



Charity registration number SC042329 (Scotland)

Company registration number SC399758 (Scotland)

THE DARK SKY OBSERVATORY
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022



THE DARK SKY OBSERVATORY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees (Directors for company law purposes)

Dr N J Martin
D I C Parker
M H Klimek
M Charron
P D Kennerley

Charity number (Scotland)

SC042329

Company number

SC399758

Principal address

Craigengillan
Dalmellington
Ayr
KA6 7PZ

Registered office

3 Wellington Square
Ayr
South Ayrshire
KA7 1EN

Independent examiner

Paul Hutchison ACA
Azets Audit Services
Chartered Accountants
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Bankers

The Royal Bank of Scotland plc
Dalmellington Branch
27 Main Street
Dalmellington
KA6 7QJ

Clydesdale Bank plc
43 Alloway Street
Ayr
KA7 1SP

THE DARK SKY OBSERVATORY

CONTENTS

	Page
Trustees' report	1 - 2
Independent examiner's report	3
Statement of financial activities	4
Balance sheet	5 - 6
Notes to the financial statements	7 - 16

THE DARK SKY OBSERVATORY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MAY 2022

The trustees present their annual report and financial statements for the year ended 31 May 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the company's Memorandum and Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "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 2019)".

Objectives and activities

The company's charitable purposes as defined by the Memorandum and Articles of Association are:

- the advancement of science, education, the arts and environmental protection by the construction of an observatory to complement the Galloway Forest Dark Sky Park and;
- the promotion of social, economic and environmental regeneration of Dalmellington and the Upper Doon Valley in East Ayrshire.

Achievements and performance

Since the devastating fire, which occurred in the early hours of Wednesday 23 June 2021 and resulted in the total loss of the Scottish Dark Sky Observatory (SDSO) premises, along with its entire inventory of equipment and contents, the Trustees and Manager have been working with our Insurer and Loss Adjuster to progress our claim, which was accepted within a week of being submitted.

The insurance claim is multi-faceted and complicated. Although both the Loss Adjuster and Insurer are being extremely helpful, it is taking much longer than anticipated to reach a conclusion. At present we have achieved full settlement of the buildings element of the claim. The Trustees are confident that full settlement of the remaining elements will be achieved in the first quarter of 2023.

In early 2022 the Trustees agreed terms and fees and appointed a Design Team, which comprises the well-regarded architect who designed our successful planetarium extension in 2016/17, along with the surveyor and structural engineering firm who also worked on this earlier project.

Together we have discussed design concepts, begun to explore opportunities for increasing our green credentials, identified new renewable technologies for possible inclusion and created a detailed specification for a new facility.

To date, we have established an imaginative and exciting outline building design for further discussion and development.

Financial review

The financial statements have been prepared in accordance with current statutory requirements and the company's Memorandum and Articles of Association.

Due to the observatory being destroyed by fire, minimal income of £311 was generated from entrance fees in the year (2021 - £37K) with donations of £12k were received following the fire. No COVID support package was received during the year (2021 - £45k). Other income includes £121k, which is part of the insurance claim received during the year. Tickets sales online of £19k were also refunded as a result of the fire. As with income, the impact of the fire resulted in higher charitable activities costs, most significantly losses recognised relating to the fire of £626k. Excluding the losses and legal fees in relation to the fire, all other costs have reduced by around £31k, which was expected following the fire. Net movement in funds for the year was next expenditure of £577,892 (2021 – net income of £27,599) as stated in the Statement of Financial Activities.

The Trustees' principal objective with regard to reserves is to ensure that the company has adequate working capital to meet cash flow requirements and to enable the company to meet all legal obligations for three months. The Trustees consider that the level of free reserves at 31 May 2022 of £107,626 (2021 - £119,864) is adequate for these purposes.

THE DARK SKY OBSERVATORY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

The Trustees have conducted a review of the major risks to which the company is exposed and systems have been established to mitigate these risks.

Plans for future periods

In some respects, the delays which have arisen as the Trustees work towards finalisation of the insurance claim have been advantageous. The delays have provided a welcome chance to examine afresh and, perhaps, redefine the Trustees long-term plans and aspirations for the charitable business.

The Trustees recognise that they will never have a better opportunity than this to reset the project. Unwelcome though the circumstances are, the Trustees can now move forward armed with the wealth of experience gathered from the previous nine years of operation and development.

As part of the Trustees ongoing preparations for a reincarnation of the SDSO, a professional consultancy group was recently appointed to undertake a feasibility study exploring the charitable businesses prospects for future growth and development. The results of the study, which are expected to be delivered in the next few weeks, will be enormously important in informing the direction to be taken.

It is anticipated that the findings will reinforce the high regard in which the SDSO is held as an educational and tourism asset. The findings will also be significant in supporting arising decisions to be made, along with intended capital and revenue funding applications.

The Board of Trustees and the Manager are fully committed to ensuring the successful completion of a rebuild project. All share not just the will but also the determination for a new and improved Observatory premises to arise from the ashes and once again take its place as a unique and important educational and tourism asset for Scotland.

Structure, governance and management

The company, which is limited by guarantee and has charitable status, was incorporated on 18 May 2011. Management of the company has been delegated to the Trustees, each of whom were appointed in accordance with the Memorandum and Articles of Association.

Trustees who served during the year and up until the date of signing were:

Dr N J Martin
D I C Parker
M H Klimek
M Charron
P D Kennerley

Trustees are appointed by ordinary resolution of the members or by resolution of the Trustees. Trustees are not required to serve fixed terms or to retire by rotation.

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

The trustees' report was approved by the Board of Trustees and signed on their behalf by:



M Charron
Chairman of Board of Trustees
Dated: 15 February 2023



P Kennerley
Treasurer and Trustee
Dated: 15 February 2023

THE DARK SKY OBSERVATORY

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE DARK SKY OBSERVATORY

I report on the financial statements of the company for the year ended 31 May 2022, which are set out on pages 4 to 16.

Respective responsibilities of trustees and examiner

The company's trustees, who are also the directors of The Dark Sky Observatory for the purposes of company law, are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investments (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the financial statements as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

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

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - (ii) to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Paul Hutchison ACA
Azets Audit Services
Chartered Accountants
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Dated: 20 February 2023
.....

THE DARK SKY OBSERVATORY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MAY 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes						
<u>Income from:</u>							
Donations and legacies	3	13,913	-	13,913	45,934	18,797	64,731
Charitable activities	4	(18,522)	-	(18,522)	39,147	-	39,147
Investments	5	15	-	15	15	-	15
Exceptional insurance income	6	120,935	-	120,935	-	-	-
Total income		116,341	-	116,341	85,096	18,797	103,893
<u>Expenditure on:</u>							
<u>Charitable activities</u>							
Running costs	7	65,537	2,685	68,222	75,886	448	76,334
Exceptional losses due to fire	6	626,011	-	626,011	-	-	-
Total charitable expenditure		691,548	2,685	694,233	75,886	448	76,334
Net (expenditure)/income for the year/							
Net movement in funds		(575,207)	(2,685)	(577,892)	9,210	18,349	27,559
Fund balances at 1 June 2021							
		682,833	18,349	701,182	673,623	-	673,623
Fund balances at 31 May 2022							
		107,626	15,664	123,290	682,833	18,349	701,182

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE DARK SKY OBSERVATORY

BALANCE SHEET

AS AT 31 MAY 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		17,395		646,388
Current assets					
Stocks	12	-		2,454	
Debtors	13	143		24,207	
Cash at bank and in hand		114,152		52,533	
		<u>114,295</u>		<u>79,194</u>	
Creditors: amounts falling due within one year	14	<u>(8,400)</u>		<u>(24,400)</u>	
Net current assets			105,895		54,794
Total assets less current liabilities			<u>123,290</u>		<u>701,182</u>
Income funds					
Restricted funds	16		15,664		18,349
<u>Unrestricted funds</u>					
Designated fund		-		562,969	
General unrestricted fund		107,626		119,864	
	17	<u>107,626</u>		<u>682,833</u>	
			107,626		682,833
			<u>123,290</u>		<u>701,182</u>

THE DARK SKY OBSERVATORY

BALANCE SHEET (CONTINUED)

AS AT 31 MAY 2022

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 May 2022.

The Trustees acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the 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 company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 15 February 2023



M Charron
Chairman of the Board of Trustees



P Kennerley
Treasurer and Trustee

Company registration number SC399758

THE DARK SKY OBSERVATORY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

Charity information

The Dark Sky Observatory is an incorporated charitable company limited by guarantee in the United Kingdom and is registered in Scotland. It is recognised as a charity for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC042329. The company's registered office is c/o Azets, 3 Wellington Square, Ayr, South Ayrshire, KA7 1EN.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and "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 2019)". The company is a Public Benefit Entity as defined by FRS 102.

The company has taken advantage of the provisions in the SORP not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented, in dealing with items which are considered material in relation to the company's financial statements unless otherwise stated.

The financial statements are prepared under the historic cost convention.

1.2 Going concern

During the year, a devastating fire has destroyed the observatory and the company is currently unable to trade. The Trustees have implemented cost-saving strategies to ensure expenditure is minimal and are negotiating with the company's insurers to ensure that the company has sufficient funds to continue to operate until a new observatory can be built and opened. The Trustees have assessed ongoing costs and with the current cash position and agreed insurance receipts, they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

The trustees may designate funds for specific purposes to ensure that funds are available to meet future commitments.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

THE DARK SKY OBSERVATORY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

(Continued)

Revenue grants are recognised in the year to which they relate when the company has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably. Any income which relates to a period out with the one under review is treated as deferred.

Insurance proceeds are recognised on receipt or when the company has made a claim, the amount has been confirmed by the insurers and the receipt is certain.

1.5 Expenditure

Expenditure is recognised on an accruals basis when a legal or constructive obligation arises.

Expenditure incurred, which relates directly to any one cost category, is allocated directly to that category. Expenditure common to more than one cost category is apportioned on a reasonable and consistent basis to the categories involved, in accordance with the Financial Reporting Standard 102, as issued by the Financial Reporting Council (effective 1 January 2019) and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)".

Charitable expenditure comprises those costs incurred by the company in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the company and include the independent reporting accountants' fees, and costs linked to the strategic management of the company.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	2% and 14% straight line
Plant and equipment	20% reducing balance
Fixtures and fittings	20% reducing balance
Computers	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

THE DARK SKY OBSERVATORY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

(Continued)

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

THE DARK SKY OBSERVATORY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

1 Accounting policies

(Continued)

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Exceptional items

The company defines any individual items of income or expense as an exceptional item where the size or incidence is considered to be material to the understanding of the financial statements. In such cases the amount and nature of the exceptional item will be disclosed either on the statement of financial activities or within the notes to the accounts depending on the size and nature of the exceptional item.

1.14 Value added tax and corporation tax

The company is registered for VAT and income and expenditure is shown net of VAT as appropriate.

The company has charitable status in terms of the Corporation Tax Act 2010 and is exempt from corporation tax on its activities.

2 Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires trustees to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The trustees are of the opinion that there are no significant estimates or judgements that would have a material impact on the financial statements.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2022	2021	2021	2021
	£	£	£	£
Donations and gifts	12,414	1,162	-	1,162
Grants	1,499	44,772	18,797	63,569
	<u>13,913</u>	<u>45,934</u>	<u>18,797</u>	<u>64,731</u>
Grants receivable for core activities				
Small Business Support Fund	-	24,500	-	24,500
Job retention scheme	1,499	20,272	-	20,272
LEADER grant	-	-	18,797	18,797
	<u>1,499</u>	<u>44,772</u>	<u>18,797</u>	<u>63,569</u>

THE DARK SKY OBSERVATORY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

4 Charitable activities

	Unrestricted Funds 2022 £	Unrestricted Funds 2021 £
Entrance fees, planetarium hire and souvenirs	311	39,147
Customer refunds	(18,833)	-
	<u>(18,522)</u>	<u>39,147</u>

5 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Interest receivable	15	15
	<u>15</u>	<u>15</u>

6 Exceptional items

	Unrestricted funds 2022 £	Total 2021 £
<u>Income</u>		
Insurance income	120,935	-
	<u>120,935</u>	<u>-</u>
<u>Expenditure</u>		
Impairment of fixed assets destroyed in fire	626,011	-
	<u>626,011</u>	<u>-</u>

On the 23 June 2021 there was a fire which destroyed the company's entire premises and contents, which have been fully impaired and removed from the financial statements. The company also made a claim from their insurers relating to this loss, and the amount above was confirmed and received during the year with further receipts expected post year end as detailed in note 19.

THE DARK SKY OBSERVATORY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

7 Charitable activities

	Running costs 2022 £	Running costs 2021 £
Staff costs	36,713	36,280
Depreciation and impairment	2,982	20,598
Cost of sales – merchandise and commissions	610	4,041
General administration costs	565	2,148
Heating costs	-	1,088
Telephone	418	747
Equipment and repairs	5	928
Bank charges	651	903
Insurance	1,426	4,446
Travel costs	219	88
Security costs	20	2,362
Professional fees	22,073	370
Accountancy fees - tax	-	460
	<u>65,682</u>	<u>74,459</u>
Share of governance costs (see note 8)	<u>2,540</u>	<u>1,875</u>
	<u>68,222</u>	<u>76,334</u>
Analysis by fund		
Unrestricted funds	65,537	75,886
Restricted funds	<u>2,685</u>	<u>448</u>
	<u>68,222</u>	<u>76,334</u>

8 Support costs

	Support costs £	Governance costs £	2022 Support costs £	Governance costs £	2021 £
Independent examination	-	2,540	2,540	-	1,875
	<u>-</u>	<u>2,540</u>	<u>2,540</u>	<u>-</u>	<u>1,875</u>
	-	2,540	2,540	-	1,875
	<u>-</u>	<u>2,540</u>	<u>2,540</u>	<u>-</u>	<u>1,875</u>
Analysed between Charitable activities	-	2,540	2,540	-	1,875
	<u>-</u>	<u>2,540</u>	<u>2,540</u>	<u>-</u>	<u>1,875</u>

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration, benefits or expenses from the company during the year.

THE DARK SKY OBSERVATORY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

10 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	1	2
	<u> </u>	<u> </u>
Employment costs	2022	2021
	£	£
Wages and salaries	34,480	35,820
Redundancy costs	1,690	-
Other pension costs	543	460
	<u>36,713</u>	<u>36,280</u>

No employee received remuneration in excess of £60,000.

11 Tangible fixed assets

	Freehold buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 June 2021	733,007	123,209	11,492	3,665	871,373
Disposals	(712,134)	(123,209)	(11,492)	(3,665)	(850,500)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 May 2022	20,873	-	-	-	20,873
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation and impairment					
At 1 June 2021	110,040	102,353	8,927	3,665	224,985
Depreciation charged in the year	2,982	-	-	-	2,982
Impairment losses	602,590	20,856	2,565	-	626,011
Eliminated in respect of disposals	(712,134)	(123,209)	(11,492)	(3,665)	(850,500)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 May 2022	3,478	-	-	-	3,478
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount					
At 31 May 2022	17,395	-	-	-	17,395
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 May 2021	622,967	20,856	2,565	-	646,388
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

On 23 June 2021 there was a fire which destroyed the company's premises and its contents. Apart from the road that leads to the site, no assets were salvageable and as such all affected assets have been fully impaired and treated as disposals.

THE DARK SKY OBSERVATORY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

12 Stocks

	2022 £	2021 £
Finished goods and goods for resale	-	2,454

On 23 June 2021 there was fire on site which destroyed the company's premises. All stock was destroyed and has been fully written off in the year.

13 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	-	8,842
Prepayments and accrued income	143	15,365
	<u>143</u>	<u>24,207</u>

14 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	806	1,993
Trade creditors	4,560	3,851
Other creditors	84	16,121
Accruals and deferred income	2,950	2,435
	<u>8,400</u>	<u>24,400</u>

15 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £543 (2021 - £460).

16 Restricted funds

The income funds of the company include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				
	Income	Expenditure	Balance at 1 June 2021	Expenditure	Balance at 31 May 2022
	£	£	£	£	£
LEADER grant funding	18,797	(448)	18,349	(2,685)	15,664

THE DARK SKY OBSERVATORY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

17 Analysis of reserves

The income funds of the company include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 June 2021	Movement in funds		Balance at 31 May 2022
	£	Income £	Expenditure £	£
Unrestricted funds				
General unrestricted funds	119,864	116,341	(128,579)	107,626
Designated funds	562,969	-	(562,969)	-
	<u>682,833</u>	<u>116,341</u>	<u>(691,548)</u>	<u>107,626</u>

The development of the permanent planetarium was originally a restricted fund. The amount was transferred to designated funds once the initial restriction of the funds had been met.

	Balance at 1 June 2020	Movement in funds		Balance at 31 May 2021
	£	Income £	Expenditure £	£
Unrestricted funds				
General unrestricted funds	90,505	85,096	(55,737)	119,864
Designated funds	583,118	-	(20,149)	562,969
	<u>673,623</u>	<u>85,096</u>	<u>(75,886)</u>	<u>682,833</u>

18 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 May 2022 are represented by:			
Tangible assets	1,731	15,664	17,395
Current assets/(liabilities)	105,895	-	105,895
	<u>107,626</u>	<u>15,664</u>	<u>123,290</u>
	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 May 2022 are represented by:			
Tangible assets	628,039	18,349	646,388
Current assets/(liabilities)	54,794	-	54,794
	<u>682,833</u>	<u>18,349</u>	<u>701,182</u>

THE DARK SKY OBSERVATORY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

19 Contingent asset

Due to the fire that destroyed the observatory, the trustees have been working closely with the insurers in progressing the insurance claim. They have found the claim process to be lengthy and complex. At 31 May 2022, a substantial amount of the claim was still to be confirmed by the insurers. Post year end, £1.2m was received from the insurers.

20 Related party transactions

In the prior year, there was a loan amounting to £16,121 from the Craigengillan Estate, which was operated by J M Gibson, a Trustee who resigned in the prior year. The loan was repaid in full in the current year.

There were no other related party transactions in the current or prior years.