

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.

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

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 driveway. 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.

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

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.

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

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.

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

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.

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

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.

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

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.

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

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.

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

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