

**NORTHERN LIGHTHOUSE HERITAGE TRUST**  
**(A Company Limited by Guarantee)**

**REPORT and FINANCIAL STATEMENTS**

**For the year ended 30 September 2021**



**NORTHERN LIGHTHOUSE HERITAGE TRUST  
(A Company Limited by Guarantee)**

**For the year ended 30 September 2021**

**Legal and administrative information**

<b>Directors</b>	Captain Alastair Beveridge – Chair (B Director, ceased on 27 January 2021) Elaine Wilkinson – Chair since 28 January 2021 (B, appointed 2017) Michael Peter Bullock (A) Mairi Elizabeth Rae (A, appointed 2017) Hugh Shaw (B appointed 16 May 2019) Alison Di Rollo (B, appointed 16 May 2019, ceased on 15 June 2021) William Muir (C, appointed 2015, ceased on 1 June 2021) Stuart McDonald (C, appointed 2015, ceased on 1 September 2021) Robert McIntosh (C, appointed 1 April 2017) Captain Sean Rathbone (C, appointed 16 May 2019) Trish Donaldson (C, appointed 16 May 2019) Rebekah Higgitt (C, appointed 1 September 2021)
<b>Company Secretary</b>	AS Company Services Limited
<b>Principal Office</b>	84 George Street Edinburgh EH2 3DA
<b>Registered Office</b>	1 Rutland Court Edinburgh EH3 8EY
<b>Independent Examiner</b>	Chiene + Tait LLP Chartered Accountants 61 Dublin Street Edinburgh EH3 6NL
<b>Bankers</b>	Bank of Scotland New Town Edinburgh EH11 1YH
<b>Investment Managers</b>	Brewin Dolphin Atria One 144 Morrison Street Edinburgh EH3 8EX
<b>Solicitors</b>	Anderson Strathern LLP 1 Rutland Court Edinburgh EH3 8EY
<b>Charity number</b>	SC040872
<b>Company number</b>	SC365775

**NORTHERN LIGHTHOUSE HERITAGE TRUST  
(A Company Limited by Guarantee)**

**DIRECTORS' REPORT**

**For the year ended 30 September 2021**

The Trustees present their annual report and financial statements of the charity for the year ended 30 September 2021. 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 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 Trust was established in 2009 by the Commissioners of Northern Lighthouses. The Commissioners of Northern Lighthouses are the General Lighthouse Authority for Scotland and adjacent seas and islands and the Isle of Man and draw their statutory powers from the Merchant Shipping Act 1995, as amended.

The Northern Lighthouse Board (NLB) carries out the functions of the Commissioners of Northern Lighthouses who are constituted in terms of, and are given certain powers and duties by, Part VIII of and Schedules 8 and 9 to the Merchant Shipping Act 1995. The subject matter of that Act is a reserved matter under Section 30 of and Schedule 5 to the Scotland Act 1998 and in terms of Section 29 of the Scotland Act 1998. The Board's affairs are therefore subject to legislation passed by the United Kingdom Parliament. Ministerial responsibility is with the Department for Transport.

The present Commissioners are aware of the rich maritime heritage and the work of their predecessors in building iconic lighthouses around our coast together with the high level of public interest in lighthouses. They are also aware that they are the sole providers of aids to general marine navigation and with that comes a moral responsibility to take steps to preserve its history for future generations. However, the Commissioners can only act within their statutory powers and those powers do not permit the Commissioners to take an active or financial interest in protecting or nurturing interest in this rich heritage. For example, the principal source of funding for the Commissioners' statutory duties are from light dues which are charged on commercial shipping at United Kingdom and Republic of Ireland ports. The basis of the charge on the ship owner or operator is for the recovery of the cost of providing this modern network of aids to marine navigation not for protecting heritage.

The Commissioners have however in the past been able to provide support to others interested in lighthouse heritage e.g. The National Museum of Scotland and Museum of Scottish Lighthouses. However, the present Commissioners and their recent predecessors believe that more should be done but that it is inappropriate to do so with funds derived from light dues. So they established the Northern Lighthouse Heritage Trust, largely funded by the sale of the Commissioners' library which belonged to them rather than to the General Lighthouse Fund.

The Commissioners believe that the purpose of the Trust falls within the scope of the following "charitable purpose" as set out and explained in S.7(2) and 7(3) of the Charities and Trustee Investment (Scotland) Act 2005: -

*The advancement of the arts, heritage, culture or science*

The Trust aims to operate in the fields of "heritage" and "culture" in both the built heritage and the culture from over 200 years of building and maintaining lighthouses around our coast.

*The advancement of environmental protection or improvement; and the advancement of education*

Details of the activities undertaken in line with the Trust's objectives are noted in the Achievements and Performance section of this report.

**NORTHERN LIGHTHOUSE HERITAGE TRUST  
(A Company Limited by Guarantee)**

**DIRECTORS' REPORT (CONTINUED)**

**For the year ended 30 September 2021**

**Achievements and performance**

During the year the Directors have continued to deal with the impact of COVID-19 lockdown/restrictions, meeting virtually throughout the year, and refocused their priorities to provide support where most required. The Trustees are pleased to report on the progress made with a limited number of projects and pieces of work:

- Provision of financial support to the Museum of Scottish Lighthouses in Fraserburgh to enable them to continue to look after the lighthouse collection during COVID-19 lockdown/restrictions and to prepare for the reopening once restrictions are eased. This support ceased in January 2021.
- Undertaking research into the history of the very old conical riveted buoys of which there are a number of survivors. Dialogue is continuing with the Museum of Scottish Lighthouses as to how they could help with providing a permanent display area for these buoys.
- Exploring ways of providing much improved access to the outcomes of projects supported by the Trust and the wider NHLT archive using the new Northern Lighthouse Board website.
- The restoration of various clocks continues, and work is well advanced in the final transfer of assets from NLB to NHLT
- The completion of the restoration of the William Trotter chairs in the Board Room and Chief Executive's Office. Further work has been identified for the small wooden chairs held in the Chief Executive's Office.
- Engaged with professional librarians to catalogue and display the retained books prior to valuation.
- Conducting research into the history of the NLB vessels.
- Provided a donation towards refurbishing and updating the Exhibition plus developing the visitor experience to include access to new areas at the Mull of Galloway Lighthouse.
- Supported the publication of a limited number of the diaries of Sir Randall Philip OBE QC which describe the annual lighthouse inspection voyages undertaken by Commissioners from 1949 to 1955. The production of this volume was the inspiration of Peter Mackay CB, a former Commissioner and Chair of NLB and a founding member of the Northern Lighthouse Heritage Trust. The Trust is grateful to Peter for his hard work in assembling the diaries into this accessible format and for providing funding alongside NLHT funding in support of its publication.
- A review of the Trust's Articles of Association and Operating Procedures is being undertaken to ensure they remain fit for purpose.

Other projects have slowed down or paused since the start of the pandemic, but we are slowly starting to see movement again and hope to report on these in the future along with any new applications we receive and support.

This year has also seen a number of trustee changes take place. A huge thanks to those we have said farewell to - Alastair Beveridge (Chair of NLB), Stuart McDonald (Principal Conservator Engineering at National Museums Scotland), Billy Muir (RLK North Ronaldsay and more than 50 years of service with the NLB), and Alison Di Rollo (Commissioner and former Solicitor General of Scotland). We have also welcomed, as new Trustees, Dr Rebekah Higgitt, Principal Curator of Science at National Museums Scotland and Commissioner Brian Archibald.

**NORTHERN LIGHTHOUSE HERITAGE TRUST**  
**(A Company Limited by Guarantee)****DIRECTORS' REPORT (CONTINUED)****For the year ended 30 September 2021****Financial Review**

In the year to 30 September 2021 the net income of the Trust was £11,691 (2020: net expenditure £61,368) before realised and unrealised gains on investments of £75,102 (2020: losses of £13,010). The net assets at 30 September 2021 are £601,237, which is principally comprised of heritage assets of £87,939, listed investments of £502,357 cash held as part of the investment portfolio of £8,060, and other cash at bank of £4,286. Liabilities are £9,026. Since the formation of the Trust in 2009 the Trust's investment capital has grown from approximately £350,000 to approximately £510,000 and annual expenditure on grants and publications etc has averaged around £32,600 a year (see financial statements below for more detailed information).

**Principal Funding and Investment Policy**

The funding for the charity is principally derived from investment income received. Modest additional income has been derived from the sale of the Trust's two books and sales of the print "the Bell Rock Lighthouse in a storm".

In accordance with the Articles of Association, the Directors have power to invest in such stocks, shares, investments and property in the United Kingdom or abroad as they in their sole discretion think fit.

The Directors have agreed a Statement of Investment Policy that sets out the principles governing decisions regarding the investment of the assets of the company. The Directors had decided that for the early years of the Trust they should restrict their outgoings to what can be financed from income. The Trustees have the power to invest the monies of the company not immediately required for its purposes in or upon such investments, securities or property as may be thought fit.

Other than cash required in the short-term, the Trustees rely on professional fund managers for the day-to-day discretionary management of the assets of the Trust.

The fund managers, Brewin Dolphin, are responsible for the allocation of assets between types of investments and for a selection of individual stocks within each type of investment. The funds are managed on a discretionary basis where the fund manager makes all investment decisions in line with the agreed investment objectives and benchmark and reports in retrospect to the charity.

The fund managers have been instructed to achieve a balance between capital growth and the generation of income. No formal income target has been set. However, the investment managers should refer to the Trust's spending plans when managing the portfolio and work with the Trustees to ensure that the Trust's financial commitments can be satisfied. All investments made must satisfy the conditions of the Trustee Investment Act 2000 and relevant statutory instruments.

In order to achieve the stated objective a diversified-risk approach will be adopted that corresponds to a diversified portfolio invested in a broad spread of equities both directly and indirectly through pooled funds but also including a proportion of fixed interest securities, cash and where appropriate alternative readily realisable assets such as property and infrastructure funds.

**Reserves Policy**

Reserves at 30 September 2021 amounted to £601,237, all of which were unrestricted. Heritage assets are held in a designated fund to distinguish them from free reserves which can be readily realised. The Directors aim to hold appropriate levels of reserves to secure sufficient income in any one year to finance its normal expenditure without recourse to forced sale of investments.

**NORTHERN LIGHTHOUSE HERITAGE TRUST**  
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**DIRECTORS' REPORT (CONTINUED)**

**For the year ended 30 September 2021**

**Plans for Future Periods**

The Directors are continuing to review the Business Plan. Short-term objectives include:

- Making arrangements to continue the phased restoration and conservation of the retained lighthouse heritage books and silver collection.
- Making arrangements for the transfer of other lighthouse heritage assets from the Commissioners of Northern Lighthouses.
- Providing assistance to the Museum of Scottish Lighthouses and other lighthouse related Museums to help them achieve their aims.
- Moving all the paper records of the Trust's assets to an Asset Management package.
- Supporting deserving applications for funding support for local lighthouse related heritage projects.
- Proceeding with the phased restoration and conservation of the furniture and clocks.

**Grant Making Policy**

The Directors are continuing to develop their policy of making donations to those organisations they feel require most support and whose purposes fall within the spectrum of the charitable purpose. They have decided that in the meantime they will not normally give financial assistance for the construction, maintenance, repair or restoration of buildings, and that at least in its early years, taking one year with another, it will aim to live within its income and not draw on its capital. (Operating principles approved by Directors in May 2015).

**Structure, Governance and Management**

Governing Document

Northern Lighthouse Heritage Trust is a company limited by guarantee governed by the objects as set out in its Memorandum of Association.

Registered as a Scottish Charity by the Office of the Scottish Charity Regulator on 25 September 2009.

Appointment of Directors

The number of directors is not subject to any maximum and the minimum number of directors shall be seven consisting of at least one 'A' Director, three 'B' Directors and three 'C' Directors. Currently, there are two Directors ('A' Directors) one is also the Chief Executive of the NLB. There are two Directors ('B' Directors) who are also Commissioners of Northern Lighthouses. There are five Directors ('C' Directors) who have at no time in the preceding two years prior to the date of appointment been an executive director to the Commissioners of Northern Lighthouses. The Chair is appointed by the Directors from amongst their number.

The 'A' Directors and 'B' Directors are not subject to retirement by rotation.

The Directors may appoint as a director, either to fill a vacancy or as an additional director, any person who is willing to act.

The appointment of a person as a 'C' Director shall be for a fixed period of 3 years, renewable only by ordinary resolution for a further fixed period of 3 years. No person may be reappointed for any further period(s) without a break of at least 1 year but after such break may hold office for a renewable period of 3 years or such lesser period as the Directors decide.

**NORTHERN LIGHTHOUSE HERITAGE TRUST  
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**DIRECTORS' REPORT (CONTINUED)**

**For the year ended 30 September 2021**

**Structure, Governance and Management (continued)**

The restriction contained in Article 31, which states that no 'C' Director can be reappointed for any further period(s) after serving two fixed terms of 3 years without a break of at least 1 year, will not apply to the continuing appointment of any 'C' Director who is appointed Chair at any time during his or her period of office as a 'C' Director. Whilst such a 'C' Director acting as Chair will remain subject to his or her appointment as a 'C' Director being renewed for fixed three years terms, such 'C' Director holding the office of Chair will be capable (if reappointed by ordinary resolution) of being reappointed for a third fixed term of 3 years without such a 1 year break. A 'C' Director acting as Chair may not be reappointed as a 'C' Director for any further period(s) after serving for 9 years as a 'C' Director without a break of at least 1 year but after such break may hold office for such fixed period being not more than 3 years as the Directors may decide. Upon any 'C' Director ceasing to be Chair during his or her third 3 year term, he or she would also automatically cease to be a 'C' Director upon such cessation.

Director induction and training

As part of their induction all Directors have received a copy of the OSCR Guidance for Trustees published by the Office of the Scottish Charity Regulator (OSCR). The Guidance is designed to assist charity trustees to understand what is expected of them, as individuals and collectively, under the Charities and Trustee Investment (Scotland) Act 2005.

Organisation

All Directors are actively involved in the decision-making process. The Directors have met three times in the current year.

Day to day administration is delegated to Mairi Rae, the Director of Business Services of the NLB and also an 'A' Director.

Related parties

The 'B' Directors who served during the year, Alastair Beveridge, Elaine Wilkinson, Hugh Shaw and Alison Di Rollo were also Commissioners of the Northern Lighthouse Board. The 'A' Directors, Michael Bullock is the Chief Executive of the NLB and Mairi Rae is the Director of Business Services of the NLB. Details of transactions with the Northern Lighthouse Board are included in the notes to the financial statements.

Risk Management

The Directors have assessed the principal risks to which the Trust is exposed and believe that these lie mainly in the performance of investments. The Directors of the Trust are satisfied that systems have been implemented to mitigate exposure to these major risks, including retaining expert investment managers who they meet with annually which helps them maintain a diversified portfolio.

**Administrative Details**

The reference and administrative details, including the names of the Directors who held office during the year, are set out on page 1.

**NORTHERN LIGHTHOUSE HERITAGE TRUST  
(A Company Limited by Guarantee)**

**DIRECTORS' REPORT (CONTINUED)**

**For the year ended 30 September 2021**

**Directors' Responsibilities**

The Directors (who are also trustees of the Northern Lighthouse Heritage Trust for the purposes of charity law) are responsible for preparing the Directors' 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 period 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 the year. In preparing these financial statements the Directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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; and
- 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, which 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, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

**Small company provisions**

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

**BY ORDER OF THE BOARD**

*Elaine Wilkinson*

**Elaine Wilkinson**

11 April 2022  
2022



**INDEPENDENT EXAMINER'S REPORT TO THE DIRECTORS OF****NORTHERN LIGHTHOUSE HERITAGE TRUST**

I report on the financial statements of Northern Lighthouse Heritage Trust for the year ended 30 September 2021 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes.

This report is made to the Directors of Northern Lighthouse Heritage Trust, as a body, in accordance with the terms of my engagement. My work has been undertaken to enable me to prepare the financial statements on behalf of the Directors and to report my opinion as set out below and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Directors and members of Northern Lighthouse Heritage Trust, as a body, for my work or for this report.

**Respective responsibilities of Directors and independent examiner**

The charity's Directors (who are also the Directors of the company 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 Investment (Scotland) Act 2005 (the Act) and the Charities Accounts (Scotland) Regulations 2006 (as amended) (the Regulations). The charity Directors consider that the audit requirement of Regulation 10(1)(a) to (c) of the 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 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 Directors 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 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 Act and Regulation 4 of the Regulations, and
  - to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the Regulationshave not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

*Malcolm R Beveridge*

**Malcolm Beveridge CA  
CHIENE + TAIT LLP  
Chartered Accountants and Independent Examiner  
61 Dublin Street  
Edinburgh  
EH3 6NL**

11 April 2022  
2022

**NORTHERN LIGHTHOUSE HERITAGE TRUST**  
**(A Company Limited by Guarantee)**

**STATEMENT of FINANCIAL ACTIVITIES**  
**(Including income and expenditure account)**

**For the year ended 30 September 2021**

		Un- restricted Funds £	Total 2021 £	Total 2020 £
<b>Income and endowments from:</b>				
Investments	2	9,932	9,932	12,383
Donations and legacies		1,230	1,230	164
<i>Charitable activities:</i>				
Book and print sales		810	810	2,408
<b>Total Income</b>		----- 11,972 -----	----- 11,972 -----	----- 14,955 -----
<b>Expenditure on:</b>				
<i>Raising funds:</i>				
Investment management fees		4,396	4,396	4,101
Charitable activities	3	(4,115)	(4,115)	76,222
<b>Total Expenditure</b>		----- 281 -----	----- 281 -----	----- 80,323 -----
<b>Net income/(expenditure) before gains and losses on investments</b>		11,691	11,691	(65,368)
Realised gains/(losses) on investments		8,551	8,551	(4,924)
Unrealised gains/(losses) on investments	6	66,551	66,551	(8,086)
<b>Net income/(expenditure) and net movement in funds</b>		----- 86,793 -----	----- 86,793 -----	----- (78,378) -----
<b>Reconciliation of funds:</b>				
Total funds brought forward at 30 September 2020		514,444	514,444	592,822
<b>Total funds carried forward at 30 September 2021</b>		----- 601,237 =====	----- 601,237 =====	----- 514,444 =====

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

All income and expenditure are derived from continuing activities.

All income and expenditure in the current year and prior year is unrestricted.

The notes on pages 11 to 17 form part of these financial statements.

**NORTHERN LIGHTHOUSE HERITAGE TRUST**  
**(A Company Limited by Guarantee)**

**BALANCE SHEET**

**As at 30 September 2021**

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	5	87,939	87,939
Investments	6	510,417	439,617
		-----	-----
Total Fixed Assets		598,356	527,556
<b>Current assets</b>			
Debtors	7	391	190
Stocks		7,230	7,440
Cash at bank and in hand		4,286	14,186
		-----	-----
		11,907	21,816
<b>Creditors:</b> falling due within one year	8	9,026	34,928
		-----	-----
<b>Net current assets/(liabilities)</b>		2,881	(13,112)
		-----	-----
<b>Total assets less current liabilities</b>		601,237	514,444
		-----	-----
<b>Net assets</b>	10	601,237	514,444
		=====	=====
<b>The funds of the charity:</b>			
Unrestricted funds	9	601,237	514,444
		-----	-----
<b>Total charity funds</b>		601,237	514,444
		=====	=====

The Directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The Directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 and 387 of the Act, and
- (ii) 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 surplus or deficit for the financial year in accordance with the requirements of sections 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006 and with the Financial Reporting Standard in the UK and Republic of Ireland (FRS102).

11 April 2022

The financial statements were approved by the Directors on ..... and are signed on their behalf by:

*Elaine Wilkinson*

.....  
**Elaine Wilkinson**  
**Director**

**Company No. SC365775**

The notes on pages 11 to 17 form part of these financial statements.

**NORTHERN LIGHTHOUSE HERITAGE TRUST  
(A Company Limited by Guarantee)**

**NOTES to the FINANCIAL STATEMENTS**

**For the year ended 30 September 2021**

**1. Accounting policies**

**General information**

The charity is a private company limited by guarantee registered in Scotland (SC365775). The addresses of the company's registered office and principal place of business are detailed on Page 1.

**Accounting convention**

The financial statements have been prepared under the historic cost convention. The financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

**Going concern**

The financial statements have been prepared on a going concern basis. The Directors have assessed the charity's ability to continue as a going concern, as set out in Note 13, and have reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

**Heritage assets**

The Trust holds a number of assets which were gifted for nil consideration by the NLB on 7 January 2010 and 31 March 2011. These consist of over 500 separate books, maps, records and other documents, as well as 75 items of silverware, which are of historical significance and are to be retained and preserved in line with the Trust's conservation and educational charitable objectives. Access to these documents for research and educational purposes is permitted to members of the public on application to the principal office.

In accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) these assets are reported in the balance sheet at valuations prepared by RL Christie for silver and plate items for insurance purposes at auction value, valued in 2015, and by Lyon and Turnbull for all other heritage assets in 2009. The Directors are of the opinion that this valuation represents the asset's fair value at the balance sheet date.

During prior years, various drawings were acquired and a donation of £100 was given in exchange to British Red Cross. No valuation was provided for these as the drawings belonged to the NLB and formed an important part of their history. With regard to this, no reliable value can be attributed and therefore the Charity Trustees believe that the significant costs that would be incurred in assessing and maintaining a reliable valuation record would be disproportionate to the clarity derived. Accordingly, the assets have not been capitalised in the accounts. Further information is provided in note 5.

**Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

**Income**

All income is recognised once the Trust has entitlement to the income, there is sufficient certainty or receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably.

**NORTHERN LIGHTHOUSE HERITAGE TRUST  
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**NOTES to the FINANCIAL STATEMENTS (Contd.)**

**For the year ended 30 September 2021**

**1. Accounting policies (Contd.)**

**Expenditure**

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is included on an accruals basis and all expenses are allocated to the applicable expenditure headings in the statement of financial activities. Expenditure is classified under the following activity headings:

Costs of raising funds

Costs of raising funds comprise those costs associated with generating income for the Trust, namely investment management fees.

Charitable activities

Charitable activities costs are those costs expended on meeting the charity's objectives and include both support and governance costs.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs include the costs of general governance of the charity as opposed to direct management inherent in meeting charitable objectives and are those costs associated with strategic, constitutional and statutory requirements.

**Debtors**

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

**Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Creditors and provisions**

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

**Financial instruments**

The Trust only has financial assets and financial liabilities of a kind which qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at the settlement value.

**VAT**

The Trust is not registered for VAT and accordingly expenditure includes VAT where appropriate.

**Funds**

Unrestricted general funds are the funds which can be used in accordance with the charitable objects at the discretion of the Directors. Designated funds are the funds set aside by the Directors out of the unrestricted general funds for specific purposes and projects.

**NORTHERN LIGHTHOUSE HERITAGE TRUST**  
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**NOTES to the FINANCIAL STATEMENTS (Contd.)**

**For the year ended 30 September 2021**

<b>2. Investments</b>	<b>2021</b>	<b>2020</b>
	£	£
Dividends	9,929	12,316
Interest on cash deposits	3	67
	-----	-----
	9,932	12,383
	=====	=====
<b>3. Charitable activities</b>	<b>2021</b>	<b>2020</b>
	£	£
<b>Selling and publishing costs</b>		
Sale costs	2,212	354
Publishing costs	-	-
	-----	-----
	2,212	354
	=====	=====
<b>Education and conservation</b>		
Restoration of Oak Wood chairs	1,404	8,736
Conservation of flags	-	1,000
Clan Cancer Support	-	1,400
Museum of Scottish Lighthouses*	(15,376)	56,400
John O'Groats	-	1,500
Mull of Galloway	4,000	2,000
	-----	-----
	(9,972)	71,036
	=====	=====
* The negative balance is the result of the cancellation of commitments no longer required.		
<b>Support costs</b>		
Book-keeping and accountancy fees – Chiene + Tait LLP	1,354	1,282
Sundry costs	376	1,880
	-----	-----
	1,730	3,162
	=====	=====
<b>Governance costs</b>		
Independent Examiner's remuneration	957	835
Year end accountancy fees – Chiene + Tait LLP	958	835
	-----	-----
	1,915	1,670
	=====	=====
	(4,115)	76,222
	=====	=====

The Directors who are the key management personnel received no remuneration or expenses during the period. The charity had no direct employees during the year.

**NORTHERN LIGHTHOUSE HERITAGE TRUST**  
**(A Company Limited by Guarantee)**

**NOTES to the FINANCIAL STATEMENTS (Contd.)**

**For the year ended 30 September 2021**

**4. Taxation**

No Corporation Tax has been provided in the financial statements as the income of Northern Lighthouse Heritage Trust, being a registered charity, is within the exemptions granted by Part 11 of the Corporation Tax Act 2010.

<b>5. Heritage assets</b>	<b>Books &amp; Documents</b>	<b>Silver</b>	<b>Total</b>
	£	£	£
<b>Valuation</b>			
At 1 October 2020	50,984	36,955	87,939
Additions			
Revaluation	-	-	-
	-----	-----	-----
At 30 September 2021	50,984	36,955	87,939
	=====	=====	=====
<b>Net book value</b>			
At 30 September 2021	50,984	36,955	87,939
	=====	=====	=====
At 30 September 2020	50,984	36,955	87,939
	=====	=====	=====

Movement in prior years comprises of the gift of books from the NLB in January 2010 and a gift of silver from the NLB in March 2011. Further information relating to the acquisition and valuation of the heritage assets is detailed in note 1.

During 2015 a valuation of the silver was undertaken by RL Christie, an independent external valuer. The valuation was prepared on an insurance basis at auction replacement value. The assets were previously valued in 2011 by Lyon & Turnbull when the silver was originally donated to the charity. The basis of the valuation at that time was on an insurance basis at replacement value. The directors believe that the basis of the valuation at auction replacement value is more appropriate and consequently have reflected the valuation on this basis.

The valuation of the books and documents within the heritage assets was prepared by Lyon & Turnbull, Auctioneers for insurance purposes in 2009.

The trustees are of the opinion that this valuation represents the asset's fair value at the balance sheet date.

During prior years, various drawings were acquired and a donation of £100 was given in exchange to British Red Cross. No valuation was provided for these and no reliable value can be attributed as the significant costs in obtaining a valuation would outweigh the benefit. Accordingly, the assets have not been capitalised in the accounts.

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	£	£	£	£	£
<b>Financial summary of heritage asset transactions</b>					
<b>Additions:</b>					
<u>Bought</u>					
Books and documents	-	-	-	-	-
	-----	-----	-----	-----	-----
Total	-	-	-	-	-
	=====	=====	=====	=====	=====

**NORTHERN LIGHTHOUSE HERITAGE TRUST**  
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**NOTES to the FINANCIAL STATEMENTS (Contd.)**

**For the year ended 30 September 2021**

<b>6. Investments</b>	<b>2021</b>
	£
<b>Listed investments</b>	
Market value at 1 October 2020	437,089
Investments purchased	73,690
Investments sold	(74,973)
Unrealised gain	66,551
	-----
Market value at 30 September 2021	502,357
	=====
 <u>Movement of cash held on deposit for investments:</u>	
Cash at 1 October 2020	2,528
Increase	5,532
	-----
Cash at 30 September 2021	8,060
	=====
 Total investment portfolio at 30 September 2021 at valuation	510,417
	=====
 Total investment portfolio at 30 September 2021 at historic cost	376,143
	=====
 Gross income	9,929
	=====

All listed investments held are listed on the UK Stock Exchange. The investments are managed by Brewin Dolphin which operates under a discretionary agreement.

Investments considered material in the context of the portfolio are:	<b>2021</b>
	£
Vanguard Funds Plc S&P 500 UCITS USD	33,845
JP Morgan AM UK Ltd US Equity Inc	36,952
Baillie Gifford American B Nav Inc	43,291
	=====

<b>7. Debtors</b>	<b>2021</b>	<b>2020</b>
	£	£
Sales	226	-
Donations	10	-
Investment income	155	190
	-----	-----
	391	190
	=====	=====

<b>8. Creditors: amounts falling due within one year</b>	<b>2021</b>	<b>2020</b>
	£	£
Other creditors and accruals	324	300
Accruals – professional fees	1,915	1,670
Accruals – investment management fees	1,141	1,011
Grants committed but not paid (See Note 3)	4,000	30,200
Provision for slow moving stock	1,646	1,747
	-----	-----
	9,026	34,928
	=====	=====



**NORTHERN LIGHTHOUSE HERITAGE TRUST  
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**NOTES to the FINANCIAL STATEMENTS (Contd.)**

**For the year ended 30 September 2021**

**9. Analysis of charitable funds**

	Balance at 1 October 2020 £	Income £	Expend- iture £	Investment Gains £	Balance at 30 September 2021 £
<b>Unrestricted funds</b>					
General Fund	426,505	11,972	(281)	75,102	513,298
Designated Fund: Heritage assets	87,939	-	-	-	87,939
	-----	-----	-----	-----	-----
Total	514,444	11,972	(281)	75,102	601,237
	=====	=====	=====	=====	=====
	Balance at 1 October 2019 £	Income £	Expend- iture £	Investment Losses £	Balance at 30 September 2020 £
<b>Unrestricted funds</b>					
General Fund	504,883	14,955	(80,323)	(13,010)	426,505
Designated Fund: Heritage assets	87,939	-	-	-	87,939
	-----	-----	-----	-----	-----
Total	592,822	14,955	(80,323)	(13,010)	514,444
	=====	=====	=====	=====	=====

The designated fund represents the Heritage Assets and distinguishes them from free reserves.

<b>10. Analysis of net assets between funds</b>	Investments £	Heritage Assets £	Net Current Assets £	Total £
General funds	510,417	-	2,881	513,298
Designated funds	-	87,939	-	87,939
	-----	-----	-----	-----
	510,417	87,939	2,881	601,237
	=====	=====	=====	=====

<b>Prior year comparative</b>	Investments £	Heritage Assets £	Net Current Liabilities £	Total £
General funds	439,617	-	(13,110)	426,505
Designated funds	-	87,939	-	87,939
	-----	-----	-----	-----
	439,617	87,939	(13,110)	514,444
	=====	=====	=====	=====

**NORTHERN LIGHTHOUSE HERITAGE TRUST  
(A Company Limited by Guarantee)**

**NOTES to the FINANCIAL STATEMENTS (Contd.)**

**For the year ended 30 September 2021**

**11. Related party transactions**

Related parties are detailed within the Directors' report.

During the year administrative support was provided to Northern Lighthouse Heritage Trust by employees of the NLB and from their offices at 84 George Street. In the opinion of the Directors, it is not possible to value the cost of this support and therefore it has not been accounted for within these financial statements.

**12. Members' liability**

Northern Lighthouse Heritage Trust is a company limited by guarantee and therefore has no share capital. Each member undertakes to contribute £1 to the company's assets in the event of the company being wound up.

**13. Going concern**

The Trust continues to face challenges associated with COVID19. The Trustees continue to review all aspects of the ongoing needs of the Trust. Whilst there are short term implications to reduction in investment income the Trust is well placed to support all activities due to the ongoing positive cash flow and as a consequence continues to be a going concern.