

Registered Charity Number 1153570



KIELDER OBSERVATORY ASTRONOMICAL SOCIETY

(A CHARITABLE INCORPORATED ORGANISATION)

REPORT AND ACCOUNTS

For the year ending 31 August 2022

**KIELDER OBSERVATORY ASTRONOMICAL SOCIETY
(A CHARITABLE INCORPORATED ORGANISATION)
YEAR ENDED 31 AUGUST 2022
TRUSTEES' REPORT**

As the Board of Trustees, we present our report and financial statements for the year to 31 August 2022.

Registered Charity Number 1153570

Registered Office Unit C, Bewick, Prestwick Park, Prestwick,
Newcastle upon Tyne, NE20 9SJ

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

Kielder Observatory Astronomical Society (KOAS) was established as a Charitable Incorporated Organisation (CIO) on 29 August 2013. As a CIO, it is governed by its constitution. This was amended in April 2020 and is in a form specified by the Charity Commission for a Foundation CIO whose only voting members are its Trustees.

Charitable Purpose

KOAS's charitable objects are:

- a - to promote interest in the science of astronomy in the general public
- b - to facilitate the education of members of the public in the science of astronomy
- c - to maintain an astronomical observatory in Kielder Forest which will be used to support objects a and b.

Structure and Governance

The charity currently has a board of seven non-executive Trustees. The charity is the sole shareholder in its trading subsidiary company, Kielder Observatory Services Limited.

Board of Trustees

The Trustees of KOAS during the year and to the date of signing this report were as follows:

Mr Peter Standfield (Chair)	
Dr Nigel Metcalfe (Secretary)	Resigned 21 December 2022
Mr Trevor Robinson (Treasurer)	
Mr Tim Care	Resigned 19 October 2021
Ms Charlotte Emmett	Appointed 21 March 2022
Mr Tom Grieveson	
Mr Cassian Harrison	
Mr Stuart Kitching	
Mr William MacLeod	Appointed 29 October 2021
Dr Jürgen Schmoll	Resigned 22 August 2022

Chief Executive Officer Catherine Johns

Independent Examiner Mr P O'Hara FCA, 4 Stoneyhurst Road West, Gosforth,
Newcastle Upon Tyne NE3 1PG

Legal Advisers Muckle LLP, Time Central, 32 Gallowgate, Newcastle
Upon Tyne NE1 4BF

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STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Board Meetings

The Board meets a minimum of six times per year face to face or via videoconference. It also conducts some business via email and aims to have at least two awayday sessions each year, to discuss policy and strategy. The agenda and written Board reports are prepared by the Chief Executive and Officers of the Board, as appropriate, and circulated in advance of each meeting. The Trustees exercise their duties and responsibilities with appropriate care and diligence.

Recruitment and Appointment of Board of Trustees

The charity may have up to 12 Trustees. New Trustees are appointed by the existing Trustees. In selecting individuals for appointment, the Trustees aim to ensure that the Board has the skills, knowledge and experience needed for the effective administration of the charity.

Trustees are appointed for a term of three years and may not serve for more than three consecutive terms without standing down for an interval of at least one year.

Trustee Induction and Training

New Trustees are inducted by the Chair of the Board and Chief Executive Officer and are provided with a range of resources to support their understanding of KOAS activities.

Management

Day-to-day operation of the charity is delegated to the Chief Executive Officer within the constraints of the annual budget set by the Trustees.

The full staff team currently comprises:

- 1 Chief Executive Officer
- 1 Director of Astronomy and Science Communication
- 1 Director of the Gillian Dickinson Astro-Imaging Academy
- 1 Operations and Marketing Director
- 14 Astronomers and Science Communicators (full-time, part-time and freelance)
- 1 Office Manager and PA to the Board
- 1 Communications and Events Administrator
- 1 Finance Executive

Reserves Policy

The Trustees have reviewed the charity's need for reserves in line with the guidance issued by the Charity Commission.

The Trustees aim to hold a level of Unrestricted Reserves that provides sufficient financial resources to meet the liabilities which would crystallise if KOAS were unable to continue operating. Their current estimate of the amount required for this purpose is approximately £125,000.

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STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Reserves Policy (Cont.)

They also aim to retain a further £25,000 of Unrestricted Reserves, to enable the charity to respond flexibly to any issues, one-off financial requirements or appropriate initiatives that might be identified outside of its annual budgeting process.

The targeted level of reserves to be retained for the above purposes is therefore considered to be a minimum of £150,000.

The charity's total Unrestricted Reserves shown in the Balance Sheet as at 31 August 2022 are £113,388 (2021: £94,562). Of these reserves, £50,318 were represented by Fixed Assets (2021: £48,888), leaving £63,070 available as Unrestricted Free Reserves (2021: £45,674).

The charity has made some progress towards rebuilding its Reserves, following the impact of the pandemic and is on track to reach its optimum level of Reserves within two years.

This policy is reviewed by the Trustees on an annual basis as part of the charity's budgeting processes.

Grant Making Policy

The charity does not currently engage in grant-making activity.

The Contribution of Volunteers

The charity is supported by a small core of volunteers who give their time freely to assist with running events. Volunteers come from all walks of life but share a common interest in the science of astronomy. Recruitment is open all year with regular open days at the Observatory for those people thinking about volunteering.

To ensure consistency in the quality and safety of events all volunteers receive training.

Induction training is provided, covering the basic features and operations of the Observatory. A handbook is made available which describes the policies and procedures of the charity. For the first few events volunteers are mentored by an experienced volunteer or member of staff. Over a period of a few months the volunteer is allowed to assume lead responsibilities, depending on their development and confidence, and under supervision, such as setting up for an event and closing down after an event, taking visitors for telescope tours, finding objects in the sky, making drinks.

During the reporting period, KOAS had 50 registered volunteers. In this reporting period, one volunteer has been taken on as a freelance member of staff. This is a strength of the Observatory; several staff members started as volunteers and have gone on to become employees.

KIELDER OBSERVATORY ASTRONOMICAL SOCIETY (A CHARITABLE INCORPORATED ORGANISATION) YEAR ENDED 31 AUGUST 2022 TRUSTEES' REPORT

OBJECTIVES AND ACTIVITIES

Aims & Objectives

The charity exists to:

- promote interest in the science of astronomy amongst the general public
- facilitate education of members of the public in the science of astronomy
- maintain an astronomical observatory in Kielder Forest which will be used to support the preceding objectives.

Our purpose is to create opportunities for people of all backgrounds and abilities to experience moments of inspiration, revelation, wonder and hope through observing the cosmos. At the beginning of the financial year 2021/22, we set the following objectives:

- Maintain a safe and high-quality experience on site for visitors
- Finalise venues for alternative events and the Kielder PopUp offer
- Embed the new SPIDER Tanlaw radio telescope and the NORSS Low Earth Orbit Optical Camera (LOCI) installation into new events and new education, arts, and science outreach programmes
- Maintain strong relationships with partners and stakeholders
- Partner with heritage observatories to create events and outreach
- Lead dark sky innovation projects

In many ways, this year was a slow return to a “new normal”. We gradually increased our capacity to 36 per event, up from 16 at initial re-opening post-COVID but still below the pre-COVID capacity of 41. This will remain under review but 36 seems to be the right number for visitor experience. Demand for tickets remains high with events selling out well in advance. The team maintain regular reviews of event content and monthly reviews of customer feedback, incorporating suggestions into site operations. For the first time, we hosted a Late Night, Light Nights festival at the summer solstice, with comedy spots, a film screening, and a special Space Kids events, the Light Year Academy.

The Kielder PopUp offer is a regular occurrence when the Observatory is inaccessible due to bad weather, but the skies are clear: the team take telescopes to different venues around the North East for free, informal stargazing sessions. Kielder Castle remains the preferred alternative venue but was closed for most of the year for major repairs.

Our STEM education outreach programme is significant: we are in schools four days a week for every week of each term. We offer a variety of curriculum enrichment activities, according to school need, funded by the North of Tyne Combined Authority. Our STEM to Stars programme, funded by the Reece Foundation, has expanded to 45 schools, offering sustained engagement over six months, with a variety of content, career pathways, and mentoring. In this calendar year, we engaged with 77 schools, 15,200 pupils and 347 teachers. We have developed learning resources around the Tanlaw radio telescope, cocreating a curriculum with Young Asian Voices in Sunderland, and are now working with them to create citizen science projects. This process will be followed with the LOCI installation.

Our arts programme developed further with the launch of Frank's Fellowship, a bursary supporting young artists in Northumberland, and our photographer in residence, Helen McGhie, launching a Kielder Art Trail. We also created a lesson plan for schools around Museum of the Moon, an art installation at Durham Cathedral.

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OBJECTIVES AND ACTIVITIES (CONTINUED)

We maintained close links with partners and stakeholders, e.g., signing a strategic partnership with Forestry England, collaborating with Sunderland Culture to deliver arts programmes in the city, and contributing time and knowledge to our peer network, the Association of Science and Discovery Centres.

We partnered with the Reece Foundation to enhance our STEM outreach into schools. We gathered an informal group to guide the development of dark skies protection in the North East, with members from organisations such as the Institute of Physics, Innovate UK, North of Tyne Combined Authority, CPRE, Northumberland National Park Authority, and many more.

We supported the emergence of a UK chapter of the International Dark Sky Association, worked closely with the Kielder Water & Forest Park Development Trust to develop the future strategy for Kielder, as well as with Visit Northumberland and the new destination management plan for the County.

Our partnership with Durham University also continued to develop, particularly around concepts for the restoration of Durham Observatory and with content for the SPIDER radio telescope, developed by postgraduate students in the Department of Physics.

Ensuring our Work Delivers our Aims

We review our aims, objectives and activities each year. This review considers the achievements and outcomes of our work in the previous 12 months and looks at the success of each key activity and the benefits it has brought to those groups of people we are set up to help. This helps us to ensure that our aims, objectives and activities remained focused on our charitable purposes.

Public Benefit

The Trustees understand and have discussed the implications of the provisions of the Charities Act 2006, which requires all charities to be able to demonstrate that they are established for public benefit and have had due regard to the public benefit guidance issued by the Charity Commission. The Trustees believe that the charity meets both of the key principles.

Principle 1 - There must be an identifiable benefit, or benefits

The primary benefit KOAS delivers is articulated in its charitable objects: to promote interest in the science of astronomy amongst the general public, to facilitate the education of members of the public in the science of astronomy and maintain an astronomical observatory in Kielder Forest which will be used to support the preceding objectives.

The Observatory itself is the primary way we achieve our objects. This is the base from which we provide a wide range of events: from premium late-night events at the weekend to introductory and family events. The event programme is varied to accommodate different interests, from workshop activities for children to topics such as the Aurora, to specialist astrophotography classes. KOAS has concessionary tickets available, and events are priced differently to suit different income levels. This ticket income forms the main income of the charity.

All activities are subject to a rigorous process of risk management and benefits analysis to ensure that the benefits to the public outweigh any potential harm. All activities and events are evaluated and analysed to ensure that there is a clearly identifiable benefit delivered: data is gathered from audience surveys, social media, project participants, media and peers.

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OBJECTIVES AND ACTIVITIES (CONTINUED)

Public Benefit (continued)

Principle 2 - Benefit must be to the public, or a section of the public

All our events at the Observatory assume no prior knowledge, and feedback received indicates we convey complex information in a way that is enlightening, exciting, and does not condescend or patronise.

In the last three years, we have increasingly been directing our attention to members of the public who face barriers to attending the Observatory site, and providing activities that aim to overcome those barriers.

It was knowledge of the financial and cultural barriers that exist to people visiting the Observatory that caused us to devise a STEM enrichment programme, which aims to replicate the Kielder mission of inspiration in schools. This programme has reached hundreds of schools and tens of thousands of students. We extended the impact of this programme with "STEM to Stars"; regular observing groups in schools, with links to careers in STEM. "Escape Velocity" is a programme teaching children everywhere to image the dark skies on their mobile phones.

We have also experimented with digital engagement with an AR app so anyone can have a Kielder Observatory wherever they are, and an online learning platform, which allows anyone to access astronomy content, themed around our events.

Our Kielder PopUps, where staff take telescopes out to public places, are free to attend. We have an active volunteering programme, regularly host work placements from schools and universities and provide opportunities for artists to develop their creative practice. We host regular visits from organisations wishing to establish their own observatory or dark sky activities and offer free advice and share best practice. We also collaborate with other existing observatories to offer free activities.

This outreach activity represents a shift in our thinking from Kielder Observatory as a location to Kielder Observatory as a beacon of connection and inspiration, and is now established in our delivery model. However, as well as this kind of innovation, we wanted to explore more egalitarian models of engagement and participation, and we have started investigating methods of co-creation. SPIDER Astronomy saw us commissioning a creative practitioner to work with a community group in Sunderland, Young Asian Voices, to co-create a digital curriculum to enable complete novices to understand radio astronomy, learn how to remotely access our radio telescope, and generate data for use in academic research, drawing together communities and academia. We are repeating this process to cocreate alternative provision for excluded children and we are also developing a pilot for digital cell-based learning for prisoners in HMP Northumberland.

Finally, we are adopting a more data-driven approach to inclusion and diversity: firstly understanding how representative of North East communities the organisation is, and then to examine our programming to ensure its relevance to the communities we serve.

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OBJECTIVES AND ACTIVITIES (CONTINUED)

Risk Management

The Trustees of the charity regularly review the major governance, operational and financial risks which the charity faces as part of its annual business planning process and confirm that systems have been established to mitigate these risks.

KOAS has a risk management strategy in place that comprises:

- the establishment of systems and procedures to mitigate identified risks, such as a risk register, and a Finance and Risk Committee as a subcommittee of the board, with its own terms of reference
- a monthly review of the risk register by the Finance and Risk Committee
- a review of the major risks by the Trustees at every board meeting
- an annual review of the strategic risks the charity may face via the business plan
- regular in-depth reviews of different areas of operations, e.g., Observatory site management and maintenance; grant management; HR procedures; cyber security, etc.
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

The Trustees are satisfied that appropriate financial systems and controls are in place, together with appropriate employment policies and practices. The staff handbook, financial policies document, and health and safety handbook are reviewed annually, and staff training happens via additional assessments. The Trustees also manage the general financial risks by ensuring that:

- prudent budgets are set for each financial year
- the charity maintains a low cost-base, which is reviewed regularly
- the Finance and Risk Committee reviews financial performance on a monthly basis
- regular management accounts are provided showing the performance against budget, and corrective action is taken to manage any unacceptable variances.

ACHIEVEMENTS AND PERFORMANCE

Summary of the Charity's Main Achievements During the Year

- During the year the Observatory staged 603 public events attended by over 14,000 people. In addition, five private events were also staged at the observatory, 12 events elsewhere, and 14 online talks.
- Our educational outreach programme reached 77 schools, 15,200 pupils and 347 teachers.
- 92% of Trip Advisor feedback rated our observatory events as excellent or very good, and we won the Trip Advisor Traveller's Choice Award, given to the top 10% of visitor attractions worldwide.
- Our Visit England rating increased and we also won the prestigious Visit England Welcome Award, given to only four visitor attractions in Northumberland.
- We won the Small Visitor Attraction of the Year Award at the North East Tourism Awards
- Over 800 Google reviews have yielded a score of 4.8 out of 5.
- Our Facebook reach has increased 68% over the year and Instagram reach has increased 104% over the year and the audience for our podcast continues to grow.
- Our media profile remained high, with regular press coverage, including the New York Times, and a highlight being featured on BBC national news at 6.

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OBJECTIVES AND ACTIVITIES (CONTINUED)

Financial Review

The outturn for the year is an unrestricted surplus of £18,826 (2021: deficit of £50,165). The deficit will be added to Unrestricted Reserves, leaving a balance on Unrestricted Funds at 31 August 2022 of £113,388 (2021: £94,562).

Financial policies are reviewed annually, and the Finance and Risk Committee reviews performance against agreed budgets on a monthly basis. The executive team monitors operational performance against financial controls regularly.

FUTURE PLANS

The Trustees and team have prepared a new business plan which drew upon rigorous analysis of emerging trends and the outcomes KOAS wishes to achieve, to outline market opportunities.

There is no change to our mission: to create opportunities for people of all backgrounds and abilities to experience moments of inspiration, revelation, wonder and hope through observing the cosmos.

We now have three clear outcomes:

1. People: Everyone feels represented, welcomed, enriched and inspired, enabling equality of access to opportunities in science, whether as a one-off engagement, participation in study (formal or informal), and/or a career.
2. Place: We consistently inspire more people of all backgrounds and abilities to reflect upon their place in the universe and the fragility of the Earth, and catalyse individual and collective action in response to the need to protect our dark skies, and wider natural heritage.
3. Organisation: We welcome the uncertainty of fresh challenges and continuously improve our offer as opportunities emerge from new technologies, new audiences and evolving practice.

And we have identified these opportunities to bring the Kielder moment to as many people as possible:

1. Creating a flexible, agile programme of face-to-face public experiences for delivery anywhere, including on site, around Kielder, and remote access.
2. Enhancing the quality of our STEM curriculum enrichment, to offer a golden thread of support from primary through to GCSE astronomy (and beyond), CPD for teachers, and pathways to careers.
3. Creating a coherent digital offer that underpins the experience and education delivery, including publishing distinctive, high-quality content that anyone can access from anywhere.
4. Taking a clearly defined leadership position for dark sky experiences aligned with responsible tourism.

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FUTURE PLANS (CONTINUED)

In the next 12 months, our priorities will be as follows.

To strengthen our organisation:

- Invest in our team by contributing to learning projects and formal study and implementing 10% time for self-directed projects.
- Improve representation and inclusion by assessing how representative we are of our communities, taking action, and publishing an annual impact study
- Improve our approach to environmental responsibility by using the B-Corp framework to assess our areas of strength and areas for development, taking action, and publishing an annual impact study.

To maintain excellence in delivery:

- Ensure continuous improvement by creating a peer group and a Kielder customer panel.
- Support schools, teachers and underserved groups by focusing our STEM curriculum enrichment and enhancing our teacher CPD offer at critical Key Stages.

To extend the reach of our public events:

- Establish informal events, "Kielder PopUps", around the North East.
- Pilot event delivery in national and international locations.
- Open up the wonders of the dark skies to all by working with partners to deliver dark sky tourism and cultural experiences.

To develop programmes with high impact:

- Maximise the reach of our assets and skills by establishing citizen science programmes around astro-imaging, radio astronomy and satellites.
- Enhance our connections with new audiences by bringing together our website, our augmented reality app, and our digital learning platform into a consistent customer journey.
- Ensure the dark skies heritage is available for future generations by working with partners to develop activities that educate and inspire the general public.

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TRUSTEES' REPORT**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for managing the business of the charity and may exercise all the powers of the charity unless restricted by the Charities Act or the constitution of the charity.

The Trustees are responsible for the preparation of financial statements for each financial year which show a true and fair view of the state of affairs of the charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year.

In preparation of the financial statements the Trustees should follow best practice and:

1. Select suitable accounting policies and apply them.
2. Make judgements and estimates that are reasonable and prudent.
3. Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charity will continue on that basis.

The Trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity.

The Trustees are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

DECLARATIONS

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005 by the Charities Commission England and Wales).

This report was approved by the Board of Trustees on 21 March 2023 and signed on its behalf by:



Peter Standfield
Trustee and Chair



Trevor Robinson
Trustee and Treasurer

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS ON THE UNAUDITED ACCOUNTS OF KIELDER OBSERVATORY ASTRONOMICAL SOCIETY FOR THE YEAR ENDED 31 AUGUST 2022

I hereby report to the Trustees/Members of Kielder Observatory Astronomical Society (Charity Registration Number 1153570) on the accounts for the year ended 31 August 2022 set out on pages 12 to 23.

Responsibilities and Basis of Report

As the charity's Trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the accounts present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Having satisfied myself that the accounts of the charity are not required to be audited under charity law and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent Examiner's Statement

Since the Company's gross income exceeded £250,000, your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountant in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 130 of the 2011 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods or principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Pete O'Hara, FCA, Chartered Accountant
Fellow of the Institute of Chartered Accountants in England & Wales
4 Stoneyhurst Road West, Gosforth, Newcastle upon Tyne NE3 1PG

21 March 2023

KIELDER OBSERVATORY ASTRONOMICAL SOCIETY
(A CHARITABLE INCORPORATED ORGANISATION)
STATEMENT OF FINANCIAL ACTIVITIES
YEAR TO 31 AUGUST 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Income					
Income from Investments	2	56	-	56	258
Income from Charitable Activities	3	513,726	-	513,726	254,983
Income from Grants, Donations & Legacies	4	88,510	110,686	199,196	291,185
Other Income	5	22,776	-	22,776	-
Total Income		625,068	110,686	735,754	546,426
Expenditure					
Expenditure on Raising Funds	6	19,243	-	19,243	18,300
Expenditure on Charitable Activities	7	586,999	107,250	694,249	566,038
Total Expenditure		606,242	107,250	713,492	584,338
Net Income/(Expenditure)	8	18,826	3,436	22,262	(37,912)
Balance brought forward at 1 Sept		94,562	269,878	364,440	402,352
Balance carried forward at 31 August	18	£113,388	£273,314	£386,702	£364,440

The notes on pages 14 to 23 form part of the financial statements

There are no recognised gains and losses during the year other than as shown above.

All the activities for the year are continuing activities.

KIELDER OBSERVATORY ASTRONOMICAL SOCIETY
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STATEMENT OF FINANCIAL POSITION/BALANCE SHEET
At 31 AUGUST 2022

		2022		2021	
	Notes	£	£	£	£
Fixed Assets					
Tangible Fixed Assets	11	292,453		285,217	
Fixed Asset Investments	12	<u>10</u>		<u>10</u>	
			292,463		285,227
Current Assets					
Stock	13	5,763		8,666	
Debtors	14	45,999		38,869	
Cash at Bank and In Hand		<u>321,468</u>		<u>456,099</u>	
		373,230		503,634	
Creditors:					
Amounts Falling Due Within 1 Year	15	<u>(245,658)</u>		<u>(381,088)</u>	
Net Current Assets			127,572		122,546
Creditors:					
Amounts Falling Due After > 1 Year	16		(33,333)		(43,333)
Total Net Assets	17		<u>£386,702</u>		<u>£364,440</u>
Represented By:					
Unrestricted Funds	18		113,388		94,562
Restricted Funds	18		<u>273,314</u>		<u>269,878</u>
			<u>£386,702</u>		<u>£364,440</u>

The notes on pages 14 to 23 form part of the financial statements.

The financial statements were approved by the Board, and authorized for issue, on 21 March 2023 and signed on its behalf by:



Peter Standfield
Trustee and Chair



Trevor Robinson
Trustee and Treasurer

**KIELDER OBSERVATORY ASTRONOMICAL SOCIETY
(A CHARITABLE INCORPORATED ORGANISATION)
NOTES TO THE ACCOUNTS
At 31 AUGUST 2022**

1. Accounting Policies

Charity Information

Kielder Observatory Astronomical Society is a Charitable Incorporated Organisation. The registered office is Unit C, Bewick, Prestwick Park, Prestwick, Newcastle upon Tyne, NE20 9SJ.

The charity is a public benefit entity.

Basis of Accounting

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Statement of Recommended Practice (Charities SORP FRS 102) "Accounting and Reporting by Charities" and the Charities Act 2011.

The financial statements have been prepared on the historical cost basis, modified to include certain financial instruments at fair value.

Advantage has been taken of the provisions in the SORP for Charities applying FRS 102 Update Bulletin 1 not to prepare a statement of cashflows.

The financial statements are prepared in sterling, which is the functional currency of the charity.

Income

All income, including grant income, is included in the Statement of Financial Activities (SOFA), net of VAT, when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Such income is only deferred when the donor or funder has specified that the grant or donation can only be used in future accounting periods or where the donor or funder has imposed conditions which must be met before the charity has unconditional entitlement.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Income from Investments

Interest receivable on fixed interest securities and bank deposits is included on an accruals basis.

Expenditure

All expenditure is accounted for on an accruals basis and is recognised when a liability is incurred.

- Costs of Raising Funds are those costs of seeking potential funders and applying for funding.
- Charitable activities include expenditure associated with the provision of grant funding, research, advocacy and the direct provision of creative learning-related activities. This includes both the direct costs and support costs relating to these activities.

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NOTES TO THE ACCOUNTS
At 31 AUGUST 2022**

1. Accounting Policies (Cont.)

Expenditure (Cont.)

- Support or Indirect costs are those costs incurred in support of the charitable objectives. These have been allocated to the resources expended on a consistent basis that fairly reflects the true use of those resources within the organisation, such as allocating staff costs by time spent and other costs by their usage.
- Governance costs are those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Operating Leases

The charity classifies the lease of certain printing equipment as operating leases as the title to the equipment remains with the lessor. Rental charges are charged against income on a straight-line basis over the period of the lease.

Tangible Fixed Assets and Depreciation

Depreciation is provided on the fixed assets at rates calculated to write off the assets over their remaining useful lives as follows:

Office & ICT Equipment	–	between 3 and 5 years
Observatory Equipment	–	between 5 and 15 years
New Observatory	–	over 25 years

A full year's depreciation charge is applied in the year of acquisition and no charge is made in the year of disposal.

Impairment of Fixed Assets

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

Cash and Cash Equivalents

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

Fund Accounting

The charity has a number of restricted income funds to account for situations in which a funder requires that a grant must be spent on a particular purpose or where funds have been raised for a specific purpose. The aim and use of each restricted fund is set out in Note 18 to the financial statements.

All other funds are considered Unrestricted Funds and are available for use at the discretion of the Trustees in furtherance of the general objects of the charity.

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1. Accounting Policies (Cont.)

Pensions

KOAS contributes to a defined contribution pension scheme. Further details can be found in Note 10.

For the defined contribution scheme, the amount charged to the Statement of Financial Activities in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Taxation

KOAS is a registered charity and, as such, is not liable to taxation on its income in the current year.

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the date of the transaction. Exchange differences are taken into account in arriving at the surplus/deficit.

Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' of FRS102 to all its financial instruments.

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

2. Income from Investments

	Unrestricted Funds	Restricted Funds	2022	2021
	£	£	£	£
Interest on cash deposits	56	-	56	258
	£56	£-	£56	£258

The 2021 total of £258 was wholly attributable to Unrestricted Funds.

3. Income from Charitable Activities

	Unrestricted Funds	Restricted Funds	2022	2021
	£	£	£	£
Ticket & Event Sales	469,970	-	469,970	227,462
Merchandising Sales	43,756	-	43,756	27,521
	£513,726	£-	£513,726	£254,983

The 2021 total of £254,983 was wholly attributable to Unrestricted Funds.

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4. Income from Grants, Donations & Legacies

	Unrestricted Funds	Restricted Funds	2022	2021
	£	£	£	£
Donations & Memberships	1,000	-	1,000	570
Gift Aid	84,843	-	84,843	72,084
Arts Council England	-	-	-	14,950
Association for Science & Discovery Centres	-	-	-	18,250
Coronavirus Job Retention Scheme	-	-	-	70,953
National Lottery Heritage Fund	-	-	-	23,300
North East Business Innovation Centre – Social Tech Fund	-	2,400	2,400	-
North of Tyne Combined Authority	-	46,190	46,190	42,575
Northumberland Business Services	-	-	-	2,500
Northumberland CC – Tanlaw Telescope	-	24,596	24,596	-
Northumberland County Council – COVID/Omicron	2,667	-	2,667	19,003
Northumberland Cultural Fund	-	-	-	2,000
Reece Foundation	-	37,500	37,500	25,000
	£88,510	£110,686	£199,196	£291,185

Of the 2021 total of £291,185, £162,610 was attributable to Unrestricted Funds and £128,575 to Restricted Funds.

5. Other Income

	Unrestricted Funds	Restricted Funds	2022	2021
	£	£	£	£
Management Fees	20,023	-	20,023	-
Other Income	2,753	-	2,753	-
	£22,776	£-	£22,776	£-

6. Expenditure on Raising Funds

	Unrestricted Funds	Restricted Funds	2022	2021
	£	£	£	£
Merchandising Costs	19,243	-	19,243	18,300
	£19,243	£-	£19,243	£18,300

The 2021 total of £18,300 was wholly attributable to Unrestricted Funds.

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7. Expenditure on Charitable Activities

	Unrestricted Funds	Restricted Funds	2022	2021
	£	£	£	£
Direct Costs				
Education Contract Costs	-	17,061	17,061	16,498
Frank's Fellowship	1,000	-	1,000	-
Salaries & On Costs	417,386	63,229	480,615	374,006
Speakers' Fees & Event Costs	8,186	-	8,186	4,183
Staff, Speakers' and Volunteers' Expenses	14,934	2,070	17,004	2,187
Consultancy Fees	1,349	-	1,349	-
Arts Council England Project Costs	-	4,806	4,806	-
Innovation Supernetwork Project Costs	3,240	2,160	5,400	-
STEM to Stars Project Costs	-	398	398	5,477
Support Costs				
Advertising & Marketing	4,926	-	4,926	14,543
Bank & Credit Card Charges	7,527	-	7,527	4,725
Depreciation	13,012	17,478	30,490	25,997
Legal & Professional Fees	8,497	-	8,497	20,132
Loan Interest	784	-	784	-
Other Overhead Costs	11,948	-	11,948	13,574
Premises & Insurance	50,528	-	50,528	51,955
Repairs & Maintenance	29,276	-	29,276	7,078
Telephone, ICT & Website Costs	8,097	48	8,145	18,328
Governance Costs				
Accountancy & Payroll Fees	5,142	-	5,142	6,729
Trustee Travel & Meeting Costs	1,167	-	1,167	626
	£586,999	£107,250	£694,249	£566,038

Of the 2021 total of £566,038, £449,716 was attributable to Unrestricted Funds and £116,322 to Restricted Funds.

8. Net Income/(Expenditure)

	2022	2021
	£	£
Net income/(expenditure) is stated after charging/(crediting):		
Independent Examiner's Fees	2,160	2,160
Depreciation of Owned Fixed Assets	30,490	25,997

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9. Staff Costs

	2022	2021
	£	£
Gross Salary Costs	434,996	340,204
Social Security Costs	38,073	27,891
Employer's Pension Contributions – Defined Contribution Scheme	7,546	5,911
	£480,615	£374,006

Of the 2021 total of £405,366, £281,416 was attributable to Unrestricted Funds and £123,950 to Restricted Funds.

	2022	2021
	No.	No.
The average monthly number of staff employed during the year, was as follows:		
Education & Learning Programmes	16.25	15

The number of the above staff expressed as full-time equivalents was 14.93 (2021: 13.6)

No employees received remuneration in excess of £60,000 in the year.

No remuneration was paid to or waived by Trustees/Directors in the year (2021: £Nil).

£264 (2021: £283) was reimbursed to 3 (2021: 3) Trustees in respect of out-of-pocket expenses incurred in carrying out their duties.

10. Pension Scheme

Pension benefits are provided through a Group Personal Pension Scheme, which is a defined contribution scheme. The assets of the scheme are held separately from those of the charity in a separately administered fund. KOAS makes an employer's contribution of 3% of pensionable pay, provided that the employee makes a minimum contribution of 5%.

Employer's contributions totalling £7,546 (2021: £5,911) were paid during the year into the defined contribution pension scheme operated by KOAS.

These amounts are paid over to the scheme on a monthly basis.

£1,457 in pension contributions were outstanding at 31 August 2022 (2021: £1,114).

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11. Tangible Fixed Assets

	Leasehold Improvements – New Observatory £	Observatory Equipment £	Office & ICT Equipment £	Total Fixed Assets £
Cost				
At 1 September 2021	223,169	169,183	12,187	404,539
Additions	10,788	19,662	7,276	37,726
Disposals	-	-	-	-
At 31 August 2022	233,957	188,845	19,463	442,265
Depreciation				
At 1 September 2021	35,651	72,646	11,025	119,322
Charge for year	11,087	16,449	2,954	30,490
Disposals	-	-	-	-
At 31 August 2022	46,738	89,095	13,979	149,812
Net Book Value				
At 31 August 2022	£187,219	£99,750	£5,484	£292,453
At 1 September 2021	£187,518	£96,537	£1,162	£285,217

12. Investments

	2022	2021
	£	£
Investment in Kielder Observatory Services Limited	10	10
	£10	£10

As the value of merchandise sales is well below the small trading exemption limit of £80,000, the charity is currently conducting all trading directly, rather than through its wholly owned subsidiary, Kielder Observatory Services Ltd (KOSL). KOSL remains extant and the Trustees will review its continuing relevance on a regular basis.

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13. Stock

	2022	2021
	£	£
Goods for Resale	5,763	8,666
	£5,763	£8,666

14. Debtors

	2022	2021
	£	£
Accrued Income - Gift Aid	6,495	7,558
Accrued Income - Other	7,288	5,294
Grant Debtors	25,537	21,974
Loan - Kielder Observatory Services Limited	-	2,337
Prepayments	4,979	1,706
Trade Debtors	1,700	-
	£45,999	£38,869

15. Creditors - Amounts Falling Due Within One Year

	2022	2021
	£	£
Accruals	27,964	109,016
Advance Ticket Sales	141,054	169,372
Bounceback Loan	10,000	6,667
Income Received in Advance	4,550	2,725
Intercompany Creditor - Kielder Observatory Services Limited	185	-
Other Creditors	945	625
PAYE & National Insurance	10,737	10,117
Pension Scheme Creditor	1,457	1,114
Trade Creditors	8,389	16,206
Unredeemed Gift Vouchers	40,377	65,246
	£245,658	£381,088

16. Creditors - Amounts Falling Due After One Year

	2022	2021
	£	£
Bounceback Loan	33,333	43,333
	£33,333	£43,333

The Bounceback Loan is repayable over 5 years, with an interest rate of 2.5% applicable after the first year.

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17. Analysis of Net Assets between Funds

	Unrestricted Funds	Restricted Funds	2022	2021
	£	£	£	£
Fixed Assets	50,318	242,145	292,463	285,227
Stock	5,763	-	5,763	8,666
Debtors	20,462	25,537	45,999	38,869
Cash at Bank and In Hand	310,436	11,032	321,468	456,099
Creditors – Due Within 1 Year	(240,258)	(5,400)	(245,658)	(381,088)
Creditors – Due After 1 Year	(33,333)	-	(33,333)	(43,333)
	£113,388	£273,314	£386,702	£364,440

18. Analysis of Charitable Funds

	Fund at 1 April 2021	Incoming Resources for Year	Resources Expended for Year	Fund at 31 August 2022
	£	£	£	£
Movement on Unrestricted Funds				
Unrestricted General Fund	94,562	625,068	(606,242)	113,388
Movement on Restricted Funds				
Arts Council England	14,950	-	(6,806)	8,144
Association for Science & Discovery Centres	9,500	-	(9,500)	-
Innovate NE	-	2,400	(2,160)	240
Joicey Trust	4,000	-	-	4,000
New Observatory Fund	215,934	-	(12,698)	203,236
North of Tyne Combined Authority	17,494	46,190	(48,689)	14,995
Northumberland CC – Tanlaw Telescope	-	24,596	(2,329)	22,267
Reece Foundation – Stem To Stars Phase 1	8,000	-	-	8,000
Reece Foundation – Stem To Stars Phase 2	-	37,500	(25,068)	12,432
Total Restricted Funds	269,878	110,686	(107,250)	273,314
Total Funds	£364,440	£735,754	£(713,492)	£386,702

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18. Analysis of Charitable Funds

Name of Restricted Fund	Description, Nature & Purpose of the Restricted Fund
Arts Council England	Towards the cost of the Kielder Dark Skies: A Space Odyssey project
Association for Science & Discovery Centres	Towards the cost of the Inspire Digital project
Innovate NE	Towards the cost of the Innovation Superhighway project
Joicey Trust	Towards work with prisons
New Observatory Fund	Funding received towards the cost of the new observatory building, which opened in 2018 and is now known as the Gillian Dickinson Astro-imaging Academy
North of Tyne Combined Authority	Towards the cost of education projects in the North of Tyne area
Northumberland County Council	Towards the cost of the Tanlaw Telescope project
Reece Foundation	Towards the cost of the STEM To Stars project

19. Related Party Transactions

Details of transactions with Trustees are disclosed in Note 9.

There were no other transactions in the year with related parties, such as are required to be disclosed under the Financial Reporting Standard for Smaller Entities (Effective April 2008).

20 Financial Commitments

No material financial commitments have been made in respect of future financial periods.