**

**Achievements and Performance**

In this section we report on our performance during the year in delivering the objectives set out in the previous section. We evaluate our activities under the headings of *Knowledge Creation; Facilitating Access to Knowledge* (which collectively address Objectives 1 and 2); and *Developing our Company and Caring for our People* (which address Objectives 3 and 6). The Financial and Operational Review in the next section details our progress with Objectives 4 and 5. In financial year 2021/22 the Charity recorded its highest ever income and employed more staff than previously due to our involvement in a wide range of fieldwork projects, some of very large size.

***Knowledge Creation***

Archaeological investigations are an important means by which knowledge about the past is created. The frequency and scale of these projects is closely tied to the level of construction activity in the UK. There was a high demand for our services throughout the calendar year of 2021 as the impact of restrictions associated with the Covid-19 pandemic eased.

Demand for our fieldwork services was driven in large measure by projects associated with residential development, transport infrastructure and energy schemes. Demand for post-excavation and consultancy services was also strong. Many new projects commenced during the year, alongside continuing work on those initiated previously.

The five largest projects undertaken during the year were field investigations in Buckinghamshire (x 3), Essex and Oxfordshire. We also devoted considerable resources to post-excavation analysis and report production, desk-based research and projects associated with historic buildings. Field projects conducted during the year which will have a high research impact when the results have been fully analysed and disseminated include:

- *Walton, near Felixstowe, Suffolk.* Early Neolithic pits containing pottery and flints; Beaker pits; six Bronze Age barrows; a Middle Bronze Age field system, and cremation burials ranging in date from the Early Bronze Age to the Early Iron Age.
- *Eckington, Worcs.* Middle to Late Iron Age enclosure ditches associated with settlement that continued in use into the early Roman period. Romano-British inhumation burials.
- *Bicester, Oxon.* A site 600m north of the Roman town of Alchester and adjacent to a Roman road junction. Middle to Late Iron Age settlement was superseded by Romano-British driveways, enclosures, drainage channels, wells and waterholes. Iron Age and Roman burials. Roman roadside settlement included a stone-built roundhouse. Two portable Roman stone altars were notable finds.
- *Near Buckingham.* A Late Iron Age agricultural settlement superseded in the early Roman period by a masonry house. A corn drier, water cistern and an aisled barn were associated. The focus of activity shifted in the mid Roman period to a new building, plus associated corn drier, water tank and barn replicating the earlier arrangement. The new building was constructed on grander scale than the earlier one, with plastered walls, a tessellated floor and a hypocaust.
- *Gloucester.* Suburban Roman activity outside the Roman town wall and remains of the medieval Whitefriars religious house.
- *Whitminster, Glos.* Previous evaluation had located stone wall foundations and mosaic and *opus signinum* floors of a previously known Roman villa, set within a rectangular ditched enclosure. Excavation just outside the enclosure revealed an associated field system and burials.
- *Ipswich, Suffolk.* A further 150 graves associated with the previously known Anglo-Saxon cemetery, along with a (presumably) prehistoric ring-ditch.
- *Near Winslow, Bucks.* A medieval village abandoned in the late 15th century. The site included the remains of house platforms, associated land plots, ditches, paths and ponds.
- *Chelmondiston, Suffolk.* A complex system of intercutting enclosures dating to the Late Bronze Age and a medieval field system containing a 14th-century pottery kiln.

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**REPORT OF THE DIRECTORS (CONTINUED)**  
**FOR THE YEAR ENDED 31st MARCH 2022**

Work on historic buildings was in many cases associated with schemes which aim to provide sympathetic new uses for old buildings which no longer serve their original function. We also produced conservation management plans for a variety of historic sites which will assist in securing a sustainable future for these important places.

Over the last decade the Charity has striven to diversify its activities, both by increasing the geographic spread of its projects and expanding the range of services which it can provide. To this end we supplemented our original office in Cirencester by opening further offices in Milton Keynes in 2011; Andover in 2012 and Suffolk in 2019. In addition to the delivery of project work, our offices function as hubs from which we can forge links with local stakeholders. The existence of these offices allowed us to undertake investigations in many parts of England and Wales during the year.

*Collaborations and Partnerships*

The Board believes that benefits accrue from working in partnership with other organisations (both within and outside of the heritage sector) that share similar values and objectives to us. In some situations, partnerships with other archaeological organisations allow us to work on larger projects without exposing ourselves to excessive risk.

During the year we worked with Oxford Archaeology Ltd (a registered charity) on a major fieldwork investigation in Essex and Kent, and on the post-excavation analysis of a prehistoric causewayed camp at Thame, Oxfordshire, and a site within the Redcliffe suburb of medieval Bristol. A Joint Venture with Oxford Archaeology and Pre-Construct Archaeology Ltd (COPA) allowed us to participate in the HS2 railway project without undue financial risk or resource requirements. COPA also worked in association with MoLA-Headland Infrastructure on post-excavation analysis of archaeological investigations associated with the upgrade of the A14 trunk road in Cambridgeshire.

We are partners with the University of Exeter on three separate projects: *From 'Feed the Birds' to 'Do Not Feed the Animals'* funded by the Wellcome Trust; *Tales from Trauma: Life and Violence in the Roman Colonia of Gloucester?* funded by the Roman Research Trust, and a NERC-funded PhD entitled *Assessing Bio-Cultural Impacts on British Biodiversity, AD 0 – 1000*.

The Charity continues to sponsor a student undertaking a PhD researching Roman ceramic building materials at the University of Kent. We have also commenced a research project looking at the Roman tile industry at Minety, Wiltshire. A community-based investigation of a potential kiln site is planned for summer 2022.

*Innovation and Professional Citizenship*

Knowledge creation is served by the existence of a strong heritage sector, a well-trained work force, and a corporate commitment to innovation and service development. Cotswold Archaeology is accredited under the ISO 9001: 2015 quality management scheme. As such we commit to continuous improvement. We have identified a number of specific areas where we will focus our energies to improve our service. We are committed to developing our staff to their maximum potential and have already invested heavily in a sector-leading and award-winning graduate training programme. We also believe that the future health of field archaeology will rest upon the ability of our sector to recruit and train more non-graduates as field archaeologists. Charity staff play an active role in the professional development of the heritage sector, sitting on numerous committees and working groups, both within the UK and internationally.

During the year the charity became the joint owner with Oxford Archaeology of a software system that allows us to capture archaeological data digitally in the field. The two charities have committed to the future development of the system, and an updated version with greater functionality will be launched in 2022.

**REPORT OF THE DIRECTORS (CONTINUED)**  
**FOR THE YEAR ENDED 31st MARCH 2022**

***Facilitating Access to Knowledge***

***Dissemination of Research***

Cotswold Archaeology is committed to high standards in research and sets great store by the academic quality of its research publications. Our activities deliver a public benefit as we make the results of our work widely available to our beneficiaries at little or no cost. Our monographs and journal articles are widely available either through public lending libraries or as free downloads from our website. Our online library of grey literature reports which allows visitors to download for free digital versions of our unpublished fieldwork reports continues to be a very popular and well-used resource. All our out-of-print monographs are available as pdf downloads from our website, along with an increasing number of reports published in journals and periodicals.

One monograph was published during the year entitled *Studies in the Roman and Medieval Archaeology of Exeter*. Thirteen other reports were published in a variety of academic journals on projects in Bath & NE Somerset, Cambridgeshire, Cornwall, Devon, Gloucestershire, Hampshire, Milton Keynes, Somerset and Wiltshire. These journals are widely distributed, both in the UK and internationally, and can be obtained from public libraries and, increasingly, online. Much preparatory work was undertaken on reports on other projects which will appear in the next few years.

Our unpublished reports are available either via our website or at publicly accessible archives. The Reports Online section of our website now hosts 4,475 fieldwork reports (4,370 in 2021), and the number continues to grow steadily. The reports can be searched via keyword and map-based interfaces and downloaded at no cost. This section of the website attracted 29,155 report views/downloads during the year (up from 28,371 in 2021). Some 2,256 (1,877 in 2021) of these reports are also freely available online via the Library of Unpublished Fieldwork Reports hosted by the Archaeology Data service.

***Outreach and Community Engagement***

Alongside our publications that are aimed primarily at the research end of the educational spectrum, we are also committed to communicating our work to a wide range of other beneficiaries, including people of all ages and varying levels of prior knowledge of archaeology. Our beneficiaries range from school children to retired people and from those with a well-developed passion for the past to those with a more casual interest in the history of their community and local area. We strive to develop and tailor our offerings to appeal to traditionally under-served groups in our society.

The Charity's educational and outreach activities recovered well during the year from the disruption in the previous 12 months brought about by the Covid-19 pandemic. Our investment in digital engagement has in particular paid dividends. Achievements during the year included:

- HS2 (Bucks): presented a series of school workshops on the results of the project.
- Clare Castle (Suffolk): delivered outreach to schools and an open day during the final year of a community project funded by the Heritage Lottery Fund.
- Rendlesham (Suffolk): delivered outreach to schools and community groups during the first year of a project supported by the Heritage Lottery Fund.
- Little Hadnam (Herts): open day marked the culmination of a project associated with a new bypass.
- Six webinars using our Zoom package included our Annual Lecture in May 2021, the first time this has been presented exclusively online.
- Re-commenced in-person volunteering opportunities.
- Re-commenced work experience placements
- Kelmscott Manor (Oxon.): preparatory work for the delivery of a public engagement project in spring and summer 2022.
- Great Yarmouth Heritage Action Zone (Norfolk): preparatory work for the delivery of a public engagement project in spring and summer 2022.
- Minety (Wilts.): preparatory work for a community excavation in summer 2022.
- Achieved our first accredited STEM ambassador and developed plans to engage more fully with this programme in 2022.

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The Charity actively encourages and supports public participation in archaeology as this can support individual well-being and provides opportunities for volunteering where this is appropriate and in line with our adopted policies.

Our website is a valuable means of communicating with a wider audience. In the year 2021/22 we had at least 57,500 visits, although the number is most likely much higher as a cookie plugin prevented some of the tracking. We released 57 stories, just over one per week, and worked on the virtual museum which was launched in May 2022.

Our Social Media programme continues to educate additional audiences and demographics to those traditionally targeted by our academic publications, and our analytics software reports that we outstrip other similar providers with our content quantity, quality, and engagement. Our profiles achieved combined impressions of over 4.5 million in the year and we are engaging on a daily basis with individuals from all over the world: most countries in Europe, but also North America, Australasia, Asia, and even people in Africa and South America. These numbers don't reflect passive onlookers – our core followers, now numbering well over 33,000 (an increase of 6000 from 2020/21), interact with our discoveries at a rate that industry experts term 'very highly engaged'.

Our YouTube account has enabled us to continue sharing lectures with the public during the pandemic restrictions, but also brought them to new audiences. In combination, our videos – including the hosting of the Roman Research Trust (registered charity) Joan Pye lecture, our annual lecture, and a Christmas campaign – received close to 150,000 views. Audiences are also taking the opportunity to learn directly from us about archaeology and our recent discoveries. Across our Facebook, Instagram, Twitter, and LinkedIn platforms we generated nearly 1,500 conversations in 2021/22. Our social platforms have also acted successfully as a communication tool for other news and media outlets.

In summary, the activities of the Charity have had a considerable impact on the various constituencies (public; professional; academic) interested in the archaeology and history of the United Kingdom, and our work has furthered public knowledge and understanding of the historic environment.

***Developing our Company and Caring for our People***

The Charity cannot deliver its objectives without an expert, well-trained and motivated work force. Recruitment of adequate numbers of professional archaeologists with appropriate skills and experience is a challenge across the heritage sector, and for that reason we place great emphasis on the recruitment and retention of talented individuals. The Charity continues to invest in a variety of staff training and well-being initiatives. We have introduced measures to provide greater support for mental health in the workplace over the last couple of years, and during the year we updated our Mental Health policy to better reflect the core standards recommended in the 'Thriving at Work' report published by the Department of Work and Pensions. We continue to seek improvements to our company working culture so that it is clearer to colleagues that they can be open about their mental health and will be supported if they do so.

As the Charity grows, we devote greater resources to communication with our colleagues. Our internal staff newsletter is well received, and we are planning a greater range of activities to help foster staff engagement and alignment with the Charity's values. We undertake an annual staff survey and formulate an action plan to react to the key trends identified in the survey results.

The Charity places emphasis on the Equality, Diversity and Inclusion (EDI) of its workforce. During the year management staff attended sessions to raise awareness of EDI matters, with further sessions designed that can be rolled out to all colleagues.

The Charity has published its Gender Pay Gap report in line with Government requirements. Whilst our pay gap has reduced over the last few years there is more we want to do to reduce the imbalance. We recognize that women are under-represented at managerial level and want to encourage and support females to be able to better compete for these roles. We believe that the implementation, where possible, of flexible and hybrid working arrangements can support these objectives. We are also encouraging and supporting female managers to serve as more visible role models and mentors for more junior colleagues.

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**REPORT OF THE DIRECTORS (CONTINUED)**  
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The Charity strives to set and maintain exemplary standards of health and safety performance to ensure the health, safety and well-being of our staff and all others affected by our work. We recognise that a safe working culture in which no one is harmed is fundamental to the success of our Charity. The Trustees approved updated Health and Safety Policy and Procedures in March 2022, and receive an annual health, safety and welfare report. Whilst overall responsibility for policy and implementation rests with the Board, it has delegated to the Chief Executive authority for policy provision, safety management systems and legal compliance. A particular achievement during the year was our accreditation under the ISO 45001: 2018 standard which covers occupational health and safety.

*Sustainability and Environment*

Cotswold Archaeology is committed to initiatives that advance environmental, economic, and social sustainability for current and future generations. We support the principle of sustainable development and our Corporate Mission and Objectives directly align with United Nations Sustainable Development Goal 11.4: *Strengthen efforts to protect and safeguard the world's cultural and natural heritage.*

It is our ambition to achieve Net Zero Carbon by 2050 at the latest. During the year we joined the Climate Heritage Network through which we work collaboratively with our peers and stakeholders to develop, implement and enhance the climate action agenda in the heritage sector.

The Charity adopted a Sustainability Policy during the year that concentrates on the areas where Cotswold Archaeology can make the most positive contributions to environmental, economic and social sustainability. We have developed a Sustainability Action Plan and intend to measure and certify our performance within the framework of our Environmental Management system which is independently certified as compliant with ISO 14001: 2015 and underwent external audit in 2022.

*Company Infrastructure*

Our principal focus during the year was the replacement of network infrastructure components reaching end of life status. In particular we invested in the expansion of our Virtual Desktop Infrastructure to support both the growth of the company overall, and specifically the increased use of hybrid working arrangements amongst our staff. We also put in place the necessary infrastructure to support the implementation of a Digital Recording System to capture born digital data in the field. A new lease was also secured on our Cirencester premises.

**Future Plans**

Despite the uncertainties generated by the war in Ukraine, rising energy prices and disruption to global supply chains, as well as any future impacts from the Covid-19 pandemic, the Charity has a strong order book of projects for 2022 and the Trustees believe it is well placed to achieve its income targets and budgets for 2022/23.

Objectives for 2022/23 include:

- Complete a Trustees skills audit;
- Adopt an enhanced Anti-Fraud policy and undertake a thorough review of our internal financial controls;
- Improve internal company communications to engender greater cohesiveness and sense of belonging amongst staff;
- Implement actions to support a workplace culture that promotes Fairness, Inclusion and Respect;
- Implement actions to support our objective to reduce our Gender Pay Gap;
- Implement our Sustainability Action Plan;
- Implement our Outreach Action Plan;
- Refresh the content and design of our website, incorporating a cookie-less analytics system for more accurate visit tracking;
- Obtain Cyber Essentials Plus accreditation;
- Continue to develop the functionality and efficiency of our Digital Recording System that captures archaeological data digitally during fieldwork;
- Grow our expertise in a wider range of disciplines, including geoarchaeology;
- Increase the size and breadth of expertise within the Publications department so that our output of publications grows in line with the growth of fieldwork activity; and
- Improve the rate of deposition of archaeological archives with recognised repositories.

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We wish to remain a leading supplier of professional heritage services in the UK and will work to further consolidate our position and reputation within and outside the heritage sector. This will mostly be achieved through the delivery of our existing services, although we also hope to develop further partnerships with academic institutions to deliver high-quality synthesis and research projects. We continue to build on our expertise and track record in public outreach and community engagement and will continue to invest in these activities.

**FINANCIAL AND OPERATIONAL REVIEW**

Investigations of archaeological and heritage sites are largely funded by bodies which act in the role of developer, and it is normal practice for these bodies to engage our services through contract. We maintain a professional archaeological service to undertake this research. The major sources of this income derive from Government agencies, local authorities, landowners and commercial organisations. The Charity secured an income of £25,219,073 from its unrestricted activities to enable it to undertake its work (£19,048,339 in 2021). We registered an operational surplus (net incoming resources) for the year of £1,856,226 (£1,493,615 in 2021). All VAT payments that had been deferred in financial year 2020/21 as a consequence of the pandemic were paid in full during 2021/22. The Charity did not make use of the Coronavirus Job Retention Scheme during the year.

The Charity was the victim of a fraud involving the illegal misuse of company fuel cards between December 2021 and January 2022. The Police were informed, and the Trustees submitted a Serious Incident Report to the Charity Commission on 1 February 2022. The total loss to the charity is £3,711. The Commission was content that the Trustees were handling the matter appropriately and responsibly.

The amount of heritage work undertaken in the UK is closely tied to the health of the construction and development industries. Whilst the economic outlook for the UK is particularly uncertain in 2022, the Trustees consider that the charity is sufficiently robust financially to withstand a short-term diminution in the demand for its services caused by any deterioration in the volume of construction activity.

The Charity maintains close control of its finances. A budget is adopted by the Board for each forthcoming financial year, and performance is measured against this. Key financial indicators are monitored monthly by the Senior Management Team, and the quarterly management profit and loss account and balance sheet are reviewed by either the Finance, People and Resources Committee or Full Board. If significant variation to budget is anticipated, a revised budget is prepared for Board approval during the year. The Charity implements rigorous credit control procedures to ensure the timely payment of bills and the maintenance of liquidity and cash flow.

**Pension Schemes**

The Charity operates two pension schemes, one defined contribution scheme (administered by Royal London) and a defined benefit scheme administered through the Gloucestershire County Council Pension Fund. The defined contribution schemes are open to all employees whilst the defined benefit scheme was closed to new entrants in 2007. The deficit on our individual fund within the Gloucestershire County Council pension fund decreased during the year and stood at £1,032,000 on 31 March 2022. Employer contribution rates are currently fixed until 31 March 2023.

Trustees have paid close attention to the implications of the pension deficit on the operations of the Charity over many years. Whilst they consider that the deficit poses no short-term risk to the Charity, they remain mindful of the long-term implications. Accordingly, a fund designated against our pension deficit was created in 2014 within our unrestricted funds, and the Charity intends to increase the value of this fund as finances allow.

**Reserves Policy**

The Reserves Policy was reviewed and revised during the year. Trustees consider it important to build-up sufficient free unrestricted reserves not designated for other purposes to finance our planned programme of research for the foreseeable future. The Trustees consider that we should aim to have available sufficient finance to fund between three- and six-months' working capital to allow normal business activities to be undertaken without major financial risk, and to mitigate the risks to the Charity of a shortfall in budgeted income.

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### **Investment Policy**

The Charity has built up funds from its trading operations which are held as unrestricted reserves. Part of these funds is retained in cash deposits to support day-to-day cash flow requirements and the remainder is available for investment. The sums required or available in both categories fluctuate according to trading conditions, so flexibility is an important consideration. We aim to preserve the value of our invested funds against inflation and to achieve modest capital growth by means of prudent placements in a diversified range of investments with a low level of risk. Diversity is sought both in terms of the range of placements and length of commitment. Within this policy, the Trustees have delegated responsibility for investments to the Finance, People and Resources Committee which comprises both Trustees and professionally qualified staff. The Finance, People and Resources Committee undertakes on an annual basis a financial health check of the investment portfolio. This investment policy is itself subject to annual review.

### **Principal Risks and Uncertainties**

The Trustees have identified and reviewed the risks to which the Charity is exposed and approved a risk management policy which sets out procedures and systems to mitigate those risks. Risk is assessed as part of the ISO 9001: 2015 quality management system and is subject to annual external audit. The Senior Management Team maintains a Risk Register which is subject to regular updating, and this is reviewed by Trustees at every Full Board meeting. The principal risks, defined as those which score highest in the risk matrix, are:

#### *Operational Risks*

- Disruption to business activities brought about by shortages and price rises as a consequence of issues with global supply chains and political situations.
- Economic downturn leads to reduced demand for our services.
- Disruption to operations, financial liabilities, loss of income and damage to reputation caused by a serious health and safety incident.
- Difficulties in recruiting sufficient numbers of Archaeologists with appropriate competencies/experience.

#### *Financial Risks*

- Inadequate commercial awareness leads us to accept overly risky contracts.

Trustees are satisfied that appropriate contingency measures are in place to mitigate these risks.

The Charity maintains a Business Continuity Plan which is reviewed as part of the ISO 9001: 2015 system.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Cotswold Archaeology Limited is registered as a Charity. It is also incorporated as a Company, limited by guarantee and without share capital. The Charity is run in accordance with its Articles of Association which were revised during the year. The Articles state that the Board of Directors, who are also Charity Trustees, shall not be less than five or more than twelve. Directors are appointed for a three-year term and retire at the end of this period. A retiring Director is eligible for re-election. Four Trustees have served on the Board for in excess of nine years: Mr A. Chater to assist with long-term business continuity and on account of his special experience with financial management; Mr P. Cullen on account of his long-term experience of working with commercial development companies; Prof. T. Darvill on account of his especial expertise and experience in the heritage sector, and Mr K. Winnill to assist with long term business continuity and on account of his local knowledge and contacts in one of our core operating areas. The Chairman and Committee Chairs are elected for three-year terms, at the conclusion of which they are eligible for re-election. During the year the Board completed a governance review which resulted in updated Articles of Association and a Code of Governance. The latter incorporates a new trustee Code of Conduct. Delegated authorities to management are granted via a power of attorney and a schedule of delegated financial authority. Both documents were reviewed and refreshed during the year.

Potential new Trustees are identified through advertisement or informal contact. During the recruitment process Trustees are mindful of their duty to promote Equality, Diversity and Inclusion in the composition of the Board. Candidates receive a programme of induction from the Chief Executive to fully inform them of the workings of the Charity and the responsibilities attached to trusteeship. They are issued with an induction pack and briefed on the organisation of archaeology in the UK and the objectives, opportunities and challenges facing the Charity. Candidates' CVs and supporting information are presented to the Board for consideration. Members of the Board are reimbursed for out-of-pocket expenses, such as transport costs to attend meetings and visit projects but are otherwise not remunerated.

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The Full Board normally meets twice per year, plus an Annual General Meeting, while its two committees (Finance, People and Resources, and Archaeology) each meet on at least a further two occasions. Trustees are required to declare any interests at the commencement of each meeting. Full Board attendance during the year was 92%. Reports from the committees are presented to the Full Board. The Chief Executive has responsibility for appraising Trustees of new legislation, guidance and statements of good practice to enable them to effectively discharge their responsibilities.

The management of the Charity is regulated by a Code of Governance and our strategic direction is guided by a Strategic Plan. The current Plan covers the period to the end of 2025.

The Board of Trustees reviews the success of the Charity in meeting its stated aims and objectives at Full Board meetings. It benchmarks progress against 36 specific targets set out in the Strategic Plan which underpin the six strategic goals which form our Corporate Vision. The Board also receives reports from the Archaeology Committee which acts as custodian of high academic and professional standards in the heritage services provided. That Committee also monitors and reviews the effectiveness of our outreach and community engagement activities. A panel of Specialist Academic Advisors assists the Trustees in validating and assuring the quality of our projects and publications. Membership of this panel was refreshed during the year.

To meet our charitable objectives, the Board appoints salaried staff to undertake projects under the leadership of a Chief Executive. The Chief Executive is supported in operational management by a Senior Management Team comprising the Commercial Director & Director of Fieldwork; Finance Director; Director of Heritage Consultancy; Director of HR and Facilities, and Director of Research and Engagement. The Commercial Director is tasked with responsibility for the oversight and financial control of our trading operations, including management of contract risk. To allow the Charity to respond to the demands for its services a staff of around 290 (266 in 2021) is maintained. The Full Board approves the annual staff pay award, following prior consideration by the Finance, People and Resources Committee. The pay and remuneration packages of the Senior Management Team are set by the Full Board with reference to the salaries offered for comparable posts, and local employment conditions.



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**Taxation Status**

The Company is a registered Charity within the terms of the Income and Corporation Taxes Act 2007.

**Directors Responsibilities**

The Directors are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditor**

Wenn Townsend having expressed their willingness to continue in office, will be deemed to be reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notice under section 488(1) of the Companies Act 2006.

**By Order of the Directors**



**K A Josephides**

**CHAIR OF THE FINANCE, PEOPLE AND RESOURCES COMMITTEE**

**Date: 25th July 2022**

**COTSWOLD ARCHAEOLOGY LIMITED**  
**(A Company Limited by Guarantee and not having a Share Capital)**

**INDEPENDENT AUDITORS REPORT**  
**TO THE MEMBERS OF COTSWOLD ARCHAEOLOGY LIMITED**

We have audited the financial statements of Cotswold Archaeology Ltd (the 'Charitable Company') for the year ended 31st March 2022 which comprise the Statement of Financial Activities, Balance Sheet and Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

**Opinion on financial statements:**

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31st March 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**COTSWOLD ARCHAEOLOGY LIMITED**  
**(A Company Limited by Guarantee and not having a Share Capital)**

**INDEPENDENT AUDITORS REPORT**  
**TO THE MEMBERS OF COTSWOLD ARCHAEOLOGY LIMITED**

**Other information**

The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material inconsistencies, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**COTSWOLD ARCHAEOLOGY LIMITED**  
**(A Company Limited by Guarantee and not having a Share Capital)**

**INDEPENDENT AUDITORS REPORT**  
**TO THE MEMBERS OF COTSWOLD ARCHAEOLOGY LIMITED**

**Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 11, the Trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**COTSWOLD ARCHAEOLOGY LIMITED**  
**(A Company Limited by Guarantee and not having a Share Capital)**

**INDEPENDENT AUDITORS REPORT**  
**TO THE MEMBERS OF COTSWOLD ARCHAEOLOGY LIMITED**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Charitable Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charitable Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Charitable Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Ruth Herbert FCCA**  
**Senior Statutory Auditor**  
**For and on behalf of Wenn Townsend, Statutory Auditor**  
**5 Gosditch Street**  
**Cirencester**  
**Gloucestershire**

**Date: 26th July 2022**

**COTSWOLD ARCHAEOLOGY LIMITED**  
**(A Company Limited by Guarantee and not having a Share Capital)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31st MARCH 2022**

	<u>Note</u>	<u>Unrestricted Funds</u>	<u>Restricted Fund</u>	<u>2022 Total</u>	<u>2021 Total</u>
<b>Income</b>					
Donations and Legacies:					
Income from charitable activities:					
Archaeological projects		25,209,932	-	25,209,932	18,371,206
Book sales		1,325	-	1,325	984
Donations		-	12,118	12,118	26,992
Government grants		-	-	-	658,122
Investment income		7,816	-	7,816	11,927
Surplus on fixed assets disposals		-	-	-	6,100
		-----	-----	-----	-----
<b>Total Incoming Resources</b>		25,219,073	12,118	25,231,191	19,075,331
		-----	-----	-----	-----
<b>Expenditure</b>					
Expenditure and charitable activities:					
Archaeological projects		22,886,324	18,522	22,904,846	17,185,356
Other support costs		452,065	-	452,065	398,598
		-----	-----	-----	-----
<b>Total Resources Expended</b>	4	23,338,389	18,522	23,356,911	17,583,954
		-----	-----	-----	-----
		1,880,684	(6,404)	1,874,280	1,491,377
Unrealised surplus/(loss) on investments		(18,054)	-	(18,054)	2,238
		-----	-----	-----	-----
<b>Net Incoming Resources for the year</b>		1,862,630	(6,404)	1,856,226	1,493,615
Actuarial (loss)/gain on defined benefit pension scheme		928,000	-	928,000	(883,000)
		-----	-----	-----	-----
<b>Net Movement on Funds</b>		2,790,630	(6,404)	2,784,226	610,615
Fund Balances brought forward		4,408,255	69,885	4,478,140	3,867,525
		-----	-----	-----	-----
<b>Fund Balances carried forward</b>	12	£ 7,198,885	£ 63,481	£ 7,262,366	£ 4,478,140
		-----	-----	-----	-----

The notes on pages 20-31 form an integral part of these financial statements

**COTSWOLD ARCHAEOLOGY LIMITED**  
**(A Company Limited by Guarantee and not having a Share Capital)**

**BALANCE SHEET**  
**31st MARCH 2022**

	<u>Note</u>		<u>2022</u>	<u>2021</u>
<b><u>Fixed Assets</u></b>				
Tangible Fixed Assets	5	528,963	361,146	
Investments	6	533,332	544,826	
		_____	_____	
			1,062,295	905,972
<b><u>Current Assets</u></b>				
Debtors	7	7,011,697	7,100,062	
Cash at Bank and in Hand		6,265,587	3,665,575	
		_____	_____	
		13,277,284	10,765,637	
<u>Deduct: Creditors</u> (Amounts falling due within one year)	8	6,045,213	5,233,469	
		_____	_____	
<b><u>Net Current Assets</u></b>			7,232,071	5,532,168
			_____	_____
<b><u>Total Net Assets before Pension Liability</u></b>				
Defined benefit pension scheme liability	13		8,294,366	6,438,140
			(1,032,000)	(1,960,000)
			_____	_____
<b>Total assets less current liabilities</b>			£ 7,262,366	£ 4,478,140
			_____	_____
Financed by:				
<b><u>Unrestricted Funds:</u></b>				
General	11	5,048,885	2,668,255	
Designated		2,150,000	1,740,000	
		_____	_____	
			7,198,885	4,408,255
<b><u>Restricted Fund</u></b>	10		63,481	69,885
			_____	_____
			£ 7,262,366	£ 4,478,140
			_____	_____

These financial statements were approved by the Finance, People and Resources Committee and signed on 25<sup>th</sup> July 2022 behalf of the Committee on



**K A Josephides**  
**CHAIR OF THE FINANCE, PEOPLE AND RESOURCES COMMITTEE**

The notes on pages 20-31 form an integral part of these financial statements

**COTSWOLD ARCHAEOLOGY LIMITED**  
**(A Company Limited by Guarantee and not having a Share Capital)**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31st MARCH 2022**

	<b><u>2022</u></b>	<b><u>2021</u></b>
<b>CASH USED IN OPERATING ACTIVITIES</b>	2,980,435	1,645,980
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>		
Interest received	7,816	11,927
Payments to acquire tangible fixed assets	(384,478)	(108,037)
Receipts from disposal of tangible fixed assets	2,800	6,100
	—————	—————
Cash provided by (used in) investing activities	2,606,573	1,555,970
Purchase of fixed asset investments	-	-
Cashflow from financial activities	(6,561)	(13,869)
	—————	—————
<b>INCREASE IN CASH</b>	2,600,012	1,542,101
	—————	—————
<b>CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR</b>	3,665,575	2,123,474
	—————	—————
<b>TOTAL CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>	£ 6,265,587	£ 3,665,575
	—————	—————

The notes on pages 20-31 form an integral part of these financial statements

**COTSWOLD ARCHAEOLOGY LIMITED**  
**(A Company Limited by Guarantee and not having a Share Capital)**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31st MARCH 2022**

<b>RECONCILIATION OF OPERATING SURPLUS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>	<b>2022</b>	<b>2021</b>
Net Incoming/(outgoing) resources	2,784,226	610,615
Depreciation	210,169	211,521
(Profit)/loss on disposal of fixed assets	3,693	(6,100)
Actuarial loss/(profit) on defined benefit pension scheme	(928,000)	883,000
Unrealised (profit)/loss on investments	18,054	2,238
Interest received	(7,816)	(11,927)
(Increase)/Decrease in debtors	88,365	(2,688,911)
Increase/(Decrease) in creditors	811,744	2,645,544
	<hr/>	<hr/>
Net cash inflow from operating activities	£ 2,980,435	£ 1,645,980
	<hr/>	<hr/>

**ANALYSIS OF CHANGES IN NET FUNDS**

	<b>1st Apr 2021</b>	<b>Cash flow</b>	<b>Other non- Cash Changes</b>	<b>31st Mar 2022</b>
Cash at bank and in hand	£ 3,665,575	£ 2,600,012	-	£ 6,265,587
	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 20-31 form an integral part of these financial statements

**COTSWOLD ARCHAEOLOGY LIMITED**  
**(A Company Limited by Guarantee and not having a Share Capital)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31st MARCH 2022**

**General information**

The Company is a private company limited by guarantee, registered and incorporated in England and Wales. The address of the registered office is Building 11, Cotswold Business Park, Cirencester, Gloucestershire GL7 6BQ

**Accounting Policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**Basis of preparation**

The financial statements have been prepared in accordance with 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) (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Cotswold Archaeology Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

**Depreciation**

Depreciation is provided using the following rates and bases which reflect the anticipated useful lives of the assets and their residual value:

Plant and Equipment	25% straight line
Improvements to Leasehold Property	5 years (Term of Lease)

**Revenue Recognition**

The Company's primary source of income derives from archaeological project contracts. Income from these contracts is recognised when receivable. Incoming resources from grants and donations are included when receivable. In respect of long-term contracts and contracts for ongoing services, turnover represents the value of work done in the year, including estimates based on time costs and actual expenditure costs for amounts not yet invoiced. All incoming resources are included in the Statement of Financial Activities (SOFA) when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

**Interest Income**

Interest income is recognised when it is received.

**Resources Expenditure**

Expenditure is recognised in the period in which they are incurred and include attributable VAT which cannot be recovered.

- Charitable expenditure comprises costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both direct and indirect costs whose charges is necessary to support them.
- Support costs include those costs associated with meeting the constitutional and statutory requirements at the Charity including audit fees and administrative labour.

**Investments**

Investments held as fixed assets are revalued at market value of the balance sheet date and the gain or loss taken to the SOFA.

**COTSWOLD ARCHAEOLOGY LIMITED**  
**(A Company Limited by Guarantee and not having a Share Capital)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31st MARCH 2022**

**Accounting Policies (continued)**

Pensions

The Company operates a pension scheme providing benefits based on pensionable pay which was closed to new members in 2007. The assets of the scheme are held and managed separately from those of the Company. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the Company. The contributions are determined by a qualified actuary on the basis of triennial valuations.

The scheme is being accounted for under FRS102, with the annually calculated notional surplus or deficit on the funding of the scheme is shown in the accounts as a designated pension scheme fund entitled "Pension Reserve", which is deducted from unrestricted funds in the balance sheet. The directors believe that the scheme currently meets statutory minimum funding requirements. The directors note that the calculated notional deficit or surplus calculated under FRS102 can vary greatly from year to year depending on the assumptions made at the valuation date, but with little or no effect on short term cash flows.

The employees not entitled to be part of the above scheme are entitled to be members of a defined contribution scheme. The costs charged in the financial statements represent the contribution payable by the Company during the year.

Operating Leases

The Charity classifies the lease of property and motor vehicles as operating leases; the title to the equipment remains with the lessor and the equipment is replaced before the end of its economic life. Rental charges are charged on a straight-line basis over the term of the lease.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Funds

The Company's funds consist of unrestricted and restricted amounts. The Company may use unrestricted amounts at its discretion. Restricted funds represent income, which is restricted to a particular purpose, in accordance with the donor's wishes. Designated funds are unrestricted funds set aside by the Directors out of unrestricted general funds for specific future purposes or projects.

2.	<b>Surplus on Ordinary Activities</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
	The surplus is stated after charging:		
	Auditors Remuneration	£ 9,200	£ 9,100
	Depreciation	£ 210,169	£ 211,521
	(Loss)/Profit on disposal of fixed asset	£ (3,693)	£ (6,100)
		_____	_____

3. **Taxation**

As a Charity Cotswold Archaeology Limited is exempt from tax on income and gains falling within the Income Taxes Act 2007 Section 524 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

**COTSWOLD ARCHAEOLOGY LIMITED**  
**(A Company Limited by Guarantee and not having a Share Capital)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31st MARCH 2022**

**4. Total Resources Expended**

	<u>Staff Costs</u>	<u>Depreciation</u>	<u>Other Costs</u>	<u>Total 2022</u>	<u>Total 2021</u>
Archaeological Projects	8,914,804	210,169	13,779,873	22,904,846	17,185,356
Management and Administration	442,865	-	9,200	452,065	398,598
	<u>£ 9,357,669</u>	<u>£ 210,169</u>	<u>£ 13,789,073</u>	<u>£ 23,356,911</u>	<u>£ 17,583,954</u>

	<u>2022</u>	<u>2021</u>
<b>Other Support Costs</b>		
Salaries	442,865	389,498
Audit and Accountancy Fees	9,200	9,100
	<u>£ 452,065</u>	<u>£ 398,598</u>

	<u>2022</u>	<u>2021</u>
<b>Staff Costs</b>		
Wages and Salaries	8,038,356	6,515,094
Social Security Costs	760,593	591,050
Pension Costs	558,720	492,706
	<u>£ 9,357,669</u>	<u>£ 7,598,850</u>

Employees benefits	£ 60,001 - £ 70,000	1
	£ 71,000 - £ 80,000	1
	£ 90,001 - £ 100,000	1

The total pension costs for the employees is £57,203 all of whom are members of one of the company's pension schemes

The average number of employees analysed by function, was:

Archaeological Projects	276	252
Management and Administration	14	14
	<u>290</u>	<u>266</u>

The Directors received no remuneration during the year. Total expenses reimbursed to Directors during the year amounted to £434 (2021 £185).

The total amount of employee benefits received by key management personnel is £532,337 (2021 £556,661). The Charity considers its senior management team key personnel.

**COTSWOLD ARCHAEOLOGY LIMITED**  
**(A Company Limited by Guarantee and not having a Share Capital)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31st MARCH 2022**

**5. Tangible Fixed Assets**

	<u>Short Leasehold Improvements</u>	<u>Plant and Machinery</u>	<u>Total</u>
<u>Cost</u>			
At 1st April 2021	274,958	1,049,029	1,323,987
Additions in Year	-	384,478	384,478
Disposals	(14,897)	(11,271)	(26,168)
	-----	-----	-----
At 31st March 2022	260,061	1,422,236	1,682,297
	-----	-----	-----
<u>Depreciation</u>			
At 1st April 2021	222,466	740,375	962,841
Charge for the Year	26,444	183,725	210,169
Disposals	(9,326)	(10,350)	(19,676)
	-----	-----	-----
At 31st March 2022	239,584	913,750	1,153,334
	-----	-----	-----
<u>Net Book Value</u>			
At 31st March 2022	£ 20,477	£ 508,486	£ 528,963
	-----	-----	-----
At 31st March 2021	£ 52,492	£ 308,654	£ 361,146
	-----	-----	-----

**COTSWOLD ARCHAEOLOGY LIMITED**  
**(A Company Limited by Guarantee and not having a Share Capital)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31st MARCH 2022**

6. Investments	<u>2022</u>	<u>2021</u>
<b>Market value</b>		
Balance b/fwd	544,826	533,195
Additions	-	-
Accumulated interest	6,559	9,393
Unrealised gains/(loss) on investments	(18,054)	2,238
Realised gain on investments	-	-
	<hr/>	<hr/>
	£ 533,331	£ 544,826
	<hr/>	<hr/>

The investments were held in the Swanbrook Bank CAF Fund Bank Statement Issue 1 of £100,000 (2021 £100,000) and in M & G Investments Charibond Charities Fixed Interest Common Investment Fund, Accumulation Shares of £371,087 (2021 £371,087). The market value of investments was valued at mid-market price as at 31st March 2022.

	<u>2022</u>	<u>2021</u>
Investments in subsidiary	£1	£1
	<hr/>	<hr/>
<b>Subsidiary</b>		
Cost	£1	£1
	<hr/>	<hr/>

The share is held in Suffolk Archaeology Limited. The company is dormant

**COTSWOLD ARCHAEOLOGY LIMITED**  
**(A Company Limited by Guarantee and not having a Share Capital)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31st MARCH 2022**

7. <b>Debtors</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Trade Debtors	6,116,506	6,179,711
Other Debtors	111,905	131,744
Amounts Recoverable on Contracts	783,286	788,607
	-----	-----
	£ 7,011,697	£ 7,100,062
	-----	-----
8. <b>Creditors</b> (Amounts falling due within one year)	<b><u>2022</u></b>	<b><u>2021</u></b>
Trade Creditors	1,030,182	426,626
Taxation and Social Security Costs	651,046	1,333,184
Other Creditors	181,569	948,501
Deferred Income	4,182,416	2,525,158
	-----	-----
	£ 6,045,213	£ 5,233,469
	-----	-----

Deferred Income relates to archaeological project contract income received in advance and relates wholly to the year under review.

9. **Share Capital**

The Company is limited by guarantee and does not have a Share Capital. In accordance with the Company's Memorandum and Articles of Association the members' liability, in the event of the Company being wound up, is limited to £1.

10. **Analysis of Net Assets by Fund**

	<b>&lt; - Unrestricted Funds - &gt;</b>		<b><u>Restricted</u></b>	<b><u>Total</u></b>	<b><u>Total</u></b>
	<b><u>General</u></b>	<b><u>Designated</u></b>	<b><u>Fund</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Fixed Assets	528,963	-	-	528,963	361,146
Investments	533,332	-	-	533,332	544,826
Current Assets	11,063,803	2,150,000	63,481	13,277,284	10,765,637
Current Liabilities	(6,045,213)	-	-	(6,045,213)	(5,233,469)
Pension Scheme					
Funding Deficit	(1,032,000)	-	-	(1,032,000)	(1,960,000)
	-----	-----	-----	-----	-----
	£ 5,048,885	£ 2,150,000	£ 63,481	£ 7,262,366	£ 4,478,140
	-----	-----	-----	-----	-----

**COTSWOLD ARCHAEOLOGY LIMITED**  
**(A Company Limited by Guarantee and not having a Share Capital)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31st MARCH 2022**

The restricted fund current assets are comprised as follows:

	<u>2022</u>	<u>2021</u>
Cash at Bank	£ 63,481	£ 69,885
	<hr/>	<hr/>

	<u>Historic England</u>	<u>Roman CBM PhD Fund</u>	<u>Community Research Fund</u>	<u>Total</u>
As at 1st April 2021	13,400	56,485	-	69,885
Income in year	-	-	12,118	12,118
Expenditure in year	-	(18,407)	(115)	(18,522)
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31st March 2022	£ 13,400	£ 38,078	£ 12,003	£ 63,481
	<hr/>	<hr/>	<hr/>	<hr/>

**11. Unrestricted Funds**

	<u>General</u>	<u>Designated</u>	<u>Total</u>
As at 1st April 2021	2,668,255	1,740,000	4,408,255
(Deficit)/Surplus for the year	3,421,630	(631,000)	2,790,630
Transfers between Funds	(1,041,000)	1,041,000	-
	<hr/>	<hr/>	<hr/>
	£ 5,048,885	£ 2,150,000	£ 7,198,885
	<hr/>	<hr/>	<hr/>

The designated funds are listed below. These funds are earmarked and exist to enable the Charity to continue to provide archaeological services to a high standard on an ongoing basis.

	<u>Report Archiving</u>	<u>Outreach</u>	<u>New Technology</u>	<u>Premises</u>	<u>Pension Fund</u>	<u>Total</u>
1st April 2021	85,000	125,000	300,000	130,000	1,100,000	1,740,000
Expenditure	(57,000)	(157,000)	(372,000)	(45,000)	-	(631,000)
Transfer	122,000	182,000	372,000	65,000	300,000	1,041,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31st March 2022	£ 150,000	£ 150,000	£ 300,000	£ 150,000	£ 1,400,000	£ 2,150,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**COTSWOLD ARCHAEOLOGY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31st MARCH 2022**

Funds have been designated by the Directors for the following purposes:

- Completion of Reports and Archiving:** The Charity wishes to ensure that the results of its work are made widely and freely available in order to advance the education of the general public. It strives to publish the results of its most significant investigations even when this is over and above the contractual requirement with those who commissioned the work in the first place. It also ensures that the finds and archives resulting from investigations are deposited with publicly accessible museums. This fund has been created to finance such work where this is not covered within pre-existing contracts.
- Outreach and Research Projects:** Work associated with the wider dissemination of the results of our projects to a broad range of individuals, including popular publications and the updating of our website, lectures, talks and facilitating work experience. We have made a large number of our unpublished fieldwork reports freely available for download from our website.
- New Technology:** Purchase and updating of ICT requirements and digital survey.
- Premises:** Future premises requirements, including dilapidations.
- Pension Deficit:** Liabilities arising from the Company's defined benefit pension scheme operated by Gloucestershire County Council and provision for any additional cessation payments.

**12. Movement of Members Funds**

	<b><u>Unrestricted</u></b> <b><u>Funds</u></b>	<b><u>Restricted</u></b> <b><u>Funds</u></b>	<b><u>Total</u></b> <b><u>2022</u></b>	<b><u>Total</u></b> <b><u>2021</u></b>
Balance B/Fwd	4,408,255	69,885	4,478,140	3,867,525
Surplus/(Loss) for the Year	2,790,630	(6,404)	2,784,226	610,615
	_____	_____	_____	_____
	£ 7,198,885	£ 63,481	£ 7,262,366	£ 4,478,140
	_____	_____	_____	_____

**COTSWOLD ARCHAEOLOGY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31st MARCH 2022**

**13. Defined Benefit Pension Scheme**

By the end of the year 14 (2021 - 14) employees were members of the Gloucestershire Local Government Pension Scheme (GLGPS). The Company contributed £156,000 (2021 - £152,000) to the scheme on behalf of its employees during the year. The Company has 20 deferred pensioners and 6 pensioners.

The assets of the defined benefits scheme for staff are held separately from those of the Charity. The Scheme is funded by contributions from the employees and employer in accordance with the recommendations of independent qualified actuaries on the basis of triennial formal valuations. The most recent of these formal valuations was made on 31st March 2019, using the revised actuarial assumptions of the Pensions Act 1995, and reported a deficit of £2,744,000 which is being funded by employer's contributions of 29.8% per annum and employees' contributions on average of 7.7% of pensionable pay to 31st March 2021.

**Significant assumptions used are as follows:**

	<b>31st March 2022</b> % p.a.	<b>31st March 2021</b> % p.a.
Inflation/Pension Increase Rate	3.15%	2.8%
Salary Increase Rate	3.45%	3.1%
Discount Rate	2.75%	2.05%

**Major categories of plan asset**

<b>Year ended</b>	<b>31st Mar 2022</b> %	<b>31st Mar 2021</b> %
Equities	71	70
Bonds	19	20
Property	9	7
Cash	1	3
	<hr style="width: 50%; margin: auto;"/>	<hr style="width: 50%; margin: auto;"/>
	100	100
	<hr style="width: 50%; margin: auto;"/>	<hr style="width: 50%; margin: auto;"/>

**Balance Sheet**

<b>Year ended:</b>	<b>31st Mar 2022</b> £ (000)	<b>31st Mar 2021</b> £ (000)
Fair value of employer assets	7,444	6,853
Present value of funded liabilities	(8,476)	(8,813)
	<hr style="width: 50%; margin: auto;"/>	<hr style="width: 50%; margin: auto;"/>
Net (under)/overfunding in funded plans	(1,032)	(1,960)
Present value of unfounded liabilities	-	-
Unrecognised past service cost	-	-
	<hr style="width: 50%; margin: auto;"/>	<hr style="width: 50%; margin: auto;"/>
Net asset / (Liability)	(1,032)	(1,960)
	<hr style="width: 50%; margin: auto;"/>	<hr style="width: 50%; margin: auto;"/>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31st MARCH 2022**

The defined benefit obligation is split £5,882,000, £1,838,000 and £756,000 between active members, deferred members and pensioner members respectively as at 31st March 2022.

The liabilities as at 31st March 2022 are based on the current benefit structure of the GLGPS.

**Reconciliation of defined benefit obligation**

<b>Year ended:</b>	<b>31st Mar 2022</b>	<b>31st Mar 2021</b>
	<b>£ (000)</b>	<b>£ (000)</b>
Opening defined benefit obligation	8,813	6,369
Current service cost	244	170
Interest cost	183	148
Contributions by members	41	39
Actuarial losses / (gains)	(718)	2,141
Past service costs / (gains)/losses	-	-
Losses/ (gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in business combination	-	-
Exchange differences	-	-
Estimated unfounded benefits paid	-	-
Benefits paid	(87)	(54)
	<hr/>	<hr/>
Closing defined benefit obligation	8,476	8,813
	<hr/>	<hr/>

**Reconciliation of fair value of employer assets**

<b>Year ended:</b>	<b>31st Mar 2022</b>	<b>31st Mar 2021</b>
	<b>£ (000)</b>	<b>£ (000)</b>
Opening fair value of employer assets	6,853	5,292
Net interest	142	123
Contributions by members	41	39
Contributions by the employer	156	152
Return on assets excluding amounts included in interest	339	1,301
Assets distributed on settlements	-	-
Exchange differences	-	-
Benefits paid	(87)	(54)
	<hr/>	<hr/>
Closing fair value of employer assets	7,444	6,853
	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31st MARCH 2022**

**Investment returns**

The return on the Fund in market value terms for the period to 31st March 2022 is estimated based on actual Fund returns as provided by the Administering Authority and index returns where necessary. Details are given below:

Actual Returns from 1st April 2021 to 31st March 2022	7.0%
Total Returns from 1st April 2021 to 31st March 2022	7.0%

**Sensitivity Analysis**

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

<b>Change in assumptions at 31st March 2022:</b>	<b>Approximate % increase to Defined Benefit Obligation</b>	<b>Approximate monetary Amount (£ 000)</b>
0.1% decrease in Real Discount Rate	2%	190
1 year increase in member life expectancy	4%	339
0.1% increase in the Salary Increase Rate	0%	24
0.1% increase in the Pension Increase Rate	2%	164

**Analysis of projected amount to be charged to operating profit for the year to 31st March 2023**

<b>Year ended:</b>	<b>31st March 2023</b>	<b>% of Pay</b>
	<b>£ (000)</b>	
Projected current service cost	(222)	(42.8)
Interest including plan assets	206	39.6
Interest cost on defined benefit obligation	(235)	(45.2)
Past service cost including curtailments	-	-
Effect of settlements	-	-
	251	(48.4)

The actuary estimates that the Employer's contributions for the year to 31st March 2022 will be approximately £ 155,000.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31st MARCH 2022**

**14. Defined Contribution Scheme**

The Company operates a defined contribution pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the Company and amounted to £402,585 (2021 £340,750).

**15. Related Party Transactions**

There were no related party transaction during the year or prior year.

**16. Contingent Liabilities**

The Company's leasehold premises have had alterations made that may require rectification at the end of the lease. The costs relating to this are not known. A provision of funds over the period of the lease will be made through the designated premises reserve to cover anticipated future costs.

**17. Capital Commitments**

There were no capital commitments at the year end.

**18. Controlling Parties**

The Charitable Company has no ultimate controlling party.

**19. Going Concern**

The Charity has no going concern issues.

**20. Operating Leases**

Total future minimum lease payments under non-cancellable leases are as follows:

<b>Leases on Buildings</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Within 1 year	£ 117,282	£ 164,388
More than 1 year	£ 270,435	£103,862
<b>Other</b>		
Less than 1 year	£ 155,761	£134,849
More than 1 year	£ 168,401	£ 71,627

**21. Government Grants**

The Charity received furlough payments of £nil (2021 £658,122) during the financial year.