


Earthworks Trust Limited			Charity No	1079866	CC17a
			Company No	03011755	
Annual accounts for the period					
Period start	01-Jan-20	To	Period end	31-Dec-20	

	Earthworks Trust Limited			Charity No	1079866	CC17a
				Company No	03011755	
	Annual accounts for the period					
	Period start	01-Jan-20	To	Period end	31-Dec-20	

### Important information

The trustees who are also the directors of the charity for the purposes of the Companies Act 2006 are as follows:

Mr H M Clarke  
 Ms V Gould  
 Mrs M T Harland  
 Mrs R James (Appointed 18.06.2020)  
 Mr J R Saulet  
 Mrs M Rivett (Resigned 19.11.2020)  
 Mr B Lamacraft (Resigned 16.06.2020)  
 Mr T Rollinson  
 Mr J Lane  
 Mr C R Hillyer

### Registered Office:

The Sustainability Centre  
 Droxford Road  
 East Meon  
 Petersfield  
 Hampshire  
 GU32 1HR

### Independent Examiner:

Triple Bottom Line Accounting Limited  
 The Enterprise Centre  
 University of East Anglia  
 Norwich  
 NR4 7TJ

### Bankers:


The Co-operative Bank  
 PO Box 250  
 Skelmersdale  
 WN8 6WT

### Accountants:

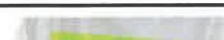
Triple Bottom Line Accounting Limited  
 The Enterprise Centre  
 University of East Anglia  
 Norwich  
 NR4 7TJ

### Senior member of staff in charge of day to day operations:

Ms C M Seaward

	Earthworks Trust Limited			Charity No	1079866	CC17a
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Report of the Trustees						

#### Reference and administrative details

Charity number 1079866

Company registration number 03011755

Registered Office: The Sustainability Centre  
Droxford Road  
East Meon  
Petersfield  
Hampshire  
GU32 1HR

The trustees who are also the directors of the charity for the purposes of the Companies Act 2006 are as


Mr H M Clarke  
Ms V Gould  
Mrs M T Harland  
Mrs R James (Appointed 18.06.2020)  
Mr J R Saulet  
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The Enterprise Centre  
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Senior member of staff in charge of day to day operations:  
Ms C M Seaward



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Report of the Trustees (Continued)						

## **1. Trustees Report**

The Trustees present their report along with the financial statements of the charity for the year ended 31 December 2020. The financial statements comply with the charity's trust deed, the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) update bulletin effective 1st January 2015

### **1.1 Objectives of the Charity**

The mission statement of Earthworks Trust is:

***to demonstrate, develop and promote knowledge, skills and lifestyles that improve people's quality of life without damaging the local or global environment.***

With a holistic, practical and creative approach to education the Sustainability Centre is here to explore how we can all make greener, healthier and more ethical choices.

In pursuing this mission, we welcome families and schools; professionals and special interest groups; children and young people; adult learners; casual visitors, and simply anyone with an interest in what we do.

We nurture people and ideas and in an increasingly uncertain world, we aim to provide positive messages and practical solutions for dynamic, creative change.

### **1.2 Public Benefit**


The Charity manages its site and education programmes to maximise public benefit in the delivery of its mission.

The 55 acre site is managed to benefit biodiversity and people. Visitors are welcome to enjoy the grounds at no charge. Due to the government restrictions put in place to manage the corona virus pandemic public access to the site has been limited to the public rights of way network. The site has been closed for much of the year. The Charity delivers learning opportunities for young people and adult learners throughout the year. Our Education programme has also been affected by the government restrictions resulting from the corona virus pandemic and many of our programmes have not been operational on site for much of the year. A modest online learning programme has been created.

In the delivery of our mission statement we aim to manage our land, our charity and our businesses as working examples of sustainability.

We practise and promote sustainability as a process of making decisions which balance economic, social and environmental factors for positive benefit.

We offer opportunities for volunteers to support the work of the charity in a variety of ways. This includes practical hands-on tasks, support to office and administration as well as Trustees and advisors. Much of these activity have been affected by government restrictions in place in response the corona virus pandemic. As restrictions were eased activity has resumed.

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### Report of the Trustees (Continued)

## **2. Achievement and Performance - Earthworks Trust, Charity no 1079866**

The Charity maintains the land and property at the Sustainability Centre and its receipts consist mainly of rent; covenanted donations from the South Downs Natural Burial Site; and donations from other charities, grant giving organisations and individuals. External grant funding and Emergency Corona Virus grants and the furlough scheme have been essential to the Charities ability to continue to operate.

Capital works began in March 2020 to undertake a comprehensive eco-retrofit to the main accommodation building. Although affected by corona virus restrictions, the contract was in place and work on site continued throughout the year. A number of significant projects remain in development as they will rely heavily on successfully attracting external grant aid or funding for capital projects.

This year has seen the Sustainability Centre continue to focus on consolidating the growth achieved in the previous period whilst continuing to develop and deliver a quality service to customers, learners and visitors. Partnership working and delivery of services in partnership with others remain growing areas. The Charity has identified limited space for growth until additional indoor space is built.

### **2.1 Key Activities**

#### **2.1.1 Governance**

- Welcomed new Trustees to The Board to broaden skills and expertise available to the Charity
- Acknowledged the valuable contribution made by Chair and Vice Chair of The Board
- Continued to deliver quality outputs in accounting and reporting to the Board of Trustees
- Continued to maintain high standards of scrutiny and management of the Charity and its associated enterprises and assets


#### **2.1.2 Social**

- Continued to support and deliver learning opportunities in an imaginative and creative way to deliver the aims of the charity
- Worked successfully with funders to create new opportunities in an imaginative and creative way to deliver the aims of the charity
- Enabled and supported teachers and learners to gain new skills and understanding of sustainable living
- Developed all areas of activities whilst maintaining standards
- Offered a quality experience to increasing numbers of volunteers
- Offered training opportunities for adults through our courses programme
- Provided a quality bespoke service to bereaved families seeking natural burials
- Worked in partnership with others to achieve shared goals and develop mutual interests
- Welcomed groups and individuals to enjoy staying in the hostel and campsite
- Organised a variety of public events on our site
- Attended a variety of community and business events to showcase The Sustainability Centre
- Hosted a variety of events for external groups, organisations and businesses
- Supported the learning and development of our own staff and volunteers
- Continued to maintain and develop partnership working both on site and off-site with enterprises and small businesses that enhance the aims of the charity.

#### **2.1.3 Environmental**

- Continued to manage our site to maintain and enhance its biodiversity
- Provided opportunities for people to appreciate the natural beauty of our site and surrounding area of the South Downs National Park
- Worked in Partnership with South Downs National Park to support projects and initiatives through their Sustainable Communities Grant Fund
- Offered advice to community projects and other organisations about organisational development and practical solutions
- Provided access to visitors to our 55 acre site
- Provided community re-cycling stations
- Continued to maintain consideration of the impact of our own activities on the local and global environment.



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## 2.1 Key Activities Cont.

### 2.1.4 Capital Improvement Programme

• Our planned programme of capital improvements works continues to move forward with two major buildings needing a complete update and refurbishment. Major capital work began in March on the accommodation building to undertake an eco retrofit. All funds were in place for this work. Further funds are being sought to support the rest of the capital improvement programme. Fundraising is a priority to enable further works to begin soon. The implementation of these works will enable the Charity to deliver improved and increased services and additional overnight accommodation for residential courses and eco tourism.

### 2.1.5 Training and Development

• Training and skills development in the environmental and sustainable development sector continues to be an important area.

• Demand for bookings for schools, courses and bushcraft activities were severely affected by the pandemic restrictions and many refunds were issued. The underlying trend continues to show a steady demand.

• The John Muir Award programme continues to be delivered here and is a flagship for the South Downs National Park.

• Additional wellbeing programmes have been provided to small groups of adults and young people.

• We continue to develop partnerships and networks to support our specialist and short residential courses.

### 2.1.6 Growth and Development


• Under 18s Education Programme continues to be much in demand both for day visits and residential courses. Our priority capital improvement project seeks to respond to this need by providing a dedicated under 18s learning zone.

• The Young Natural Ambassadors Bursary to support the training of under 25's is well established, but over subscribed. It is hoped that we will attract additional funding to support its further development.

• Our programme for adult learning has been developed further so we are able to offer a greater variety of short courses. Online bookings and improved marketing support high levels of bookings.

• Accommodation bookings continue to show a steady demand. Re-furbishment of the (at present semi-derelict) east wing of Wetherdown Lodge is an important element of our vision for growth.

• An integrated marketing and promotional strategy is now in place and informs greater co-operation on shared marketing across the organisation has been achieved. Our website continues to be designed and administered in-house and grows alongside our own development.

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### **3. Partnership working**

The Sustainability Centre continues to work in partnership with a number of organisations that are housed on site to extend the reach of our own capacity. Their aims and key activities contribute something significant in addition to our own activities and programmes. We nurture and support the development of small businesses who share our ethos and values.

- **Fitzroy Rural Skills Project** – a social enterprise project to engage adults with learning disabilities in practical work-based activities
- **Beech Cafe** - Organic, fair-trade café and caterers
- **ERS** – Event Services Management for Recycling and re-use.

### **4. South Downs Natural Burials**


South Downs Natural Burial Site continues to be a major contributor of funds this year with £132,332 covenanted to Earthworks Trust.

The site is highly regarded and the service given by the staff contributes to the site's recognition as an exemplar.

### **5. Statement of Trustees' Responsibilities**

The Trustees are required to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficit of the charity for the period. In preparing those accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- observe the methods and principles in the Charity SORP
- keep proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity.
- arrange for the preparation of accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in the business name.
- safeguard the assets of the charity and take reasonable steps for the prevention and detection of fraud and other irregularities.

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## **5.1 Structure, governance and management**

### **5.1.1 Constitution**

The Earthworks Trust is Charity No. 1079866 governed by a Trust Deed. Earthworks Trust Ltd is a Company No. 03011755 governed by its Memorandum and Articles of Association.

Every new Trustee is provided with copies of these operational documents. No changes in the objectives have occurred since the last annual report. The key objective is environmental education and is enhanced by the many practical demonstration areas on site: eco-renovated and new buildings, renewable technology, the management of conservation habitats and gardens, and woodland restoration.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

### **5.1.2 Equal Opportunity**

The Trustees cover a wide range of ages and skills and we continue to work towards a balanced gender mix. The Trustees carry out an audit of skills from time to time and continue to encourage the inclusion of volunteers in the broad mix of skills needed to develop the work. Training is provided to develop the more traditional business, professional and educational skills that are generally provided by the Trustees and staff.

### **5.1.3 Policies and Risk Management**


A handbook providing policy and operational guidance is provided to all volunteers, staff and Trustees. Risk assessments, health and safety, food hygiene and induction training are provided by staff. Funding for training is sought to develop best practice and skills development. As an on going process the Trustees assess the level of risk in relation to governance, service delivery, employment, health and safety, child protection, financial management and information management. The Trustees keep under review the major strategic business and operation risks that the charity and company face and ensure that monitoring systems have been established so that the necessary steps can be taken to lessen risks.

### **5.1.4 Management and Organisation Structure**

Management of the Trust, the trading arm of the Earthworks Foundation and South Downs Natural Burial Site continues in a consolidated fashion. Management of all three entities is done centrally under the umbrella of The Sustainability Centre. The Trustees meet bi-monthly and are responsible for the strategic direction and overview of the work of the Charity. The Chair of the Trust liaises with a senior member of staff in order to oversee the management of the Charity. A nominated Executive Committee continues to meet every month to liaise with the board of Directors and key staff to maintain a close working relationship with the Company and streamline the decision making process.

During this period Jeff Lane was appointed as the Chair of the Board of Trustees and Colin Hillyer was appointed as Vice Chair.



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<b>Report of the Trustees (Continued)</b>						

#### 5.1.5 Appointment of New Trustees

A skills audit assesses skills and training needs in line with priority activities within the business plan. The appointment of new Trustees is undertaken in accordance with adopted guidelines and procedures. This includes application, induction, probationary period and formal adoption as a member of The Board.

#### 5.1.6 Review of Financial Position

We aim to:

- Be self-funding from our own activities
- Undertake growth in a sustained and planned manner
- Practise and promote sustainability as a process of making decisions which balance economic, social and environmental factors for positive benefit.

The Charity maintains the land and property at the Sustainability Centre.

Its receipts consist mainly of :

- Rent receipts for buildings and land occupied by tenant partners
- Covenanted donations from the South Downs Natural Burial Site.
- Income from eco Lodge and camping
- Donations from other charities, grant giving organisations and concerned individuals

Our dependence on external grant funding remains reduced. However, any expansion of revenue costs remains a challenge and therefore a limitation.

A number of significant projects remain in development as they will rely heavily on successfully attracting external grant aid or funding for capital projects.

#### 5.1.7 Reserves

Reserves are managed in accordance with the Reserves Policy of the charity which is integrated into the budget setting and management processes.

The Charity holds the following Funds:

Reserve Funds:


Unrestricted reserve - £187,500 these funds are held in the Co-op deposit account

Non Allocated Funds - £57,024 (as at 31st December 2020)

These funds are held in accordance with our policy to hold 2 months operational costs in reserve to ensure financial and operational stability.

These funds are held in CCLA's charities deposit fund.

CCLA manage funds for charities, large and small. Their funds are designed to be used on their own or in combination to match our charity's individual requirements.

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#### Allocated Funds:

Total Sum £52,432 (as at 31st December 2020)

£52,432 is allocated for essential future spending to meet future site management and burial commitments arising from pre-sold plots on the South Downs Natural Burials Site.

These funds are held in CCLA's charities investment and fixed interest funds.

#### 6. Grants and Donations

The Trust has received a number of grants and donations during this period including sponsorship of key events and capital projects. These include:

- Grants from East Hants District Council for Covid 19 relief £21,334
- Grant Aid: We received £36,450
- Gift Aid: £128,919
- General Donations: £7,000 - allocated to education projects and to enhance facilities and services
- New Learning Centre: £890,264 donations towards eco re-furbishment of the former MoD buildings
- Job Retention Scheme - Trust £13,367.84 Foundation £62,176

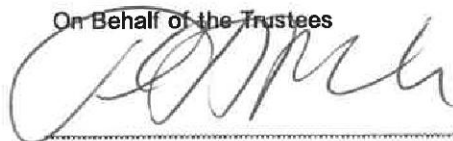
#### 7. Future Plans

The Charity aims to:

- Uphold its core aims and principles going forward
- Re build our services to their former levels prior to the pandemic restrictions
- Integrate growth and development in a sustainable manner
- Identify opportunities to develop and showcase its aims in projects/partnerships/programmes


The principal growth area for the charity in the forthcoming period will be undertaking a phased capital improvements programme to the built infrastructure. The priority has been identified as the eco-retrofit of our existing education and administration building. Concept plans will need to be prepared and a detailed feasibility study undertaken. Alongside this we will need to increase our capacity to raise funds from external sources. Extending and developing services and partnerships to support well-being and nature therapy services, alongside our immersive education programmes is also prioritised.

On Behalf of the Trustees



Mr J Lane  
Chair of Trustees

22/5/21

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### Independent examiner's unqualified report to the trustees of Earthworks Trust Limited

I report on the accounts of the company for the year ended 31 December 2020, which are set out on pages 11 to 24.

#### Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under Part 16 of the Companies Act 2006 and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 20
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention

#### Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and the seeking of explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

#### Independent examiner's statement

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


- 1 which gives me reasonable cause to believe that, in any material respect, the
  - to keep accounting records in accordance with section 386 of the Companies Act 2006, and
  - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) update bulletin effective 1st January 2015
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

  
 Peter Ellington

Triple Bottom Line Accounting Limited  
 The Enterprise Centre  
 University of East Anglia  
 Norwich  
 NR4 7TJ

22/09/2021  
 Date



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### Trustees responsibilities in relation to the Financial Statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

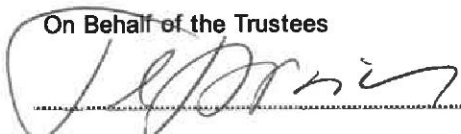
The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.


The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On Behalf of the Trustees



Mr J Lane  
Chair of Trustees

22/5/21

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## Section A Statement of Financial Activities

Recommended categories by activity	Details of own analysis	Unrestricted funds £	Restricted income funds £	Total this year £	Total last year £
<b>Income and Endowments</b>		<b>Note 4</b>			
Donation and Legacies	Grants received	21,784	617,797	639,581	560,960
Charitable activities	Donations and gift aid	191,876	-	191,876	5,485
Investments	Income from trading subsidiaries and interest received	137,058	3,846	140,904	151,778
Other	Other trading income	20,962	-	20,962	10,107
<b>Total Income</b>		<b>371,680</b>	<b>621,643</b>	<b>993,323</b>	<b>728,330</b>
<b>Expenditure</b>		<b>Notes 5 - 7</b>			
Charitable activities	Building operating costs, depreciation and provision of services	212,074	539	212,613	176,889
Other	Independent inspection, other professional and financial.	3,144	-	3,144	3,654
<b>Total Expenditure</b>		<b>215,218</b>	<b>539</b>	<b>215,757</b>	<b>180,543</b>
<b>Net income/(expenditure)</b>		<b>156,462</b>	<b>621,104</b>	<b>777,566</b>	<b>547,787</b>
<b>Gross transfers between funds</b>		<b>1,047,886</b>	<b>-1,047,886</b>	<b>-</b>	<b>-</b>
<b>Movement for year</b>		<b>1,204,348</b>	<b>- 426,782</b>	<b>777,566</b>	<b>547,787</b>
<b>Total funds brought forward</b>		<b>1,015,872</b>	<b>543,445</b>	<b>1,559,317</b>	<b>1,011,530</b>
<b>Total funds carried forward</b>		<b>2,220,220</b>	<b>116,663</b>	<b>2,336,883</b>	<b>1,559,317</b>

The net movement in funds referred to above is the net outgoing resources as defined in the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commission for England & Wales and is reconciled to the total funds as shown in the Balance Sheet on Pages 12 and 13 as required by the said statement.

All activities derive from continuing operations.

The notes on pages 14 to 24 form an integral part of these accounts.

**Section B**
**Balance Sheet**

		<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total this year £</b>	<b>Total last year £</b>
<b>Fixed assets</b>					
<b>Tangible assets</b>	<b>Note 8</b>	1,939,653	-	1,939,653	914,939
<b>Investments</b>	<b>Note 9</b>	102,171	52,434	154,605	148,091
<b>Total fixed assets</b>		2,041,824	52,434	2,094,258	1,063,030
<b>Current assets</b>					
<b>Debtors</b>	<b>Note 10</b>	368,799	-	368,799	236,489
<b>Cash at bank and in hand</b>		605,604	64,229	669,833	483,129
<b>Total current assets</b>		974,403	64,229	1,038,632	719,618
<b>Creditors: amounts falling due within one year</b>	<b>Note 11</b>	451,007	345,000	796,007	223,331
<b>Net current assets/(liabilities)</b>		523,396	- 280,771	242,625	496,287
<b>Total assets less current liabilities</b>		2,565,220	- 228,337	2,336,883	1,559,317
<b>Creditors: amounts falling due after one year</b>	<b>Note 11</b>	-	-	-	-
<b>Net assets</b>		2,565,220	- 228,337	2,336,883	1,559,317
<b>Funds of the Charity</b>					
<b>Unrestricted funds</b>	<b>Note 12</b>	2,220,220		2,220,220	1,015,872
<b>Restricted funds</b>	<b>Note 13</b>		116,663	116,663	543,445
<b>Total Charity funds</b>		2,220,220	116,663	2,336,883	1,559,317

**Section B****Balance Sheet (Continued)**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 December 2020.

The members have not required the charitable company to obtain an audit of its financial statements for the period ended 31 December 2020 in accordance with section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for:

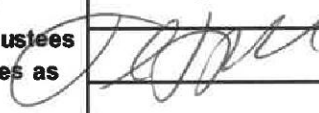
(a) ensuring that the charitable company keeps accounting records that comply with sections 386 and 387 of the Companies Act 2006, and

(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year end and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the specific provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and in accordance with FRS102 SORP.

The notes on pages 14-24 form an integral part of these accounts.

The financial statements were approved by the Board of Trustees and signed by trustees on behalf of all the trustees as follows:

Signature	Print Name	Date of approval
	Jeffrey Lane	22/5/20



**Note 1 Basis of preparation****1.1 Basis of accounting**

These accounts have been prepared on the basis of historic cost convention, with the exception of investments which are included at market value, and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014. In preparing the financial statements the charity follows best practice as laid down in the Statement of Recommended Practice, applicable Accounting Standards and the Charities Act 2011.

The particular accounting policies followed are set out below.

**1.2 Exemption from preparing consolidated financial statements**

The financial statements contain information about Earthworks Trust Limited as an individual charity and do not contain consolidated financial information as the parent of a group. The charity is exempt under Section 399 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

**1.3 Change in basis of accounting**

There have been no changes to the basis of accounting.

**1.4 Changes to previous accounts**

There are no adjustments to previous accounts.

**Note 2 Accounting policies****ASSETS**

**Tangible fixed assets for use by charity** These are capitalised if they can be used for more than one year, and cost at least £100. They are valued at cost or a reasonable value on receipt. They are used for charitable purposes.

**Investments** Investments in securities are valued at closing realisable prices at the balance sheet date. The difference between opening and closing valuation of securities is realised as a gain or loss in the income and expenditure account.

**Capital Grants** Gifts of tangible fixed assets or grants of a capital nature given for specific purposes and fully utilised in the furtherance of the objects of the charity are credited to a relevant restricted fixed asset fund designated for this purpose. The related fixed asset is shown on the balance sheet at the full cost of acquisition and depreciated over the useful life in accordance with the depreciation policy (below). The restricted fund is transferred to general funds on acquisition of the related assets and is not amortised over the life of the assets. Any specific restrictions imposed by the grant making body, beyond use by the charity for the purposes of its normal charitable activities, on use of the assets, is disclosed in the Fixed Assets notes.

**Depreciation** Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a reducing balance method over their expected useful economic lives as follows:

Freehold property and refurbishments at varying rates on cost

Plant and machinery at varying rates on cost

Outdoor construction at varying rates on cost

**INCOME AND ENDOWMENTS**

**Recognition of incoming resources** Income from grants, legacies, donations, appeals, fundraising and investments is recognised in the Statement of Financial Activities (SOFA) on receipt providing there are no conditions that would withhold payment outside of the chairites control including receipts which are subject to restrictions because potential withholding is in control of the charity.

**Incoming resources with related expenditure** Where incoming resources have significant related expenditure (as with fundraising or contract income) the incoming resources and related expenditure are reported gross in the SOFA. Rental income is reported net of collection charges on a receivable basis.

**Grants and donations** Grants and donations are only included in the SOFA when the charity has unconditional entitlement to the resources.

**Tax reclaims on donations and gifts** Incoming resources from tax reclaims are included in the SOFA at the same time as the gift to which they relate.

**Contractual income and performance related grants** This is only included in the SOFA once the related goods or services have been delivered.

**Gifts in kind** Gifts in kind are accounted for at a reasonable estimate of their value to the charity or the amount actually realised.

Gifts in kind for sale or distribution are included in the accounts as gifts only when sold or distributed by the charity.

Gifts in kind for use by the charity are included in the SOFA as incoming resources when receivable.

**Donated services and facilities** These are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the charity of the service or facility received.

**Volunteer help** The value of any voluntary help received is not included in the accounts and is described in the Trustees Annual Report.

**Note 2 Accounting policies (continued)****EXPENDITURE AND LIABILITIES**

**Liability recognition** Liabilities are recognised in the SOFA on an accruals basis as soon as there is a legal or constructive obligation committing the charity to pay out resources.

**VAT** VAT which cannot be recovered is included with the expense to which it relates.

**Taxation** As a registered charity, the company is exempt from income and corporation tax to the extent that income and grants are applicable to charitable purposes only.

**Governance costs** Include costs of the preparation and examination of statutory accounts, the costs of trustee meetings and costs of any legal advice to trustees on governance or constitutional matters.

**Resource allocation** Resources expended are allocated to particular activities where the cost relates directly to that activity.

**Grants with performance conditions** Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SOFA once the recipient of the grant has provided the specified service or output.

**Grants payable without performance conditions** These are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.

**Support Costs** Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

**Funds held by the charity** Funds held are either:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees

Designated/restricted funds – these are funds which can only be used for particular purposes within the objects of the charity. Restrictions arise when specified by a donor or when funds are solicited on the explicit understanding that they will be applied to particular restricted purposes.

**Note 3 Winding up or dissolution of the charity**

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the remaining accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

**Note 4 Analysis of Income and Endowments**

		Unrestricted funds	Restricted income funds	Total This year	Total Last year
Analysis		£	£	£	£
<b>Donations and Legacies</b>	Capital grants	-	617,797	617,797	542,173
	Revenue grants	21,784	-	21,784	18,787
	<b>Total</b>	<b>21,784</b>	<b>617,797</b>	<b>639,581</b>	<b>560,960</b>
<b>Charitable Activities</b>	Donations received	3,087	-	3,087	4,498
	Gift aid	188,789	-	188,789	987
	<b>Total</b>	<b>191,876</b>	<b>-</b>	<b>191,876</b>	<b>5,485</b>
<b>Investment income</b>	Income from trading subsidiaries	132,332	-	132,332	145,967
	Gain on Investment (Restricted Fund)	-	3,846	3,846	4,468
	Bank interest	4,726	-	4,726	1,343
	<b>Total</b>	<b>137,058</b>	<b>3,846</b>	<b>140,904</b>	<b>151,778</b>
<b>Other incoming resources</b>	Rental income	7,594	-	7,594	10,107
	CJRS (Furlough) grant income	13,368	-	13,368	-
	<b>Total</b>	<b>20,962</b>	<b>-</b>	<b>20,962</b>	<b>10,107</b>
<b>Total Income (See SOFA)</b>		<b>371,680</b>	<b>621,643</b>	<b>993,323</b>	<b>728,330</b>



**Note 5 Analysis of Expenditure**

Analysis		Unrestricted funds	Restricted income funds	Total This year	Total Last year
		£	£	£	£
<b>Charitable activities</b>	Rates, water and service charges	2,826	-	2,826	5,759
	Insurance	12,512	-	12,512	11,901
	Office Salaries/Payroll	39,956	-	39,956	31,311
	Fundraising activities	71	-	71	13,781
	Sundry outgoings	144	-	144	76
	Depreciation of tangible fixed assets	26,958	-	26,958	26,535
	Legal and Professional Fees	-	-	-	1,009
	Grant Expenditure	380	539	919	18,787
	Grants payable to subsidiaries	129,226	-	129,226	67,192
	<b>Total</b>	<b>212,073</b>	<b>539</b>	<b>212,612</b>	<b>176,351</b>
<b>Other</b>	Independent Accountant's inspection / Audit	750	-	750	750
	Accountancy and book keeping costs	1,723	-	1,723	2,210
	Bank charges	671	-	671	694
	Bank interest	-	-	-	-
	<b>Total</b>	<b>3,144</b>	<b>-</b>	<b>3,144</b>	<b>3,654</b>
<b>Total Expenditure (see SOFA)</b>		<b>215,217</b>	<b>539</b>	<b>215,756</b>	<b>180,005</b>

The charity has no divisible charitable activities, as its sole charitable activity is the maintenance of the grounds. Therefore, reallocation of support and governance costs are not possible

**Note 6 Trustee remuneration and staff costs (included in expenditure)**

There were no trustees' remuneration or other benefits for the period ended 31 December 2020 or 31 December 2019.

Earthworks Trust Limited has four part time employees (equalling 1.5 FTE) totalling £31,311.

**Note 7 Details of certain items of expenditure (included in expenditure)**

<b>Analysis</b>		<b>This year £</b>	<b>Last year £</b>
<b>Trustee expenses</b>	Number of trustees who were paid expenses	zero	zero
	Nature of the expenses	-	-
	<b>Total</b>	-	-

The above expense were waived and gifted back to the Trust and treated as donations.

<b>Analysis</b>		<b>This year £</b>	<b>Last year £</b>
<b>Fees for examination or audit of the accounts</b>	Independent examiner's or auditors' fees	750	750
	Other fees (for example: advice, consultancy, accountancy services) paid to the independent examiner or auditor	1,723	2,210
	<b>Total</b>	<b>2,473</b>	<b>2,960</b>

**Staff Costs**

	<b>This year £</b>	<b>Last year £</b>
<b>Salaries and wages</b>	39,182	28,054
<b>Social security</b>	367	2,688
<b>Pension costs</b>	408	568
<b>Other employee</b>	-	-
<b>Total staff costs</b>	<b>39,956</b>	<b>31,311</b>

No employees received employee benefits (excluding employer pension costs) for the reporting period of more than £60,000

**Average head count in the year**

		<b>This year Number</b>	<b>Last year Number</b>
<b>The parts of the charity in which the employees work</b>	<b>Fundraising</b>	1	1
	<b>Charitable Activities</b>	1	1
	<b>Governance</b>	1	1
	<b>Other</b>	1	1
	<b>Total</b>	<b>4</b>	<b>4</b>

**Note 8 Tangible fixed assets****8.1 Cost or valuation**

	<b>Freehold property</b>	<b>Plant and machinery</b>	<b>Outdoor construction</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance brought forward	1,151,998	177,003	69,988	1,398,989
Transfers	-	-	-	-
Additions	1,050,287	1,385	-	1,051,671
Revaluations	-	-	-	-
Disposals	-	-	-	-
<b>Balance carried forward</b>	<b>2,202,285</b>	<b>178,388</b>	<b>69,988</b>	<b>2,450,660</b>

**8.2 Accumulated depreciation and impairment provisions**

	<b>Freehold property</b>	<b>Plant and machinery</b>	<b>Outdoor construction</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance brought forward	248,153	172,250	63,647	484,050
Depreciation charge for year	20,900	4,231	1,826	26,957
Impairment provisions	-	-	-	-
Revaluations	-	-	-	-
Disposals	-	-	-	-
<b>Balance carried forward</b>	<b>269,053</b>	<b>176,481</b>	<b>65,473</b>	<b>511,007</b>

**8.3 Net book value**

Brought forward	903,845	4,753	6,341	914,939
Carried forward	1,933,232	1,906	4,515	1,939,653

**Note 9 Investments****9.1 Cost or market valuation**

	Shares in group undertakings	Listed investments	Total
	£	£	£
At 1 January 2020	2	148,089	148,091
Revaluations	-	3,846	3,846
Additions	-	2,668	2,668
Disposals	-	-	-
<b>Balance carried forward</b>	<b>2</b>	<b>154,603</b>	<b>154,605</b>

**9.2 Net book value**

Brought forward	2	148,089	148,091
Carried forward	2	154,603	154,605

**Note 10 Debtors and prepayments****Analysis of debtors**

	Amounts falling due within one year		Amounts falling due after more than one year	
	This year	Last year	This year	Last year
	£	£	£	£
Trade debtors	-	-	-	-
Amounts owed by group undertakings	368,758	236,437	-	-
Other debtors	41	51	-	-
<b>Total</b>	<b>368,799</b>	<b>236,488</b>	<b>-</b>	<b>-</b>

**Note 11 Creditors and accruals****Analysis of creditors**

	Amounts falling due within one year		Amounts falling due after more than one year	
	This year	Last year	This year	Last year
	£	£	£	£
Bank loans and overdrafts	-	-	-	-
Deferred Income	345,000	-	-	-
Trade creditors	88,212	-	-	-
Amounts owed to group undertakings	361,720	220,825	-	-
Other creditors	1,075	2,507	-	-
<b>Total</b>	<b>796,007</b>	<b>223,332</b>	<b>-</b>	<b>-</b>



**Note 12 Unrestricted Funds**

		This year £	Last year £
<b>General funds</b>	<b>Analysis</b>		
	Balance brought forward	1,015,872	966,894
	Net incoming resources	156,462	1,684
	Transfer to restricted funds	1,047,886	47,294
	<b>Balance carried forward</b>	<b>2,220,220</b>	<b>1,015,872</b>
<b>Represented by :</b>	Fixed assets	2,041,824	944,635
	Net current assets	523,396	496,287
	Long term liabilities	-	-
	<b>Balance carried forward</b>	<b>2,565,220</b>	<b>1,440,922</b>
	<b>Total Funds</b>	<b>2,565,220</b>	<b>1,440,922</b>

**Note 13 Restricted income funds****Movements of major funds****Restricted funds**

	Fund balances brought forward £	Transfers to restricted funds £	Income £	Expenditure £	Fund balances carried forward £
Burial site	46,187	2,400	3,847	-	52,434
EHDC - Maintenance	539	-	-	539	-
EHDC - Improvement	4,240	-	-	-	4,240
SDNPA Covid 19 Recovery	-	-	23,500	-	23,500
Restricted - Various	-	-	3,532	-	3,532
Wetherdown Lodge 2 (New Learning Centre)	492,479	- 1,050,287	590,765	-	32,957
<b>Total Restricted Funds</b>	<b>543,445</b>	<b>- 1,047,887</b>	<b>621,644</b>	<b>539</b>	<b>116,663</b>

Wetherdown Lodge 2 - Transfers to restricted funds comprises £1,050,287 spent on capital asset additions

**Note 13 Restricted Income Funds Cont.****Unrestricted Funds**

	<b>Fund balances brought forward</b>	<b>Transfers between funds</b>	<b>Income</b>	<b>Expenditure</b>	<b>Fund balances carried forward</b>
<u>Designated Funds</u>					
General Reserves	70,050	- 13,026	-	-	57,024
Gift Aid on NLC Donation	-	187,500	-	-	187,500
<u>General Funds</u>	945,822	873,413	371,680	215,218	1,975,697
<b>Total Unrestricted Funds</b>	<b>1,015,872</b>	<b>1,047,887</b>	<b>371,680</b>	<b>215,218</b>	<b>2,220,221</b>
<b>Total Funds</b>	<b>1,559,317</b>	<b>-</b>	<b>993,324</b>	<b>215,757</b>	<b>2,336,884</b>

The restricted funds include:

EHDC - Maintenance  
EHDC - Improvement  
WetherDown Lodge 2

Grant for landscape maintenance over 5 years  
Grant for landscaping improvements (frontage and car park)  
Donations from various sources towards New Learning Centre

**Transfers between funds**

	<b>Reason for transfer</b>	<b>Amount (£)</b>
Between unrestricted and restricted funds	This fund was kept in an investment fund. Not all income was required for the site management and burial commitments.	2,400
Between restricted and unrestricted funds	In line with the accounting policy for Assets; Capital Grants a one off transfer was made from restricted to unrestricted funds on capitalisation of expenditure in relation to WetherDown Lodge 2 (New Learning Centre)	1,050,287
Between unrestricted and designated funds	Operational Costs have decreased, therefore the 2 months reserves have also decreased.	- 13,026
Between unrestricted and designated funds	These funds have been chosen to be designated by the trustees and will be used on exceptional items	187,500

**Designated funds**

	<b>Purpose of the designation</b>	<b>Amount</b>
General Reserves	These funds are held in accordance with our policy to hold 2 months operational costs in reserve to ensure financial and operational stability.	57,024
Gift Aid on NLC Donation	These funds are held following a decision by the trustees to ensure any exceptional items can be met. The funds arose from a gift aid claim on a large donation in respect of the new learning centre	187,500

**Note 14 Related Party Transactions**

Balance outstanding to Earthworks Foundation Limited:

Opening balance (01/01/20)	£220,824
Plus: Committed Donations to Foundation in year	£129,226
Less: Cash Transferred During the Year	<u>-£11,670</u>
Closing Balance (31/12/20)	£361,720

Balance outstanding from South Downs Natural Burial Limited:

Opening balance (01/01/20)	£235,593
Donations from SDNB Limited in year	£132,332
Less: Cash Transferred During the Year	<u>£12</u>
Closing Balance (31/12/20)	£367,913

Balances outstanding from Wood4Heat Limited:

Opening balance (01/01/20)	£845
Donations in year	<u>£0</u>
Closing Balance (31/12/20)	£845

**Note 15 Ultimate Controlling Party**

The charity was under the control of the trustees throughout the year.