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Charity No. SC040872
Company No. SC365775

NORTHERN LIGHTHOUSE HERITAGE TRUST
(A Company Limited by Guarantee)

REPORT and FINANCIAL STATEMENTS

For the year ended 30 September 2022

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NORTHERN LIGHTHOUSE HERITAGE TRUST
(A Company Limited by Guarantee)

For the year ended 30 September 2022

Legal and administrative information

Directors	Elaine Wilkinson – Chair since 28 January 2021 (B, appointed 2017) Michael Peter Bullock (A, appointed 2014) Mairi Elizabeth Rae (A, appointed 2017) Hugh Shaw (B appointed 16 May 2019) 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) Commodore Brian Archibald (B, appointed 5 October 2021)
Company Secretary	AS Company Services Limited
Principal Office	84 George Street Edinburgh EH2 3DA
Registered Office	1 Rutland Court Edinburgh EH3 8EY
Independent Examiner	Chiene + Tait LLP Chartered Accountants 61 Dublin Street Edinburgh EH3 6NL
Bankers	Bank of Scotland New Town Edinburgh EH11 1YH
Investment Managers	Brewin Dolphin Atria One 144 Morrison Street Edinburgh EH3 8EX
Solicitors	Anderson Strathern LLP 1 Rutland Court Edinburgh EH3 8EY
Charity number	SC040872
Company number	SC365775

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NORTHERN LIGHTHOUSE HERITAGE TRUST
(A Company Limited by Guarantee)

DIRECTORS' REPORT

For the year ended 30 September 2022

The Trustees present their annual report and financial statements of the charity for the year ended 30 September 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 Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), 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 Scotland's Lighthouse Museum. 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.

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Achievements and performance

The Directors are pleased to report that projects started to get moving again as the country emerged from the impact of COVID-19 lockdown/restrictions during the 2021/22 year.

- The Keepers of the Lighthouse play by emerging playwright Izzy Gray which the Trust supported back in 2020 managed to eventually go on tour to four venues in May this year. The response to the play, based on the mystery disappearance of the three Keepers from the Flannan Isles Lighthouse in 1900, was above and beyond expectations receiving an average rating of 5 stars amongst critics and audience feedback. There has been a high demand, both to see the show performed in more locations, and to create meaningful engagement opportunities which allow audiences and visitors to learn more about the heritage of lighthouse and keeping as a profession. In response the Trust has agreed to support a larger tour to more of Scotland's coastal communities in 2023 along with the creation of a visual display about 'life as a lighthouse keeper'. This will tour with the production and be used to create an educational space for audiences to browse pre and post show.

- The Oral History project has come together very successfully with the production of a short film "Lighthouse Lives". It was launched at the Scottish Storytelling Centre followed by a Q&A session on 21 October. Following a proposed tour of the film around coastal communities in 2023/24 it will be available to view on the NLHT website, within 84 George Street and other venues such as Museum of Scottish Lighthouses.

- A request from the Wick Society for assistance in overhauling some lighthouse machinery is now progressing with volunteer assistance from, Brian Johnson, Retained Lighthouse Keeper, and very modest financial support from the Heritage Trust.

- With thanks to Trustee Sean Rathbone the Crew Book from the vessels has been digitised into a bound book which can be added to on the vessels with the original book being preserved. The first entry is from 1892 but we are unsure whether the book dates to this date or these entries have been made from a previous document.

- The Trust is grateful to the Sheriff Courts Library who have been extremely helpful in cataloguing the book collection held by the Heritage Trust.

- During lockdown we were contacted by the descendants of a John Scott who was in the service of the Northern Lighthouse Board from May 1810 to his retirement in 1846. The family had inherited a number of papers about working for NLB, and several letters between their ancestor and NLB, mainly members of the Stevenson family and were looking to gift the documents to NLB. Thanks to Trustee Trish Donaldson for transcribing the content of some of the documents and to Trish and Karen Charleson for liaising with National Libraries for Scotland (NLS) to whom the Trustees have decided to donate the letters. The rationale for choosing NLS is the close connection with the Stevenson firm's archive.

- A suitable asset register database has now been identified for use by the Trust and work has begun to progress populating this register.

- The Trust's Grant confirmation letter and outcome of grant reporting form were reviewed and revised.

- Minor amendments were made to the Trust's Operating procedures.

- The Heritage Trust section on the NLB website has been redesigned so that it has its own identity but retains the NLB look and feel. The Trustees ambition was that it be more dynamic and visual so that when people land on the page, they are immediately drawn to finding out more.

Commodore Brian Archibald was appointed as a Trustee on 5 October 2021.

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Financial Review

In the year to 30 September 2022 the net income of the Trust was £2,471 before realised and unrealised losses on investments of £69,588. The net assets at 30 September 2022 are £534,120, which is principally comprised of heritage assets of £90,939, listed investments of £419,866, cash held as part of the investment portfolio of £17,447, and other cash at bank of £6,709. Liabilities are £8,222. Since the formation of the Trust in 2009 the Trust`s investment capital has grown from approximately £350,000 to approximately £437,000 and annual expenditure on grants and publications etc has averaged around £nil a year (see financial statements below for more detailed information).

Principal Funding and Investment Policy

The funding for the charity is principally derived from the proceeds of the disposal of antiquarian books gifted by the Commissioners of Northern Lighthouses, most of which has been invested in order to provide a source of annual income. 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 have decided that for the immediate future they should restrict their outgoings to what can be financed from income, but they do not rule out in the longer term drawing on capital if circumstances justify that. 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.

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Financial Review (continued)

Reserves Policy

Reserves at 30 September 2022 amounted to £534,120, 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.

Plans for Future Periods

The Directors are continuing to review the Business Plan. Short/medium 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 Lighthouse 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 Northern Lighthouse Board. There are three Directors ('B' Directors) who are also Commissioners of Northern Lighthouses. There are four 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 Chairman 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.

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DIRECTORS' REPORT (CONTINUED)

For the year ended 30 September 2022

Structure, Governance and Management (Continued)

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.

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 Chairman at any time during his or her period of office as a 'C' Director. Whilst such a 'C' Director acting as Chairman 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 Chairman 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 Chairman 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 Chairman 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 Northern Lighthouse Board and also an 'A' Director.

Related parties
The 'B' Directors, Elaine Wilkinson, Hugh Shaw and Brian Archibald are also Commissioners of the Northern Lighthouse Board. The 'A' Directors, Michael Bullock is the Chief Executive of the Northern Lighthouse Board and Mairi Rae is the Director of Business Services of the Northern Lighthouse Board. 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.

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).

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Directors' Responsibilities (Continued)

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

23 March 2023
2023

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INDEPENDENT EXAMINER'S REPORT TO THE DIRECTORS AND MEMBERS OF

NORTHERN LIGHTHOUSE HERITAGE TRUST
(A Company Limited by Guarantee)

I report on the financial statements of Northern Lighthouse Heritage Trust for the year ended 30 September 2022 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 Regulations

   have not been met; or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the 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

23 March 2023
2023

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NORTHERN LIGHTHOUSE HERITAGE TRUST
(A Company Limited by Guarantee)

STATEMENT of FINANCIAL ACTIVITIES
(Including income and expenditure account)

For the year ended 30 September 2022

		Un-restricted Funds	Total 2022	Total 2021
		£	£	£
Income and endowments from:				
Investments	2	10,810	10,810	9,932
Donations and legacies		3,583	3,583	1,230
Charitable activities:				
Book and print sales		505	505	810
Total Income		14,898	14,898	11,972
Expenditure on:				
Raising funds:				
Investment management fees		4,141	4,141	4,396
Charitable activities	3	8,286	8,286	(4,115)
Total Expenditure		12,427	12,427	281
Net income before gains and losses on investments		2,471	2,471	11,691
Realised (losses)/gains on investments		(7,928)	(7,928)	8,551
Unrealised (losses)/gains on investments	6	(61,660)	(61,660)	66,551
Net (expenditure)/income and net movement in funds		(67,117)	(67,117)	86,793
Reconciliation of funds:				
Total funds brought forward at 30 September 2021		601,237	601,237	514,444
Total funds carried forward at 30 September 2022		534,120	534,120	601,237

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.

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NORTHERN LIGHTHOUSE HERITAGE TRUST
(A Company Limited by Guarantee)

BALANCE SHEET

As at 30 September 2022

	Notes		2022		2021
			£		£
Fixed assets					
Tangible assets	5		90,939		87,939
Investments	6		437,313		510,417
Total Fixed Assets			528,252		598,356
Current assets					
Debtors	7	440		391	
Stocks		6,941		7,230	
Cash at bank and in hand		6,709		4,286	
		14,090		11,907	
Creditors: falling due within one year	8	8,222		9,026	
Net current assets			5,868		2,881
Total assets less current liabilities			534,120		601,237
Net assets	10		534,120		601,237
The funds of the charity:					
Unrestricted funds	9		534,120		601,237
Total charity funds			534,120		601,237

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).

The financial statements were approved by the Directors on 23 March 2023 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.

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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, modified to include the revaluation of heritage assets and investments. 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 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 sliver 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 these valuations represent the assets' fair values 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.

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1. Accounting policies *(continued)*

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.

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2. Investments	**2022**	**2021**
	£	£
Dividends	10,802	9,929
Interest on cash deposits	8	3
	10,810	9,932

3. Charitable activities	**2022**	**2021**
	£	£
Selling and publishing costs		
Sale costs	289	2,212
Publishing costs	229	-
	518	2,212
Education and conservation		
Restoration of Oak Wood chairs	-	1,404
Museum Scottish Lighthouses*	-	(15,376)
Mull of Galloway	1,000	4,000
Keepers of the Light	3,000	-
	4,000	(9,972)

* The negative balance is the result of the cancellation of commitments no longer required.

Support costs		
Book-keeping and accountancy fees – Chiene + Tait LLP	1,451	1,354
Sundry costs	30	376
Provision for slow moving stock	(113)	-
	1,368	1,730
Governance costs		
Independent Examiner's remuneration	1,200	957
Year end accountancy fees – Chiene + Tait LLP	1,200	958
	2,400	1,915
	8,286	(4,115)

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.

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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.

5. Heritage assets	Books & Documents	Silver	Total
	£	£	£
Valuation			
At 1 October 2021	50,984	36,955	87,939
Additions		3,000	3,000
Revaluation	-	-	-
At 30 September 2022	50,984	39,955	90,939
Net book value			
At 30 September 2022	50,984	39,955	90,939
At 30 September 2021	50,984	39,955	90,939

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.

	2022	2021	2020	2019	2018
	£	£	£	£	£
Financial summary of heritage asset transactions					
Additions:					
Donation received					
Silver – Soup tureen	3,000	-	-	-	-
Total	3,000	-	-	-	-

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6. Investments	**2022**
	£
Listed investments	
Market value at 1 October 2021	502,357
Investments purchased	110,077
Investments sold at opening market value	(130,908)
Unrealised loss	(61,660)
Market value at 30 September 2022	419,866
Movement of cash held on deposit for investments:	
Cash at 1 October 2021	8,060
Increase	9,387
Cash at 30 September 2022	17,447
Total investment portfolio at 30 September 2022 at valuation	437,313
Total investment portfolio at 30 September 2022 at historic cost	409,136
Gross income	10,802

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:	**2022**
	£
SSGA SPDR ETFS ARISTOCRATS	22,496
JP Morgan AM UK Ltd US Equity Inc	31,276
Fidelity Ucits ICA US Qual Inc Ucits ETF	20,469

7. Debtors	**2022**	**2021**
	£	£
Sales	285	226
Donations	-	10
Investment income	155	155
	440	391

8. Creditors: amounts falling due within one year	**2022**	**2021**
	£	£
Other creditors and accruals	324	324
Accruals – professional fees	2,400	1,915
Accruals – investment management fees	965	1,141
Grants committed but not paid (See Note 3)	3,000	4,000
Provision for slow moving stock	1,533	1,646
	8,222	9,026

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9. Analysis of charitable funds

	Balance at 1 October 2021	Income	Expend-iture	Investment Losses	Balance at 30 September 2022
	£	£	£	£	£
Unrestricted funds					
General Fund	513,298	11,898	(12,427)	(69,588)	443,181
Designated Fund:					
Heritage assets	87,939	3,000	-	-	90,939
Total	601,237	14,898	(12,427)	(69,588)	534,120

Prior year comparative	Balance at 1 October 2020	Income	Expend-iture	Investment Gains	Balance at 30 September 2021
	£	£	£	£	£
Unrestricted funds					
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

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

10. Analysis of net assets between funds	Investments	Heritage Assets	Net Current Assets	Total
	£	£	£	£
General funds	437,313	-	5,868	443,181
Designated funds	-	90,939	-	90,939
	437,313	87,939	4,868	534,120

Prior year comparative	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

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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.