

COTSWOLD ARCHAEOLOGY LIMITED
(A Company Limited by Guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st MARCH 2023

COMPANY REGISTRATION NUMBER - 2362531
CHARITY NUMBER - 1001653

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. 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, developmental work on the next Plan will commence during the year.

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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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 2022/23 the Charity maintained the high level of income and staff deployment experienced in 2021/22 due to our involvement in a wide range of fieldwork projects, some of very large size. This funding allowed us to undertake more research and reach a greater number of individuals through our outreach and engagement activities than has previously been possible.

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 2022.

Demand for our fieldwork services was driven in large measure by projects associated with energy security, residential development and transport infrastructure. 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, Leicestershire, West Northamptonshire and Suffolk (x 2). 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:

- *Finchingfield, Essex*. A 12th to 14th-century medieval tile kiln associated with a roadside settlement.
- *South Cerney, Gloucestershire*. Six Late Bronze Age to Early Iron Age roundhouses and two rectangular structures. A Middle Bronze Age spearhead was a notable find.
- *Winchcombe, Gloucestershire*. Eleven Roman inhumation burials and two possible deposits of cremation debris likely associated with a nearby Roman villa.
- *Basingstoke, Hampshire*. Three pits containing well-preserved Bronze Age urns that may have been inserted into a barrow that has been removed by subsequent landscaping.
- *Hearne Bay, Kent*. Bronze Age through to Anglo-Saxon activity and a medieval enclosure. A remarkably well-preserved medieval worked bone flute had been skillfully fashioned from a sheep's tibia.
- *Oadby, Leicestershire*. Iron Age settlement with associated enclosures and a pit alignment. Four roundhouses were present.
- *Harpole, West Northamptonshire*. Excavation on both sides of a small brook. On one side Iron Age settlement overlooked rectilinear enclosures, likely for stock rearing, and a droveway. Over 20 cremation burials were separated from the other activity by an alignment of over 60 pits that followed the edge of the flood plain. The pit alignment was replaced by a large enclosure. A large and very well-preserved limekiln is undated, but most likely Roman in date. Another Iron Age pit alignment was found on the other side of the brook. It was superseded by Iron Age enclosures containing roundhouses.
- *Sizewell, Suffolk*. A Roman saltern comprising a hearth pit and associated clay-lined settling tank.
- *Lotmead, Swindon*. A woodland environment represented by over 1,000 tree-throw holes which was cleared when the nearby Roman small town of Wanborough was established. Other Roman features included a large pond, two inhumation and 31 cremation burials and two ring-ditches, one of which enclosed a large sarsen stone.
- *Netherhampton, Wiltshire*. A Bronze Age barrow cemetery. Of the three barrows explored so far, two have double ditches. The westernmost had no central burial, but a satellite crouched burial just outside it. There was a juvenile burial in the inner ditch of the central barrow and a central burial pit that contained five individuals, a mix of adults and juveniles.

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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.

Partnerships, Collaborations, and Professional Citizenship

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) as a Joint Venture known as Oxford Cotswold Archaeology (OCA) on major fieldwork investigations associated with the Sizewell C development in Suffolk and the Lower Thames Crossing in Essex and Kent. OCA also commenced fieldwork on the A417 Missing Link trunk road scheme in Gloucestershire. Post-excavation analysis by OCA continued on 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) completed the post-excavation assessment work of our investigations associated with the London to Birmingham section of the HS2 railway. 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.

Cotswold Archaeology collaborates with academic institutions on a variety of research projects. During the year we worked on projects including: *Feed the birds/do not feed the animals* (Exeter University); *Tales of trauma: life and violence in Roman Gloucester* (Exeter University); *Bio-cultural impacts on British biodiversity, AD 0-1000* (NERC funded PhD studentship, Exeter University); *Rewilding later prehistory* (Oxford University); *Radiocarbon dating of lipids in early Neolithic pottery* (PhD, studentship, Bristol University); *Compound-specific radiocarbon dating of lipid residues in pottery* (Bristol University); *One thousand genomes* (an ancient DNA study run by the Francis Crick Institute), *Early medieval population transformations in Britain* (an ancient DNA study with the Max Planck Institute) and projects run from the Molecular Population Genetics Lab, Trinity College Dublin. The Charity also continues to sponsor a student undertaking a PhD researching Roman ceramic building materials at the University of Kent.

Cotswold Archaeology plays an active role in furthering the discipline and practice of archaeology and helps lead improvement and innovation in our sector. This is achieved through staff participation in a wide range of professional citizenship activities both within the UK and internationally.

Service Development and Innovation

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 continue to invest in an award-winning graduate training programme. During the year we increased the on-site training support available to our Trainee Archaeologists. 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. We recruited our second cohort of Level 3 Archaeological Technician apprentices in the autumn of 2022.

A newly-appointed Geomatics Manager has reviewed our survey methodology and management of digital data. Changes have been made to our survey methods, and we have formulated plans to upskill our capability to collect more archaeological data using Unmanned Aerial Systems (drones). This capability will be progressively rolled out during 2023.

Cotswold Archaeology is the joint owner with Oxford Archaeology of a software system that allows us to capture digital archaeological data in the field. The two Charities have committed to the future development of the system and will launch the next upgrade to the system in 2023. We have designed a comprehensive staff training programme for the digital recording system that will be implemented throughout 2023.

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Facilitating Access to Knowledge

Dissemination of Research

Cotswold Archaeology is committed to high standards in research and prides itself on 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 concerning excavations at Flixton Quarry in Suffolk and 15 other reports were published in a variety of academic journals on projects in Bath & NE Somerset, Buckinghamshire, Devon, Gloucestershire, Hampshire, Powys, South Gloucestershire, Surrey, West Berkshire 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 be published 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 5,131 fieldwork reports (4,475 in 2022), 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 34,368 visits and downloads during the year. Some 2,816 (2,256 in 2022) of these reports are also freely available online via the Library of Unpublished Fieldwork Reports hosted by the Archaeology Data Service.

Social Value 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.

We place considerable importance on our educational and outreach activities, and during 2022/23 we delivered a comprehensive and impactful programme of activities. Our investment in digital engagement continues to pay dividends. Particular achievements include:

- Minety (Wiltshire): we commenced a research project investigating an important Roman tile industry. A community-based investigation of a kiln took place in the summer of 2022 with spectacular results. We communicated our findings to a well-attended open day in the village hall. A second season of investigation will take place in the summer of 2023.
- Kelmscott Manor (Oxfordshire): three test pitting weekends, school involvement and geophysical survey in conjunction with local archaeology groups.
- Great Yarmouth (Norfolk): a test pitting weekend utilising local volunteers, Young Archaeologists Club and school children.
- A417 Missing Link (Gloucestershire): local primary school workshops communicating the results of our investigations on behalf of National Highways.
- Rendlesham (Suffolk): we contributed to the community research excavation and outreach programmes for school and community groups during the second year of a project supported by the Heritage Lottery Fund.
- Eight webinars using our Zoom package including our Annual Lecture.
- 16 work experience placement weeks.
- 45 in-person or online talks.

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. In-person volunteering opportunities totalled 606 days of engagement and involved 278 separate individuals.

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Web presence is a valuable means of communicating with a wider audience. Our website received over 78,000 visits during the year, although the number is most likely much higher as a cookie plugin prevented some of the tracking. We released 58 stories, just over one per week, and further developed the catalogue of our virtual museum, launched in May 2022, which now hosts over 100 free-to-view artefacts, the majority with 3D models.

Our Social Media programme continues to educate additional audiences and demographics to those traditionally targeted by our academic publications; our analytics software reports that we outstrip other similar providers with our content quantity, quality, and engagement. Our social profiles achieved combined impressions of over 5.5 million in the year, and we are engaging daily 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 simply reflect passive onlookers – our core followers, now numbering close to 39,000 (an increase of 6,000 from 2021/22), interact with our discoveries at a rate regarded by industry experts as 'very highly engaged'. Our audiences are taking the opportunity to learn directly from us about archaeology and our discoveries. Across Facebook, Instagram, Twitter, and LinkedIn we generated nearly 2,500 conversations in 2022/23. Our social platforms have also acted as a successful communication tool for engaging wider news and media outlets, including *Current Archaeology Magazine*, ITV and the BBC.

In combination, our websites and social platforms allow us to share the full story of a site, driving rich engagement and a deeper understanding of the archaeology, as we have done with our community archaeology project at Minety. Utilising on-site videos, live Q&As, extended web articles, visual storyboards, and social media posts, this project alone has generated 2,000 webpage views and 15,400 social media engagements, and prompted multiple associated lectures and open days, greatly developing public understanding of Roman Britain.

Our community engagement activities are one facet of our overarching objective of delivering public benefit and social value. During the year we developed our social value agenda and defined the specific measures where we will concentrate attention. These support the social value themes of promoting local skills and employment, supporting the growth of responsible regional businesses and supporting healthier, safer and more resilient communities.

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 has heightened its focus on people-related matters in recent years, and from 2023 onwards Trustees will receive an annual People Report. The Charity continues to invest in a variety of training initiatives. We place considerable emphasis on staff well-being and have introduced measures to provide greater support for mental health in the workplace to better reflect the core standards recommended in the 'Thriving at Work' report published by the Department of Work and Pensions. We continually seek improvements to our company working culture so that colleagues can be open about their mental health and will be supported if they do so. The Charity is committed to the Equality, Diversity and Inclusion (EDI) and organises workplace sessions to raise awareness of these issues.

We strive 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. A safe working culture in which no one is harmed is fundamental to the success of our Charity. The Trustees approved an updated Health and Safety Policy and Procedures in March 2023, 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. We are accredited under the ISO 45001: 2018 standard which covers occupational health and safety.

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Safeguarding, including the well-being of the recipients of our digital communications, is of the utmost importance to the Charity. An updated and enhanced Safeguarding Policy will be adopted in 2023. Trustees will also be offered additional training in the oversight of safeguarding procedures, including written risk and escalation procedures and a responsibility matrix.

We publish our Gender Pay Gap report in line with Government requirements. Our pay gap has reduced over the last few years but there is more we want to do to reduce the imbalance. For instance, women are under-represented at managerial level in some parts of the Charity and we will encourage and support females to be able to better compete for these roles. We encourage and support female managers to serve as visible role models and mentors for their junior colleagues.

As the Charity grows, we devote greater resources to communication with our colleagues. During the year we implemented online staff 'Town hall meetings' where colleagues received updates on the performance of the Charity and were able to ask questions. Our internal staff newsletter is also well received. Management continues to focus on the identification 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.

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*. We are members of 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.

We adopted a Sustainability Policy in 2022 to guide our activities and the Board receives an annual Sustainability Report. We have stated our ambition to achieve Net Zero Carbon by 2050 at the latest. The Policy concentrates on the areas where Cotswold Archaeology can make the most positive contributions to environmental, economic and social sustainability, and is supported by an Action Plan. During the year we commenced work on a Carbon Reduction Plan which we will complete and adopt by the end of 2023. We also have an Environmental Management system which is independently certified as compliant with ISO 14001: 2015.

Company Infrastructure

The Charity operates from four offices. We supplemented our original base in Cirencester by opening 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 allows us to undertake investigations throughout the UK.

The main focus of our activity during the year has been the replacement and expansion of our Virtual Desktop Infrastructure IT network to provide greater resource and flexibility. Our landline phone systems were also migrated into the Cloud. Work commenced on upgrading from our current Cyber Essentials standard to the more advanced Cyber Essentials Plus accreditation which we will achieve before the end of 2023. We have also improved the organisation and working methods of our geomatics department, investing in up-to-date equipment including a new Robotic Total Station.

Future Plans

Despite the uncertainties caused by a high level of price inflation in the UK, the Charity has a strong order book of projects for 2023 and the Trustees believe it is well placed to achieve its income targets and budgets for 2023/24.

We have defined five priorities for investment and focus over the next few years:

- Upskilling our expertise and capability in digital data management to make us more efficient and technologically proficient.
- Improving our skills development, CPD and training offer so that employees develop to their full potential quicker.
- Building workplace culture as an effective recruitment and retention tool.
- Growing our post-excavation analysis and publication capability so that it keeps pace with the increasing volume of fieldwork undertaken.
- Enhancing our sustainability and social value offering.

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Specific objectives for 2023/24 include:

- Adopt an updated Safeguarding Policy.
- Implement our Social Value objectives and Outreach Action Plan.
- Implement our Sustainability Action Plan and adopt a Carbon Reduction Plan.
- Increase the number of peer reviewed academic publications issued during the year.
- Further develop our Digital Recording System that captures archaeological data digitally during fieldwork. Focus on staff training and software development.
- Improve our use of Unmanned Aerial Systems (drones) to collect archaeological data.
- Refresh the content and design of our website.
- Implement actions to support a workplace culture that promotes Fairness, Inclusion and Respect.
- Implement actions to reduce our Gender Pay Gap.
- Improve internal company communications to engender greater cohesiveness and sense of belonging amongst staff.
- Obtain Cyber Essentials Plus accreditation.
- Adopt a range of new policies and procedures in anticipation of the refreshed Charities Annual Return.

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. We have developed a strong reputation in public outreach and community engagement and will continue to invest in these activities. We also want to develop further partnerships with academic institutions to deliver high-quality synthesis and research projects.

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 £24,135,650 from its unrestricted activities to enable it to undertake its work (£25,219,073 in 2022). We registered an operational surplus (net incoming resources) for the year of £3,064,744 (£1,856,226 in 2022).

The amount of heritage work undertaken in the UK is closely tied to the health of the construction and development industries. Whilst rising inflation and interest rates adversely affected some development sectors, 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 performance 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. The Charity implements rigorous credit control procedures to ensure the timely payment of bills and the maintenance of liquidity and cash flow. During the year we undertook a thorough review of our internal financial controls and Trustees adopted an enhanced Anti-Fraud Policy and Procedures.

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. Our individual fund within the Gloucestershire County Council pension fund was £1.032m in deficit at 31st March 2022, but at the 31st March 2023 was £1.466m in surplus, resulting in a positive contribution on the balance sheet of £2.498m. This dramatic change in valuation is due in large measure to changing financial assumptions adopted by the scheme actuary following the completion of the most recent triennial valuation in 2022. Employer contribution rates are currently fixed until 31st March 2026.

Trustees have paid close attention to the implications of the pension valuation on the operations of the Charity over many years. They do not consider that the funding position poses any short-term risk to the Charity, although they remain mindful of the long-term implications. Experience suggests that positive movements in our funding position in a given year are frequently counteracted by a negative movement in the year after. Accordingly, a fund designated to cover any pension deficit at the point the Charity finally leaves the scheme was created in 2014 within our unrestricted funds, and the Charity will increase the value of this fund as finances allow.

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Reserves Policy

The Reserves Policy received its annual review. 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.

At 31st March 2023 the Charity had free reserves of £7,881,543.

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 identify and review the risks to which the Charity is exposed. We have 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 which is subject to annual external audit. The Senior Management Team maintains a Risk Register which is regularly updated, with the major risks reviewed by Trustees at every Full Board meeting. The risks that score highest in the risk matrix are:

Operational Risks

- Difficulties in recruiting sufficient numbers of Archaeologists with appropriate competencies/experience to service major labour-intensive contracts.
- Disruption to business activities brought about by shortages and price rises because of issues with global supply chains and political situations.
- Cuts in Government spending result in reduced opportunities to win work on major public infrastructure projects and thus less demand for our services overall.
- Recession in UK economy leads to less demand for our services from private sector clients, especially residential house builders.
- Potential disruption to power supplies.
- Disruption to operations, financial liabilities, loss of income and damage to reputation caused by a serious health and safety incident.

Financial Risks

- Inadequate commercial awareness leading to overly risky contracts and poor client communications during their execution.
- Rising supplier costs that cannot be fully passed on to customers leading to reduced profitability.

Trustees are satisfied that appropriate contingency measures are in place to mitigate these risks. The Charity also maintains a Business Continuity Plan which is reviewed as part of the ISO 9001: 2015 system.

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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 last revised in 2021. 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. Many of our projects are of a lengthy duration, often in the order of five to ten years, and accordingly the Board considers that continuity and experience amongst the trustee cohort to be beneficial. Five 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; Ms V.Fenner given her experience in outreach and community activities, and Mr K. Winmill 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.

Trustees completed a skills audit during the year. They were content that the Board contains a good mix of skills and attitudes. There is diversity of opinion and a culture/willingness to challenge views expressed by fellow Trustees and the executive when appropriate. Trustee training needs were identified and will be implemented.

The Charity aligns with the Charity Governance Code for England and Wales, and during the year reviewed those sections of the Code refreshed in 2020 (Integrity and Equality Diversity and Inclusion). Minor amendments will be made to the Code of Governance following the review. 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.

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 85% (2022 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 academic and professional standards and also 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.

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; People Director, 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 279 (290 in 2022) 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.

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

REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2023

Status and Administration

The Directors, who are also Charity Trustees, and who served during the year were:

Professor T C Darvill (Chairman) OBE
Mr A M Chater
Mr P P J Cullen
Dr L H Evis (Vice Chair)
Ms V E P Fenner
Professor C M Gerrard
Ms K A Josephides
Ms C Kirk
Ms S B Parsons
Mr K R Wade (resigned 7th September 2022)
Mr K P Winmill
Dr C J Young

Address: Building 11
Cotswold Business Park
Cirencester
Gloucestershire
GL7 6BQ

Bankers: CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Auditors: Wenn Townsend
Gosditch House
5 Gosditch Street
Cirencester
Gloucestershire
GL7 2AG

Taxation Status

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

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

REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2023

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: 26th July 2023

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 2023 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 2023, 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.

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.

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

INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF COTSWOLD ARCHAEOLOGY LIMITED

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.

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:

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

INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF COTSWOLD ARCHAEOLOGY LIMITED

- 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.
- 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.

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

INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF COTSWOLD ARCHAEOLOGY LIMITED

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.



S J Bates FCA
Senior Statutory Auditor
For and on behalf of Wenn Townsend, Statutory Auditor
5 Gosditch Street
Cirencester
Gloucestershire

Date: 27th July 2023

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 2023

	<u>Note</u>	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Fund</u> £	<u>2023</u> <u>Total</u> £	<u>2022</u> <u>Total</u> £
Income					
Donations and Legacies:					
Income from charitable activities:					
Archaeological projects		24,043,642	-	24,043,642	25,209,932
Book sales		642	-	642	1,325
Donations		-	24,774	24,774	12,118
Investment income		85,116	-	85,116	7,816
Surplus on fixed assets disposals		6,250	-	6,250	-
		_____	_____	_____	_____
Total Incoming Resources		24,135,650	24,774	24,160,424	25,231,191
		_____	_____	_____	_____
Expenditure					
Expenditure and charitable activities:					
Archaeological projects		20,522,551	44,785	20,567,336	22,904,846
Other support costs		498,686	-	498,686	452,065
		_____	_____	_____	_____
Total Resources Expended	4	21,021,237	44,785	21,066,022	23,356,911
		_____	_____	_____	_____
		3,114,413	(20,011)	3,094,402	1,874,280
Unrealised surplus/(loss) on investments		(29,658)	-	(29,658)	(18,054)
		_____	_____	_____	_____
Net Incoming Resources for the year		3,084,755	(20,011)	3,064,744	1,856,226
Actuarial (loss)/gain on defined benefit pension scheme		2,498,000	-	2,498,000	928,000
		_____	_____	_____	_____
Net Movement on Funds		5,582,755	(20,011)	5,562,744	2,784,226
Fund Balances brought forward		7,198,885	63,481	7,262,366	4,478,140
		_____	_____	_____	_____
Fund Balances carried forward	12	12,781,640	43,470	12,825,110	7,262,366
		_____	_____	_____	_____

The notes on pages 21-32 form an integral part of these financial statements

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 2023

	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Fund</u> £	<u>2022</u> <u>Total</u> £
Income			
Donations and Legacies:			
Income from charitable activities:			
Archaeological projects	25,209,932	-	25,209,932
Book sales	1,325	-	1,325
Donations	-	12,118	12,118
Government grants	-	-	-
Investment income	7,816	-	7,816
Surplus on fixed assets disposals	-	-	-
	_____	_____	_____
Total Incoming Resources	25,219,073	12,118	25,231,191
	_____	_____	_____
Expenditure			
Expenditure and charitable activities:			
Archaeological projects	22,886,324	18,522	22,904,846
Other support costs	452,065	-	452,065
	_____	_____	_____
Total Resources Expended	23,338,389	18,522	23,356,911
	_____	_____	_____
	1,880,684	(6,404)	1,874,280
Unrealised surplus/(loss) on investments	(18,054)	-	(18,054)
	_____	_____	_____
Net Incoming Resources for the year	1,862,630	(6,404)	1,856,226
Actuarial (loss)/gain on defined benefit pension scheme	928,000	-	928,000
	_____	_____	_____
Net Movement on Funds	2,790,630	(6,404)	2,784,226
Fund Balances brought forward	4,408,255	69,885	4,478,140
	_____	_____	_____
Fund Balances carried forward	7,198,885	63,481	7,262,366
	_____	_____	_____

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

BALANCE SHEET
31st MARCH 2023

	<u>Note</u>	£	<u>2023</u> £	£	<u>2022</u> £
<u>Fixed Assets</u>					
Tangible Fixed Assets	5	484,097		528,963	
Investments	6	411,745		533,332	
		_____		_____	
			895,842		1,062,295
<u>Current Assets</u>					
Debtors	7	4,560,723		7,011,697	
Cash at Bank and in Hand		11,073,366		6,265,587	
		_____		_____	
		15,634,089		13,277,284	
Deduct: Creditors (Amounts falling due within one year)	8	5,170,821		6,045,213	
		_____		_____	
<u>Net Current Assets</u>			10,463,268		7,232,071
			_____		_____
<u>Total Net Assets before Pension Liability</u>					
Defined benefit pension scheme asset/(liability)	13		11,359,110		8,294,366
			1,466,000		(1,032,000)
			_____		_____
Total assets less current liabilities			12,825,110		7,262,366
			_____		_____
Financed by:					
<u>Unrestricted Funds:</u>					
General	11	9,831,640		5,048,885	
Designated		2,950,000		2,150,000	
		_____		_____	
			12,781,640		7,198,885
<u>Restricted Fund</u>	10		43,470		63,481
			_____		_____
			12,825,110		7,262,366
			_____		_____

These financial statements were approved by the Finance, People and Resources Committee and signed on behalf of the Committee on 26th July 2023



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

The notes on pages 21-32 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 2023

	<u>2023</u>	<u>2022</u>
	£	£
CASH USED IN OPERATING ACTIVITIES	4,808,060	2,980,435
CASHFLOW FROM INVESTING ACTIVITIES		
Interest received	85,116	7,816
Payments to acquire tangible fixed assets	(183,576)	(384,478)
Receipts from disposal of tangible fixed assets	6,250	2,800
	_____	_____
Cash provided by (used in) investing activities	4,715,850	2,606,573
Sale of fixed asset investments	100,000	-
Cashflow from financial activities	(8,071)	(6,561)
	_____	_____
INCREASE IN CASH	4,807,779	2,600,012
	_____	_____
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR	6,265,587	3,665,575
	_____	_____
TOTAL CASH AND CASH EQUIVALENT AT THE END OF THE YEAR	11,073,366	6,265,587
	_____	_____

The notes on pages 21-32 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 2023

RECONCILIATION OF OPERATING SURPLUS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	2023	2022
	£	£
Net Incoming/(outgoing) resources	5,562,744	2,784,226
Depreciation	228,442	210,169
(Profit)/loss on disposal of fixed assets	(6,250)	3,693
Actuarial loss/(profit) on defined benefit pension scheme	(2,498,000)	(928,000)
Unrealised (profit)/loss on investments	29,658	18,054
Interest received	(85,116)	(7,816)
(Increase)/Decrease in debtors	2,450,974	88,365
Increase/(Decrease) in creditors	(874,392)	811,744
	<hr/>	<hr/>
Net cash inflow from operating activities	4,808,060	2,980,435
	<hr/>	<hr/>

ANALYSIS OF CHANGES IN NET FUNDS

	1st Apr 2022	Cash flow	Other non-Cash Changes	31st Mar 2023
	£	£	£	£
Cash at bank and in hand	6,265,587	4,807,779	-	11,073,366
	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 21-32 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 2023

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 2023

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. Surplus on Ordinary Activities

	<u>2023</u>	<u>2022</u>
	£	£
The surplus is stated after charging:		
Auditors Remuneration	9,600	9,200
Depreciation	228,442	210,169
(Loss)/Profit on disposal of fixed asset	6,250	(3,693)
	<u> </u>	<u> </u>

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 2023

4. Total Resources Expended

	<u>Staff Costs</u>	<u>Depreciation</u>	<u>Other Costs</u>	<u>Total</u> <u>2023</u> £	<u>Total</u> <u>2022</u> £
Archaeological Projects	9,261,519	228,442	11,077,375	20,567,336	22,904,846
Management and Administration	489,086	-	9,600	498,686	452,065
	<u>9,750,605</u>	<u>228,442</u>	<u>11,086,975</u>	<u>21,066,022</u>	<u>23,356,911</u>
				<u>2023</u>	<u>2022</u>
Other Support Costs					
Salaries				489,086	442,865
Audit and Accountancy Fees				9,600	9,200
				<u>498,686</u>	<u>452,065</u>
				<u>2023</u>	<u>2022</u>
Staff Costs					
Wages and Salaries				8,310,222	8,038,356
Social Security Costs				854,148	760,593
Pension Costs				586,235	558,720
				<u>9,750,605</u>	<u>9,357,669</u>
Employees benefits		£ 60,001 - £ 70,000	2		
		£ 71,000 - £ 80,000	2		
		£100,001 - £110,000	1		

The total pension costs for the employees is £76,013 all of whom are members of one of the company's pension schemes

The average number of employees analysed by function, was:

Archaeological Projects	264	276
Management and Administration	15	14
	<u>279</u>	<u>290</u>

The Directors received no remuneration during the year. Total expenses reimbursed to Directors during the year amounted to £1,990 (2022 £434).

The total amount of employee benefits received by key management personnel is £561,358 (2021 £532,337). The Charity considers its senior management team key personnel.

COTSWOLD ARCHAEOLOGY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2023

5. Tangible Fixed Assets

	<u>Short Leasehold Improvements</u> £	<u>Plant and Machinery</u> £	<u>Total</u> £
<u>Cost</u>			
At 1st April 2022	260,061	1,422,236	1,682,297
Additions in Year	10,421	173,155	183,576
Disposals	(-)	(54,214)	(54,214)
	-----	-----	-----
At 31st March 2023	270,482	1,541,177	1,811,659
	-----	-----	-----
<u>Depreciation</u>			
At 1st April 2022	239,584	913,750	1,153,334
Charge for the Year	20,077	208,365	228,442
Disposals	(-)	(54,214)	(54,214)
	-----	-----	-----
At 31st March 2023	259,661	1,067,901	1,327,562
	-----	-----	-----
<u>Net Book Value</u>			
At 31st March 2023	10,821	473,276	484,097
	-----	-----	-----
At 31st March 2022	20,477	508,486	528,963
	-----	-----	-----

COTSWOLD ARCHAEOLOGY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2023

6. Investments	<u>2023</u>	<u>2022</u>
	£	£
Market value		
Balance b/fwd	533,331	544,826
Disposals	(100,000)	-
Accumulated interest	8,072	6,559
Unrealised gains/(loss) on investments	(29,658)	(18,054)
Realised gain on investments	-	-
	<hr/>	<hr/>
	411,745	533,331
	<hr/>	<hr/>

The investments were held in the Swanbrook Bank CAF Fund Bank Statement Issue 1 and were disposed in year value at 31st March 2023 £nil (2022 £100,000) and in M & G Investments Charibond Charities Fixed Interest Common Investment Fund, Accumulation Shares of £ 411,745 (2022 £433,331). The market value of investments was valued at mid-market price as at 31st March 2023.

	<u>2023</u>	<u>2022</u>
	£	£
Investments in subsidiary	1	1
	<hr/>	<hr/>
Subsidiary		
Cost	1	1
	<hr/>	<hr/>

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2023

7. Debtors	<u>2023</u> £	<u>2022</u> £
Trade Debtors	3,696,327	6,116,506
Other Debtors	141,640	111,905
Amounts Recoverable on Contracts	722,756	783,286
	<hr/>	<hr/>
	4,560,723	7,011,697
	<hr/>	<hr/>
8. Creditors (Amounts falling due within one year)	<u>2023</u> £	<u>2022</u> £
Trade Creditors	847,240	1,030,182
Taxation and Social Security Costs	609,962	651,046
Other Creditors	103,261	181,569
Deferred Income	3,610,358	4,182,416
	<hr/>	<hr/>
	5,170,821	6,045,213
	<hr/>	<hr/>

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

	<u>< - Unrestricted Funds - ></u>		<u>Restricted</u> <u>Fund</u>	<u>Total</u> <u>2023</u>	<u>Total</u> <u>2022</u>
	<u>General</u>	<u>Designated</u>			
	£	£	£	£	£
Fixed Assets	484,097	-	-	484,097	528,963
Investments	411,745	-	-	411,745	533,332
Current Assets	12,640,619	2,950,000	43,470	15,634,089	13,277,284
Current Liabilities	(5,170,821)	-	-	(5,170,821)	(6,045,213)
Pension Scheme					
Funding Surplus/(Deficit)	1,466,000	-	-	1,466,000	(1,032,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	9,831,640	2,950,000	43,470	12,825,110	7,262,366
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

COTSWOLD ARCHAEOLOGY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2023

The restricted fund current assets are comprised as follows:

	<u>2023</u> £		<u>2022</u> £	
Cash at Bank	43,470		63,481	
	-----		-----	
	<u>Historic</u> <u>England</u> £	<u>Roman CBM</u> <u>PhD Fund</u> £	<u>Community</u> <u>Research</u> <u>Fund</u> £	<u>Total</u> £
As at 1st April 2022	13,400	38,078	12,003	63,481
Income in year	-	-	24,774	24,774
Expenditure in year	-	(19,900)	(24,885)	(44,785)
	-----	-----	-----	-----
As at 31st March 2023	13,400	18,178	11,892	43,470
	-----	-----	-----	-----

Historic England:

Grants provided by Historic England restricted to supporting the publication of Historic England sponsored books.

Roman Ceramic Building Material (CBM) PhD Fund:

Donations to support a funded PhD student researching Roman ceramic building material at the University of Kent.

Community Research Fund:

Donations to support fieldwork and post-excavation analysis of a community research project in Wiltshire.

11. Unrestricted Funds

	<u>General</u> £	<u>Designated</u> £	<u>Total</u> £
As at 1st April 2022	5,048,885	2,150,000	7,198,885
(Deficit)/Surplus for the year	6,288,755	(706,000)	5,582,755
Transfers between Funds	(1,506,000)	1,506,000	-
	-----	-----	-----
	9,831,640	2,950,000	12,781,640
	-----	-----	-----

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</u> <u>Archiving</u> £	<u>Outreach</u> £	<u>New</u> <u>Technology</u> £	<u>Premises</u> £	<u>Pension</u> <u>Fund</u> £	<u>Total</u> £
1st April 2022	150,000	150,000	300,000	150,000	1,400,000	2,150,000
Expenditure	(310,000)	(196,000)	(163,000)	(37,000)	-	(706,000)
Transfer	510,000	346,000	163,000	137,000	350,000	1,506,000
	-----	-----	-----	-----	-----	-----
31st March 2023	350,000	300,000	300,000	250,000	1,750,000	2,950,000
	-----	-----	-----	-----	-----	-----

COTSWOLD ARCHAEOLOGY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2023

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 Funds 31st March

	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> <u>2023</u> £	<u>Total</u> <u>2022</u> £
Balance B/Fwd	7,198,885	63,481	7,262,366	4,478,140
Surplus/(Loss) for the Year	5,582,755	(20,011)	5,562,744	2,784,226
	-----	-----	-----	-----
	12,781,640	43,470	12,825,110	7,262,366
	-----	-----	-----	-----
	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> <u>2022</u> £	
Balance B/Fwd	4,408,255	69,885	4,478,140	
Surplus/(Loss) for the Year	2,790,630	(6,404)	2,784,226	
	-----	-----	-----	
	7,198,885	63,481	7,262,366	
	-----	-----	-----	

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2023

13. Defined Benefit Pension Scheme

By the end of the year, 11 (2022 - 14) employees were members of the Gloucestershire Local Government Pension Scheme (GLGPS). The Company contributed £159,000 (2022 - £156,000) to the scheme on behalf of its employees during the year. The Company has 19 deferred pensioners and 10 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 2022, 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 7.9% of pensionable pay to 31st March 2023.

Significant assumptions used are as follows:

	31st March 2023	31st March 2022
	% p.a.	% p.a.
Inflation/Pension Increase Rate	2.95%	3.15%
Salary Increase Rate	3.45%	3.45%
Discount Rate	4.75%	2.75%

Major categories of plan asset

Year ended	31st Mar 2023	31st Mar 2022
	%	%
Equities	66	71
Bonds	21	19
Property	12	9
Cash	1	3
	<hr/>	<hr/>
	100	100
	<hr/>	<hr/>

Balance Sheet

Year ended:	31st Mar 2023	31st Mar 2022
	£ (000)	£ (000)
Fair value of employer assets	7,418	7,444
Present value of funded liabilities	(5,952)	(8,476)
	<hr/>	<hr/>
Net (under)/overfunding in funded plans	1,466	(1,032)
Present value of unfunded liabilities	-	-
Unrecognised past service cost	-	-
	<hr/>	<hr/>
Net asset / (Liability)	1,466	(1,032)
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2023

The defined benefit obligation is split £3,640,000, £1,493,000 and £819,000 between active members, deferred members and pensioner members respectively as at 31st March 2023.

The liabilities as at 31st March 2023 are based on the current benefit structure of the GLGPS.

Reconciliation of defined benefit obligation

Year ended:	31st Mar 2023	31st Mar 2022
	£ (000)	£ (000)
Opening defined benefit obligation	8,476	8,813
Current service cost	228	244
Interest cost	236	183
Contributions by members	43	41
Actuarial losses / (gains)	(-)	(718)
Past service costs / (gains)/losses	-	-
Losses/ (gains) on curtailments	-	-
Changes in financial assumptions	(3,454)	-
Changes in demographic assumptions	(211)	-
Other expenses	680	-
Estimated unfounded benefits paid	-	-
Benefits paid	(46)	(87)
	<hr/>	<hr/>
Closing defined benefit obligation	5,952	8,476
	<hr/>	<hr/>

Reconciliation of fair value of employer assets

Year ended:	31st Mar 2023	31st Mar 2022
	£ (000)	£ (000)
Opening fair value of employer assets	7,444	6,853
Net interest	207	142
Contributions by members	43	41
Contributions by the employer	159	156
Return on assets excluding amounts included in interest	(345)	339
Assets distributed on settlements	-	-
Other expenses	(44)	-
Benefits paid	(46)	(87)
	<hr/>	<hr/>
Closing fair value of employer assets	7,418	7,444
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2023

Investment returns

The return on the Fund in market value terms for the period to 31st March 2023 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 2022 to 31st March 2023	1.8%
Total Returns from 1st April 2022 to 31st March 2023	1.8%

Sensitivity Analysis

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

Change in assumptions at 31st March 2023:	Approximate % increase to Defined Benefit Obligation	Approximate monetary Amount (£ 000)
0.1% decrease in Real Discount Rate	2%	123
1 year increase in member life expectancy	4%	238
0.1% increase in the Salary Increase Rate	0%	20
0.1% increase in the Pension Increase Rate	2%	105

Analysis of projected amount to be charged to operating profit for the year to 31st March 2024

Year ended:	31st March 2024 £ (000)	% of Pay
Projected current service cost	(135)	(25.4)
Interest including plan assets	359	67.4
Interest cost on defined benefit obligation	(285)	(53.5)
Past service cost including curtailments	-	-
Effect of settlements	-	-
	(61)	(11.5)

The actuary estimates that the Employer's contributions for the year to 31st March 2023 will be approximately £159,000.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31st MARCH 2023

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 £427,029 (2022 £402,585).

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:

Leases on Buildings	<u>2023</u> £	<u>2022</u> £
Within 1 year	226,852	117,282
More than 1 year	387,258	270,435
Other		
Less than 1 year	134,573	155,761
More than 1 year	59,663	168,401

21. Government Grants

The Charity received none during the last two financial years.