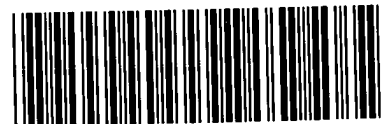


**Report of the Trustees and
Unaudited Financial Statements for the Period 1 April 2018 to 31 May 2019
for
Caithness Horizons**

Reid & Fraser
Chartered Accountants
15 Princes Street
Thurso
Caithness
KW14 7BQ

SATURDAY



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16/11/2019

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COMPANIES HOUSE

Caithness Horizons

**Contents of the Financial Statements
for the Period 1 April 2018 to 31 May 2019**

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**Report of the Trustees
for the Period 1 April 2018 to 31 May 2019**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the period 1 April 2018 to 31 May 2019. The trustees have adopted the provisions of 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 (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal activity of the company in the period under review was the operation of a Museum, based in the former Town Hall and Carnegie Library, maintaining, displaying and caring for the Collection in accordance with the objects of the Company, delivering a comprehensive education and interpretation programme to all ages, and the delivery of a programme of events, temporary activities and other activities.

The wholly owned subsidiary, Caithness Horizons Trading Ltd provided a café, shop and room hire facilities to complement the museum's principal activities.

Caithness Horizons is the key location for the interpretation of the story of Thurso and Caithness, for the benefit of local people and visitors to the area alike. The museum has a core aim of providing a range of services, resources and facilities to enable education and learning at all levels and to maintain a range of community uses, which are compatible with the Museum Collection.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Visitors

During the year Caithness Horizons visitor numbers have remained consistent with the previous year at approximately 60,000 with over 99% customer satisfaction survey returns. In addition to the museum exhibition, a series of events has been held throughout the period within the art gallery and museum space. Most notable of these events was the Art of Remembrance commemorating the First World War which attracted significant community interest and engagement. Three local schools attended the exhibition receiving interactive talks on the local contribution and sacrifice - a total of 100 children from across Caithness. The Christmas Market also remained popular providing an opportunity for local craft stalls and merchants to sell their goods whilst attracting additional visitors to the museum and cafe.

Museum

The museum collection has continued to be maintained and displayed to the general public to the standards required for such an exhibition. There have been minimal changes to the collection this year, with a small quantity of loan items being received or returned in accordance with their loan agreements.

Income

Income has reduced this year mainly in funding received from the two main benefactors. Visit Scotland vacated the foyer area of the museum during the year and as a result, rental income also decreased. In all other areas, income has remained consistent with the year to 31 March 2018.

Grant funding

Fundraising was received during the year from RBG Kew for the Grow Wild project.

FINANCIAL REVIEW

Reserves policy

Caithness Horizons operates two types of Reserve. A General Reserve which has a balance in surplus at the period end of £28,185 and is used to fund day to day operations and Restricted Reserves with a nil balance at the period end. Of the Restricted Reserves, the Donated Asset Fund was used in the refurbishment of the Town Hall and the establishment of the Visitor Centre. The Project Activities Reserve reflected funding received for specific projects undertaken by the Charity.

Interest on the Restricted Reserve is transferred on a monthly basis to the General Reserve to fund the operating activities of Caithness Horizons. This is undertaken with the consent of the donors.

In the trustees' view, the reserves should provide the charity with adequate financial stability and the means for it to meet its charitable objectives for the foreseeable future.

**Report of the Trustees
for the Period 1 April 2018 to 31 May 2019**

FINANCIAL REVIEW

Going concern

The trustees have taken the difficult decision, based on long term financial projections, that the charity and subsidiary trading company can no longer be considered a going concern. In accordance with the constitution, the trustees formally notified the Highland Council on 27th March 2019 of their decision to close the museum and associated businesses and as of midnight on the 31st May 2019, the ownership and responsibility for the building and collection was transferred to the Highland Council. The charity and subsidiary trading company are now progressing a formal closure process, with sufficient funds to pay all outstanding creditors.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

The three founder members of the company (UKAEA, Highland Council and Thurso Heritage Society) each have the right to appoint two trustees to the Board. Having shown considerable interest in the project from both financial investment and general support perspectives, the Nuclear Decommissioning Authority (NDA) were invited to become Corporate Members of the Company and to propose a trustee. Up to four places on the Board may be filled by co-options. Co-opted trustees are selected with the aim of adding the Board's range of experience and skills. The maximum number of trustees permitted is 15.

Organisational structure

The Board usually meets as required to enable all significant decisions to be taken formally during Board meetings, on the basis of papers or other reports. Following the opening of the building in December 2008, the frequency of Board meetings has reduced from monthly to quarterly.

Between meetings, the Chairman (Craig Brown) and the Centre management team are authorised to take urgent decisions on the commitment of minor sums consistent with current policy (eg to procure equipment), which are then reported to the Board at its next meeting.

Induction and training of new trustees

New trustees are briefed by the Chairman and/or Centre Manager and are supplied with key past documents before attending a Board meeting.

Key management remuneration

In the period to 31 May 2019, total remuneration payable to key management personnel amounted to £48,933 (2018 - £70,774). Other charges raised by key management personnel in the period to 31 May 2018 amounted to £47,912 (2018 - £14,280).

Related parties

The company owns 100% of the issued share capital of Caithness Horizons Ltd.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC269929 (Scotland)

Registered Charity number

SC036061

Registered office

The Old Town Hall
Thurso
Caithness
KW14 8AJ

**Report of the Trustees
for the Period 1 April 2018 to 31 May 2019**

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Miss T Wrighton

Ms H M Lamont

W J Mackay

P R G Arthur

R Saxon

- resigned 22.1.19

C W Brown

D J Y Martin

- resigned 31.12.18

K Rosie

Company Secretary

P R G Arthur

Independent examiner

Reid & Fraser

Chartered Accountants

15 Princes Street

Thurso

Caithness

KW14 7BQ

Bankers

Bank of Scotland

25 Orlig Street

Thurso

Caithness

KW14 7HQ

Solicitors

Morton Fraser LLP

Quatermile Two

2 Lister Square

Edinburgh

Midlothian

EH3 9GL

Honorary Patron

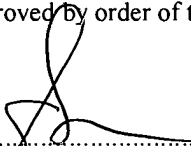
John Thurso, MP

CESSATION OF TRADING

The charitable company ceased activities on 31 May 2019.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 11/11/19 and signed on its behalf by:


.....
C W Brown - Trustee

**Independent Examiner's Report to the Trustees of
Caithness Horizons (Registered number: SC269929)**

I report on the accounts for the period 1 April 2018 to 31 May 2019 set out on pages five to seventeen.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under Section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
- to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Stuart D Walker BAcc CA
The Institute of Chartered Accountants of Scotland
Reid & Fraser
Chartered Accountants
15 Princes Street
Thurso
Caithness
KW14 7BQ

Date: 14.11.19

**Statement of Financial Activities
for the Period 1 April 2018 to 31 May 2019**

| | | | | Period 1.4.18 to 31.5.19 | Year Ended 31.3.18 |
|------------------------------------|--------------|------------------------------------|-----------------------------------|---|-------------------------------|
| | Notes | Unrestricted fund £ | Restricted funds £ | Total funds £ | Total funds £ |
| INCOME AND ENDOWMENTS FROM | | | | | |
| Donations and legacies | 2 | 100,819 | 156 | 100,975 | 92,285 |
| Charitable activities | 5 | | | | |
| Charitable activities | | 186,274 | 19,816 | 206,090 | 228,039 |
| Other trading activities | 3 | 50,199 | - | 50,199 | 50,602 |
| Investment income | 4 | 4,841 | - | 4,841 | 23,503 |
| Total | | 342,133 | 19,972 | 362,105 | 394,429 |
| EXPENDITURE ON | | | | | |
| Charitable activities | | | | | |
| Charitable activities | | 420,409 | 56,697 | 477,106 | 402,007 |
| Other | | 462 | - | 462 | 475 |
| Total | | 420,871 | 56,697 | 477,568 | 402,482 |
| NET INCOME/(EXPENDITURE) | | (78,738) | (36,725) | (115,463) | (8,053) |
| Transfers between funds | 17 | 4,319 | (4,319) | - | - |
| Net movement in funds | | (74,419) | (41,044) | (115,463) | (8,053) |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 99,271 | 41,044 | 140,315 | 148,368 |
| TOTAL FUNDS CARRIED FORWARD | | 24,852 | - | 24,852 | 140,315 |

Balance Sheet
At 31 May 2019

| | Notes | Unrestricted fund £ | Restricted funds £ | 2019 Total funds £ | 2018 Total funds £ |
|--|-------|---------------------------|--------------------------|-----------------------------|-----------------------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 11 | - | - | - | 12 |
| Tangible assets | 12 | - | - | - | 32,148 |
| Heritage assets | 13 | - | - | - | 81,300 |
| Investments | 14 | 1 | - | 1 | 1 |
| | | <u>1</u> | <u>-</u> | <u>1</u> | <u>113,461</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 15 | 4,548 | - | 4,548 | 40,123 |
| Cash at bank and in hand | | 24,106 | - | 24,106 | 40,337 |
| | | <u>28,654</u> | <u>-</u> | <u>28,654</u> | <u>80,460</u> |
| CREDITORS | | | | | |
| Amounts falling due within one year | 16 | (3,803) | - | (3,803) | (53,606) |
| NET CURRENT ASSETS | | <u>24,851</u> | <u>-</u> | <u>24,851</u> | <u>26,854</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>24,852</u> | <u>-</u> | <u>24,852</u> | <u>140,315</u> |
| NET ASSETS | | <u>24,852</u> | <u>-</u> | <u>24,852</u> | <u>140,315</u> |
| FUNDS | 17 | | | | |
| Unrestricted funds: | | | | | |
| General fund | | | | 24,852 | 99,271 |
| Restricted funds: | | | | | |
| Donated assets | | | | - | 25,324 |
| Project activities | | | | - | 15,720 |
| | | | | <u>-</u> | <u>41,044</u> |
| TOTAL FUNDS | | | | <u>24,852</u> | <u>140,315</u> |

The notes form part of these financial statements

Balance Sheet - continued
At 31 May 2019

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 May 2019.


The members have not required the company to obtain an audit of its financial statements for the period ended 31 May 2019 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees on 11/11/19 and were signed on its behalf by:



.....
C W Brown -Trustee

**Notes to the Financial Statements
for the Period 1 April 2018 to 31 May 2019**

1. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

In determining the appropriate basis of preparation of the financial statements, the Trustees are required to consider whether the charitable company can continue in existence for the foreseeable future.

Having considered the viability of the long term future of the charity the Trustees have taken the decision to wind up the charitable company. In accordance with its articles of association, its assets were transferred to Highland Council on 31 May 2019.

The presentation currency is £ sterling.

INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

EXPENDITURE

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|-----------------------|------------------------|
| Film production | - 10% straight line |
| Museum equipment | - 25% reducing balance |
| Fixtures and fittings | - 25% reducing balance |
| Office equipment | - 25% reducing balance |

HERITAGE ASSETS

The heritage assets currently recorded in the balance sheet were acquired by donation. The value as disclosed in the balance sheet has been ascertained by reference to an independent insurance valuation. The Trustees consider that the items in the Collection have an indefinite useful life and therefore consider that it would be inappropriate to account for depreciation on the assets.

TAXATION

The charity is exempt from corporation tax on its charitable activities.

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Notes to the Financial Statements - continued
for the Period 1 April 2018 to 31 May 2019**

1. ACCOUNTING POLICIES - continued

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

LICENCES

The expenditure to which the licences relate is being written off over the period of 10 years.

2. DONATIONS AND LEGACIES

| | Period 1.4.18 to 31.5.19 £ | Year Ended 31.3.18 £ |
|---|--|----------------------------|
| Highland Council - notional rent foregone | 90,419 | 77,499 |
| Other donations | 721 | 937 |
| Grants | - | - |
| Admissions | 9,835 | 13,849 |
| | <u>100,975</u> | <u>92,285</u> |

3. OTHER TRADING ACTIVITIES

| | Period 1.4.18 to 31.5.19 £ | Year Ended 31.3.18 £ |
|---|--|----------------------------|
| Staff costs recharged to subsidiary at cost | 48,563 | 50,593 |
| Other income | 1,636 | 9 |
| | <u>50,199</u> | <u>50,602</u> |

4. INVESTMENT INCOME

| | Period 1.4.18 to 31.5.19 £ | Year Ended 31.3.18 £ |
|------------------------------|--|----------------------------|
| Rents received | 4,840 | 21,880 |
| Distribution from subsidiary | - | 1,604 |
| Deposit account interest | 1 | 19 |
| | <u>4,841</u> | <u>23,503</u> |

Included in rents received is £NIL (2018 - £8,000) in respect of income from subsidiary undertaking Caithness Horizons Trading Ltd for their share of facilities.

Notes to the Financial Statements - continued
for the Period 1 April 2018 to 31 May 2019

5. INCOME FROM CHARITABLE ACTIVITIES

| | | Period 1.4.18 to 31.5.19 £ | Year Ended 31.3.18 £ |
|--------|-----------------------------------|--|----------------------------|
| Grants | Activity Charitable activities | <u>206,090</u> | <u>228,039</u> |

Grants received, included in the above, are as follows:

| | Period 1.4.18 to 31.5.19 £ | Year Ended 31.3.18 £ |
|--------------------------------|--|----------------------------|
| Highland Council | 96,274 | 98,839 |
| Creative Scotland | - | 2,565 |
| Highlands & Islands Enterprise | 15,516 | - |
| Artfund | - | 1,635 |
| Foundation Scotland | - | 2,000 |
| Baillie Wind Farm | - | 3,000 |
| Dounreay Site Restoration Ltd | 90,000 | 120,000 |
| DSRL Communities Fund | 300 | - |
| RBG Kew | 4,000 | - |
| | <u>206,090</u> | <u>228,039</u> |

6. SUPPORT COSTS

| | Management £ | Governance costs £ | Totals £ |
|-----------------------|-----------------|--------------------------|---------------|
| Charitable activities | <u>48,072</u> | <u>13,328</u> | <u>61,400</u> |

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

| | Period 1.4.18 to 31.5.19 £ | Year Ended 31.3.18 £ |
|------------------------------------|--|----------------------------|
| Auditors' remuneration | - | 1,900 |
| Depreciation - owned assets | - | 14,354 |
| Deficit on disposal of fixed asset | 114,805 | - |
| Licences amortisation | - | 15 |
| | <u></u> | <u></u> |

**Notes to the Financial Statements - continued
for the Period 1 April 2018 to 31 May 2019**

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the period ended 31 May 2019 nor for the year ended 31 March 2018.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the period ended 31 May 2019 nor for the year ended 31 March 2018

9. STAFF COSTS

The average monthly number of employees during the period was as follows:

| | Period 1.4.18 to 31.5.19 | Year Ended 31.3.18 |
|------------|---|-------------------------------|
| Management | 2 | 2 |
| Office | 1 | 1 |
| Other | 7 | 8 |
| | <u>10</u> | <u>11</u> |

No employees received emoluments in excess of £60,000.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted fund £ | Restricted funds £ | Total funds £ |
|-------------------------------------|------------------------------------|-----------------------------------|------------------------------|
| INCOME AND ENDOWMENTS FROM | | | |
| Donations and legacies | 92,284 | 1 | 92,285 |
| Charitable activities | | | |
| Charitable activities | 188,842 | 39,197 | 228,039 |
| Other trading activities | 50,602 | - | 50,602 |
| Investment income | 23,503 | - | 23,503 |
| Total | <u>355,231</u> | <u>39,198</u> | <u>394,429</u> |
| EXPENDITURE ON | | | |
| Charitable activities | | | |
| Charitable activities | 356,494 | 45,513 | 402,007 |
| Other | 475 | - | 475 |
| Total | <u>356,969</u> | <u>45,513</u> | <u>402,482</u> |
| NET INCOME/(EXPENDITURE) | <u>(1,738)</u> | <u>(6,315)</u> | <u>(8,053)</u> |
| Transfers between funds | <u>(641)</u> | <u>641</u> | <u>-</u> |
| Net movement in funds | <u>(2,379)</u> | <u>(5,674)</u> | <u>(8,053)</u> |

Notes to the Financial Statements - continued
for the Period 1 April 2018 to 31 May 2019

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

| | Unrestricted fund £ | Restricted funds £ | Total funds £ |
|------------------------------------|---------------------------|--------------------------|---------------------|
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | 101,650 | 46,718 | 148,368 |
| TOTAL FUNDS CARRIED FORWARD | 99,271 | 41,044 | 140,315 |

11. INTANGIBLE FIXED ASSETS

| | Licences £ |
|------------------------|---------------|
| COST | |
| At 1 April 2018 | 155 |
| Disposals | (155) |
| At 31 May 2019 | - |
| AMORTISATION | |
| At 1 April 2018 | 143 |
| Eliminated on disposal | (143) |
| At 31 May 2019 | - |
| NET BOOK VALUE | |
| At 31 May 2019 | - |
| At 31 March 2018 | 12 |

Notes to the Financial Statements - continued
for the Period 1 April 2018 to 31 May 2019

12. TANGIBLE FIXED ASSETS

| | Film production £ | Museum equipment £ | Fixtures and fittings £ | Office equipment £ | Totals £ |
|------------------------|-------------------------|--------------------------|-------------------------------|--------------------------|-------------|
| COST | | | | | |
| At 1 April 2018 | 38,835 | 290,730 | 57,721 | 41,238 | 428,524 |
| Additions | - | - | 1,345 | - | 1,345 |
| Disposals | (38,835) | (290,730) | (59,066) | (41,238) | (429,869) |
| At 31 May 2019 | - | - | - | - | - |
| DEPRECIATION | | | | | |
| At 1 April 2018 | 38,093 | 268,716 | 53,027 | 36,540 | 396,376 |
| Eliminated on disposal | (38,093) | (268,716) | (53,027) | (36,540) | (396,376) |
| At 31 May 2019 | - | - | - | - | - |
| NET BOOK VALUE | | | | | |
| At 31 May 2019 | - | - | - | - | - |
| At 31 March 2018 | 742 | 22,014 | 4,694 | 4,698 | 32,148 |

13. HERITAGE ASSETS

| | Total £ |
|-----------------------|------------|
| MARKET VALUE | |
| At 1 April 2018 | 81,300 |
| Disposals | (81,300) |
| At 31 May 2019 | - |
| NET BOOK VALUE | |
| At 31 May 2019 | - |
| At 31 March 2018 | 81,300 |

The Trust's collection of heritage assets are held in support of its primary objective of providing an educational and interpretative appreciation of the history of Caithness and its people and environs. The permanent Collection comprises over 8,000 artefacts relating to the following categories:

Archaeology: material from Caithness, elsewhere in Scotland and beyond.

Archival material: books & ephemera and photographic material, consisting of material relating to local people, places and special events.

Decorative art: a small part of the Collection containing artefacts made by local craftspeople.

Ethnology: a small number of objects from Africa and Asia

Fine Art: prints, drawings, oil and watercolour paintings, many of which have a local connection in terms of the subject matter and or painted by local artists.

Geology & palaeontology: rocks, minerals, crystals and fossils including fossil fish belonging to the Devonian period approximately 380 million years ago.

**Notes to the Financial Statements - continued
for the Period 1 April 2018 to 31 May 2019**

13. HERITAGE ASSETS

Natural history: mounted specimens representative of birds native to Caithness as well as migrant species, birds' eggs, shells and three herbarium collections.

Social & industrial history: relating to Thurso in particular and Caithness in general covering areas such as agriculture, domestic life, fishing, medals and tokens, military history, social life, technology and the nuclear industry, Thurso Burgh history, trade and transport and vernacular furniture.

The valuation of the Collection has been derived from an insurance value placed on the Collection which the Trustees consider is a reasonable estimate of its cost in the open market.

The Trust has developed a Collections Development Policy for the maintenance of The Collection in accordance with the Trust's aims and objectives.

Five year summary of heritage asset transactions:

| | 2019 £ | 2018 £ | 2017 £ | 2016 £ |
|------------------|-----------|-----------|-----------|-----------|
| Additions | - | - | - | - |
| Purchases | - | - | - | - |
| Donations | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total additions | <hr/> | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Disposals | | | | |
| Carrying value | 81,300 | - | - | - |
| Sale proceeds | - | - | - | - |

14. FIXED ASSET INVESTMENTS

| | Shares in group undertakings £ |
|---------------------------------|---|
| MARKET VALUE | |
| At 1 April 2018 and 31 May 2019 | <hr/> 1 |
| NET BOOK VALUE | |
| At 31 May 2019 | <hr/> 1 |
| At 31 March 2018 | <hr/> 1 |

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Notes to the Financial Statements - continued
for the Period 1 April 2018 to 31 May 2019

14. FIXED ASSET INVESTMENTS - continued

Caithness Horizons Trading Ltd

Nature of business: Café, shop & room hire

| Class of share: | % holding | 2019 | 2018 |
|--------------------------------|--------------|---------|---------|
| Ordinary | 100 | £ | £ |
| Aggregate capital and reserves | | (5,257) | 169 |
| (Loss) for the year | | (5,426) | (2,377) |

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2019 | 2018 |
|------------------------------------|--------------|---------------|
| | £ | £ |
| Trade debtors | - | 1,919 |
| Amounts owed by group undertakings | 4,168 | 34,073 |
| Other debtors | 380 | 978 |
| Accrued income | - | 3,153 |
| | <u>4,548</u> | <u>40,123</u> |

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2019 | 2018 |
|-----------------|--------------|---------------|
| | £ | £ |
| Trade creditors | - | 5,490 |
| Other creditors | 3,803 | 48,116 |
| | <u>3,803</u> | <u>53,606</u> |

Other creditors include £NIL (2018 - £9,119) in respect of taxation and social security. Also included within other creditors is £NIL (2018 - £134) in respect of outstanding employer pension contributions

17. MOVEMENT IN FUNDS

| | At 1.4.18 | Net movement in funds | Transfers between funds | At 31.5.19 |
|---------------------------|----------------|-----------------------------|-------------------------------|---------------|
| | £ | £ | £ | £ |
| Unrestricted funds | | | | |
| General fund | 99,271 | (78,738) | 4,319 | 24,852 |
| Restricted funds | | | | |
| Donated assets | 25,324 | (25,324) | - | - |
| Project activities | 15,720 | (11,401) | (4,319) | - |
| | <u>41,044</u> | <u>(36,725)</u> | <u>(4,319)</u> | <u>-</u> |
| TOTAL FUNDS | <u>140,315</u> | <u>(115,463)</u> | <u>-</u> | <u>24,852</u> |

Notes to the Financial Statements - continued
for the Period 1 April 2018 to 31 May 2019

17. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 342,133 | (420,871) | (78,738) |
| Restricted funds | | | |
| Donated assets | - | (25,324) | (25,324) |
| Project activities | 19,972 | (31,373) | (11,401) |
| | <u>19,972</u> | <u>(56,697)</u> | <u>(36,725)</u> |
| TOTAL FUNDS | <u><u>362,105</u></u> | <u><u>(477,568)</u></u> | <u><u>(115,463)</u></u> |

Comparatives for movement in funds

| | At 1.4.17 £ | Net movement in funds £ | Transfers between funds £ | At 31.3.18 £ |
|---------------------------|-----------------------|----------------------------------|------------------------------------|-----------------------|
| Unrestricted Funds | | | | |
| General fund | 101,650 | (1,738) | (641) | 99,271 |
| Restricted Funds | | | | |
| Donated assets | 37,445 | (12,120) | (1) | 25,324 |
| Project activities | 9,273 | 5,805 | 642 | 15,720 |
| | <u>46,718</u> | <u>(6,315)</u> | <u>641</u> | <u>41,044</u> |
| TOTAL FUNDS | <u><u>148,368</u></u> | <u><u>(8,053)</u></u> | <u><u>-</u></u> | <u><u>140,315</u></u> |

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 355,231 | (356,969) | (1,738) |
| Restricted funds | | | |
| Donated assets | (1) | (12,119) | (12,120) |
| Project activities | 39,199 | (33,394) | 5,805 |
| | <u>39,198</u> | <u>(45,513)</u> | <u>(6,315)</u> |
| TOTAL FUNDS | <u><u>394,429</u></u> | <u><u>(402,482)</u></u> | <u><u>(8,053)</u></u> |

**Notes to the Financial Statements - continued
for the Period 1 April 2018 to 31 May 2019**

17. MOVEMENT IN FUNDS - continued

RESTRICTED FUNDS

The Donated Asset Fund represents the net book value of assets, purchased for the original refurbishment of the building and which were funded by donations. The annual depreciation charge which is treated as a deduction in the General Fund is matched by an equivalent annual transfer from the Donated Asset Fund.

The Restricted Fund for Project Activities represents funding and donations received for a specific project less related expenditure.

18. RELATED PARTY DISCLOSURES

During the period to 31 May 2019, the company purchased goods and services amounting to £100 (2018 - £2,230) from Greendale Computer Services Ltd. Former employee and museum curator, Joanne Howdle-Orange is a shareholder of Greendale Computer Services Ltd.

During the period to 31 May 2019, the company provided services to its subsidiary undertaking Caithness Horizons Trading Ltd amounting to £51,897 (2018 - £50,593).

During the period to 31 May 2019, the company charged rent for facilities to its subsidiary undertaking Caithness Horizons Trading Ltd amounting to £NIL (2018 - £8,000).

Included in investment income is £NIL (2018 - £1,604) in respect of a distribution from subsidiary undertaking Caithness Horizons Trading Ltd.

The balance owing by Caithness Horizons Trading Ltd at the period end was £4,168 (2018 - £34,073).

19. ULTIMATE CONTROLLING PARTY

The company is limited by guarantee, having no share capital. It is therefore under the control of its members.

20. IRRECOVERABLE VAT

Irrecoverable VAT is included in administrative expenses or asset account to which it relates.

21. GOODS AND SERVICES DONATED

Included in "Donations and legacies" is £90,417 (2018 - £77,500) being an estimate of the rent foregone by Highland Council which is the rateable value of the premises for which a rent of £1 is being charged per annum over the period of the lease.

**Detailed Statement of Financial Activities
for the Period 1 April 2018 to 31 May 2019**

| | Period 1.4.18 to 31.5.19 £ | Year Ended 31.3.18 £ |
|---|--|----------------------------|
| INCOME AND ENDOWMENTS | | |
| Donations and legacies | | |
| Highland Council - notional rent foregone | 90,419 | 77,499 |
| Other donations | 721 | 937 |
| Grants | - | - |
| Admissions | 9,835 | 13,849 |
| | <hr/> 100,975 | <hr/> 92,285 |
| Other trading activities | | |
| Staff costs recharged to subsidiary at cost | 48,563 | 50,593 |
| Other income | 1,636 | 9 |
| | <hr/> 50,199 | <hr/> 50,602 |
| Investment income | | |
| Rents received | 4,840 | 21,880 |
| Distribution from subsidiary | - | 1,604 |
| Deposit account interest | 1 | 19 |
| | <hr/> 4,841 | <hr/> 23,503 |
| Charitable activities | | |
| Grants | 206,090 | 228,039 |
| | <hr/> 362,105 | <hr/> 394,429 |
| EXPENDITURE | | |
| Charitable activities | | |
| Wages | 116,252 | 173,905 |
| Social security | 3,446 | 7,624 |
| Pensions | 1,043 | 917 |
| Rent and rates | 101,893 | 91,448 |
| Insurance | 14,356 | 11,771 |
| Light and heat | 24,340 | 28,291 |
| Telephone | 8,064 | 5,249 |
| Postage and stationery | 1,069 | 1,017 |
| Marketing and publicity | 1,522 | 3,280 |
| Irrecoverable VAT | 546 | 5,147 |
| Museum activities | 4,183 | - |
| Project activities | 3,793 | 13,141 |
| Travel and subsistence | 351 | 993 |
| Memberships and subscriptions | 3,265 | 344 |
| Cleaning | - | 11,048 |
| Carried forward | 284,123 | 354,175 |

**Detailed Statement of Financial Activities
for the Period 1 April 2018 to 31 May 2019**

| | Period 1.4.18 to 31.5.19 £ | Year Ended 31.3.18 £ |
|---|--|----------------------------|
| Charitable activities | | |
| Brought forward | 284,123 | 354,175 |
| Training | 316 | 21 |
| Repairs and renewals | 15,938 | 12,887 |
| IT support | 346 | 1,889 |
| Sundry costs | 178 | - |
| Amortisation of licences | - | 15 |
| Depreciation of film production | - | 3,883 |
| Depreciation of museum equipment | - | 7,339 |
| Depreciation of fixtures & fittings | - | 1,564 |
| Depreciation of office equipment | - | 1,566 |
| Loss on sale of intangible fixed assets | 12 | - |
| Loss on disposal of tangible fixed assets | 33,493 | - |
| Loss on sale of heritage asset | 81,300 | - |
| | <hr/> 415,706 | <hr/> 383,339 |
| Other | | |
| Bank interest | 68 | 4 |
| Bank charges | 394 | 471 |
| | <hr/> 462 | <hr/> 475 |
| Support costs | | |
| Management | | |
| Consultancy fees | 48,072 | 14,280 |
| Governance costs | | |
| Auditors' remuneration | - | 1,900 |
| Accounting and admin support | 12,897 | 1,875 |
| Legal fees | 431 | 613 |
| | <hr/> 13,328 | <hr/> 4,388 |
| Total resources expended | <hr/> 477,568 | <hr/> 402,482 |
| Net expenditure | <hr/> <hr/> (115,463) | <hr/> <hr/> (8,053) |