

**Watchtree Nature Reserve  
Limited**

(A company limited by guarantee)

**Annual Report and Financial  
Statements**

**31 March 2022**

Company registration number: 05214585  
Charity registration number: 1127029



## **Watchtree Nature Reserve Limited**

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**Watchtree Nature Reserve Limited**  
**Reference and Administrative Details**

<b>Charity name</b>	Watchtree Nature Reserve Limited
<b>Charity registration number</b>	1127029
<b>Company registration number</b>	05214585
<b>Principal office</b>	Watchtree Great Orton CARLISLE CA5 6NL
<b>Registered office</b>	Watchtree Great Orton CARLISLE CA5 6NL
<b>Trustees</b>	C M Tinker  B Bowe  R W Bushby  W Little  P Macdonald  F J Mawby  R W S Speirs  C Miles (Resigned 5 August 2022)  N Latimer
<b>Bankers</b>	The Co-Operative Bank PLC 1 Ballon Street MANCHESTER M60 4EP
<b>Accountant</b>	Dodd & Co Limited FIFTEEN Rosehill Montgomery Way Rosehill Estate CARLISLE CA1 2RW

**Watchtree Nature Reserve Limited**  
**Trustees' Report for the Year Ended 31 March 2022**

The financial statements have been prepared in accordance with the accounting policies set out in the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities : Statement of Recommended Practice applicable in the UK and Republic of Ireland.

**Structure, governance and management**

**Governing document**

The company was incorporated on 25 August 2004 as a company limited by guarantee and is governed by its Memorandum and Articles of Association. The company registered with the Charity Commission on 3 December 2008.

The Trustees are appointed by the members at the AGM. The Chair of the board is responsible for the induction of any new trustees.

**Objectives and activities**

The objectives of the charity are to:

- Maintain, improve or provide public amenities,
- Promote for the public benefit the Watchtree site in Cumbria and its environs, in particular by associating local community organisations in a common effort to advance education, to relieve poverty, need and hardship, to provide facilities for leisure time occupation in the interests of social welfare and to conserve and improve the environment.

The charity maintains Watchtree Nature Reserve for visitors, school parties and groups and continues to develop the wheelers facility providing cycles for use by disabled groups and individuals.

In setting the objects of the charity, the trustees have paid due regard to the Charity Commission guidance on public benefit.

**Risk Management**

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

**Reserves**

The Trustees have established a policy to maintain reserves at a level that is sufficient to meet its expenditure and commitments for 12 months. Free reserves at the year end are £152,711 (excluding fixed asset investments) and therefore sufficient to meet these costs.

**Foreword by Richard Spiers, Watchtree Chair**

On behalf of the Directors, I am pleased to present our seventeenth Annual Report for Watchtree Nature Reserve Ltd.

As you will read, this report is in a new format from previous years and reflects the Objectives and Key Performance Indicators contained in our recently developed Strategy Plan for the period 2022 to 2030. Our previous Strategy Plan has been extensively revised through consultation with Directors, employees, volunteers and members of the public. The finished version of the Plan can be found on the Watchtree Website by following this link <https://watchtree.co.uk/wp-content/uploads/2022/07/WNR-Strategy-2022-to-2030.pdf>

We had hoped that this last year would enable us to recover from the impact of the first year of Covid, however, further "lockdowns" continued to affect our performance in the early part of the year. Subsequently, as freedoms returned, our visitor numbers increased and there was an improvement in income. We did have a small surplus at the year-end which reflected our decision to support our employees as much as possible during the periods of "lockdown."

Based on our performance towards the end of this year we anticipate that we will be able to improve on this in the next financial year.



**Watchtree Nature Reserve Limited**  
**Trustees' Report for the Year Ended 31 March 2022**

As Chairman it is important for me to stress that all the excellent work achieved at Watchtree is solely due to the enthusiasm and dedication of our full and part time employees and our wonderful team of volunteers who, so willingly, give their time and expertise to make the Reserve such a special place. A great deal of thanks goes to Ryan Dobson, our Manager, for his ability to identify solutions to problems and provide ideas for improvement.

As a Charity we can only survive with the active support of our members and our thousands of visitors each year and we are all grateful for your continued involvement and appreciation of what Watchtree provides.

I hope this report makes for interesting reading and if you require any further information on any of the topics then please contact us directly and we will be happy to assist you.

**Prepared by Ryan Dobson, Manager**

**Assisted by Watchtree Team Leaders**

Welcome to the Watchtree Nature Reserve annual report for the financial year 1st of April 2021 to the 31st of March 2022. We hoped this was the year of recovery, financially and socially from coronavirus, but as it transpired, we would spend most of the year in and out of further government restrictions. We continued to adapt and modify how we worked in order to stay safe whilst continuing as near normal as possible. Once again, the tenacity and perseverance of all the team was phenomenal, their hard work ensured our prosperity through a second difficult year.

This year our annual report takes a different approach to our usual format. We recently published our Strategy Plan 2022 to 2030; we will use this opportunity to establish the baselines of our key performance indicators (KPIs) from the 2021/22 financial year, hereafter we will report on the same statistics to monitor performance.

Each set of KPI statistics relates directly to the new objectives set out in our Strategy which you can view on the resources page of our website.

Following in this report you will find a list of key statistics and how we have sourced or calculated them.

**General Management**

**Staff and volunteer retention score: 0**

New staff recruited within FY – Christopher Paterson, David Wise and Patricia Arnold

Staff who left the business during the FY – Caroline Salkeld, Rebecca Stott and Rebecca Stanica

**Staff and Volunteer Performance**

Number of disciplinary procedures within FY – 0

Number of promotions within FY – 0

Our staffing and responsibility levels were more static through the year than usual because of the ongoing effects of Covid. Whilst we had some staff turnover our core team of manager and team leaders remains stable, and the setup has been a great asset through these turbulent times.

**Total number of staff (FTE): 8.1**

Total weekly staff hours / 37.5 hours = FTE

**Volunteer Hours: 130 hours per week, 6,760 hours per year, 3.5 FTE staff**

We have limited recording of volunteer hours for the financial year 2021/22. However, I have produced an estimate based on the regular volunteer shifts in each area.

**Investment performance for the financial year**

For a direct comparison from July 2021 to July 2022 I've taken the statement values to give you a full 12 months summary.

- 30 June 2021 = £293,651
- 30 June 2022 = £258,812

Over the 12 months, this represents a negative return of 11.8%

**Watchtree Nature Reserve Limited**  
**Trustees' Report for the Year Ended 31 March 2022**

The portfolio is largely reacting to the wider stock market anxiety around inflation pressures and the changing position around key sectors. Particularly tough areas have been technology and commodity assets trying to understand the supply and demand issues caused by two main issues.

Firstly, the significant shift in energy and food pricing as a result of the European conflict and secondly Asian supply chains struggling to cope with demand as a result of lingering 'zero covid' policies.

**Annual grant funding achievement: £43,388**

British Cycling, Adapted Cycle Fleet, £19,500

CCF Managed Funds: £23,888

Further donations received from:

CCL Secure Fund £969.68

Roselands Trust Fund £1,000.00

Brian and Ann Clark Fund £1,387.99

Laidlaw Fund for the Environment £1,000.00

**Sponsorship and donor performance**

David Allen – Watchtree Wellbeing Services Sponsorship

Dodd and Co – Cycle the Solway Sponsorship

Calendar Sponsorship 40 x corporate supporters

**Number of Directors**

9

**Watchtree Wheelers**

**Number of high-quality cycles in fleet**

We are currently in very much "making do and mend" mode as we await delivery of new bikes for the regular fleet. These have been delayed due to supply problems related to Covid. The adapted fleet is looking better with new additions funded by British Cycling, Allerdale Sports Fund, Joyce Wilkinson Foundation and our own fund-raising efforts. We are still awaiting the last few additions.

**Number of new cycles brought into the fleet annually**

We are now stockists for the range of bikes from "Squish". These are light-weight, premium children's bikes that we hope will prove popular when they arrive. We are awaiting delivery of new Ridgeback bikes.

**Condition of storage, workshop, and office facilities**

We currently have a concrete, sectional garage and three shipping containers to serve as workshop and storage space. This enables us to keep our fleet dry and secure at night, but our donated bikes are exposed to the elements.

**Cycle hire throughput**

Total income £52,611

**Quantity of individual cycle hire participants – 10,522**

Working on an average hire price of £5 (total income divided by average hire price = total individual hires).

**Cycle sales turnover - £16,447**

New Cycle Sales total income:

£4,915 - Source QuickBooks MNGT 2021/22 total income B6

**Watchtree Nature Reserve Limited**  
**Trustees' Report for the Year Ended 31 March 2022**

**Donated Cycle Sales total income**

£14,301 - QuickBooks Accounting MNGT 2021/22 total income B5

**Visitors Centre and Café**

**Condition of catering outlets**

The Visitor Centre/Café is now fully refurbished having completed development works in late summer 2021. The café is fully equipped with new appliances, counter work surfaces, seating, blinds and display menus. During the renovation we replaced the flooring throughout the building and redecorated (painted) the toilets, hallway and main café room.

The kitchen was refurbished in 2020 and remains in excellent condition with all new appliances.

**Environmental Health Score**

The Café is operating under a 5\* Environmental Health Score.

**Catering revenue**

Total income £122,688

**Catering initiatives**

The 'Shed' opened from May to October 2021 and offered additional catering experience for customers at Watchtree on the far side of the reserve.

The Shed was a quirky, rented mobile unit with removeable appliances, stainless steel benches, splash backs and equipment which were funded by a grant from The Community Foundation. The unit was powered by a generator located to the rear of the unit; fuel was stored in a double bunded tank which we also purchased as part of the project.

Whilst the shed was popular with visitors on sunny days, financially it was unsustainable. Without the grant funding input from Cumbria Community Foundation, the initiative would have represented a considerable loss. However, it did allow us to acquire several assets which could make any future initiatives more sustainable, particularly the fridge units, generator and diesel tank. We also learnt a great deal about what works and what doesn't, this will stand us in good stead for future developments.

**Catering services menu**

We have expanded our menu to include full meals. Predominantly we offer sandwiches, paninis, soup, and savoury pastries complimented by homemade cakes, snacks, and hot & cold drinks.

The Menu now provides catering options to a wider audience. 'Kids' bags have proved extremely popular to families on a day visit, our soup is always vegan and gluten free, we stock gluten free bread for sandwiches, and we always have at least one gluten free, vegan cake or traybake on offer. We intend to expand this range in the future as we have identified that our varied clientele have a range of different needs which we are able to cater for.

**Education Services**

**Quantity of school session attendees per year: 15**

Going forward, a more accurate record is being kept recording the number of children attending school sessions.

**Diversity of Education groups:**

Visits from primary schools across North and West Cumbria. Visits from Brathay Trust and Kirby Moor School.

**Revenue from Education activities: £5,355.64**

£1,656.64 income from school visits. Source QuickBooks MNGT 2021/22 total income C2.

£3,699 income from Kids Club sessions in Easter and Summer Holiday 2021. Source QuickBooks MNGT 2021/22 total income C3.



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**Trustees' Report for the Year Ended 31 March 2022**

**Health and Wellbeing Services**

**Introduction of new health sessions:**

Woodland Wellbeing piloted in November 2021, in collaboration with local NHS prescribing groups comprising Hazel Stewart (Living Well Advisor) and Dr Sally Brading (General Practitioner). Dodd and Co attended to experience a pilot corporate Woodland Wellbeing session to test the viability of rolling out corporate sessions to fund the overall Woodland Wellbeing project.

**Diversity of session content:**

Woodland Wellbeing sessions joined our existing Walking for Health provisions under Health and Wellbeing.

**Setup of direct prescribing pathways**

Links forged with Wigton Medical Practice and their Living Well Advisors, headed by Hazel Stewart and Dr Sally Brading.

**Quantity of direct prescribed patients: 80**

During the Woodland Wellbeing Pilot in Autumn 2021, ten people signed up as participants, six volunteers delivered the sessions, with two guest facilitators.

**Marketing**

**Sponsorship and donator performance**

Key sponsors for this period include:

David Allen Financial Services who contributed towards the signage of the Health and Wellbeing Trail

Dodd & Co Accountants sponsored the Solway Cycle Challenge at a cost of £500

Outdoor furniture (tables and benches) donated by Solway Instruments – value £1,600

**Donation box contributions**

£15,833 - Source MNGT Report 2021/22 total income N1

**Number of corporate supporters and value**

Calendar Supporters - 48 @ £50 = £2 400.00

H&H Reeds, Carlisle Plastering, First Engineering, Chrysalis Wholefoods, The Crescent Bar, Compass, Dalston Pharmacy, MH Electrical, Johns Plaice, Solway Crown and Bridge, 54 Degrees Sport, The Wellington Pub and Caravan Park, Carrock Meats, Ian Ritchie Land Agents, Peter Tyson, Rosebank Sawmill, Jills Jams, Paul Benson Accountants, Poltross, Hesketh Ecology, Wallsend, Guesthouse and Camping Pods, Mallinsons, Thornfield Camping Cabins, Weldtech UK, Craig Robinson Vets, Oddfellows Arms, Brampton Wood Fuels, Bendles Solicitors, ACP- Computing, Cumbria Computer Repairs, Alternative Takeaway, Chris Davidson Carpets, M&B Motor Body Repairs, Crumbs, Grays Kennels, Dalston Aggregates, C Carruthers & Son Ltd, NFU Mutual, Cranstons, Lloyds Ltd Carlisle, Mulholland's Butchers, Carr's Billington, Certas Energy UK Ltd, Thomas Graham & Sons Ltd, Harrison and Hetherington Ltd, David Allen, Pro Paintball.

**Habitat and Estates**

**Condition and suitability of storage, workshop, and office facilities.**

In March 2020 our access to the Defra treatment works, where we previously housed all our Habitat and Estates equipment and workshop facilities, was revoked and to date has not been reinstated. Currently we are operating in makeshift accommodation on the Northern perimeter of the reserve in front of Pow Wood comprising a large wooden shed, known as the John Muir Hut, and a 40ft by 8 ft shipping container.

The shipping container was moved out of the compound to near the John Muir Hut (JMH) in early 2022, it is purely a secure store for the Estates Team.

The John Muir Hut houses all our other tools and is also where the team have their lunch break. We have no power at either facility, so we rely on battery powered tools which are charged down at the portacabin and cycle workshop.

**Watchtree Nature Reserve Limited**  
**Trustees' Report for the Year Ended 31 March 2022**

We have purchased and installed 4 concrete storage bays for substrates, these are located alongside the shipping container. These are a great improvement to the unorganised heaps which were beginning to litter the reserve.

The concrete runway adjacent to Pow Wood has been cleared to allow sufficient space for volunteers to park vehicles whilst on site. This means that they are almost entirely based in that area despite its limited facilities.

**Quantity of new habitat and species management objectives**

We are constantly striving to maintain habitat and create new habitats guided by information supplied, using working practices that are effective and safe. E.g., we cut the reeds blocking the view from the lake hide in summer last year rather than in winter. Research showed this to be a more efficient method of reed control. We left two piles of cut reeds in situ to provide extra habitat at the shore edge. Lake levels were low which enabled the work to be carried out with the bar cutter, so it was much quicker and safer, and caused less disturbance to wild fowl.

In February 2022 we were accepted into the Sustainable Farming Incentive (SFI) within which are specific objectives relating to habitat management. SFI is the first of 3 new environmental schemes being introduced by UK government under the Agricultural Transition Plan. The other 2 schemes are Local Nature Recovery and Landscape Recovery.

SFI aims to help farmers manage land in a way that improves food production and is more environmentally sustainable.

We are included in SFI for Low and No Input Grasslands, Hedgerows and Woodlands. These new objectives align with our existing habitat management plan.

**Ecological Survey Results**

Currently we are not in a position to obtain, collate and report these figures.

**Environmental Sustainability**

**Quantity of fossil fuels used: 1,075 litres**

515 litres of fuel petrol purchased for use in ATV, lawn mowers, strimmer etc.

560 litres of red diesel to power outdoor catering unit.

**Quantity of energy produced: 0**

We currently have no method of producing our own energy.

**Quantity of general waste produced: 120 cubic meters**

10 cubic meter Biffa skip emptied 12 times per year.

This skip contains general waste from Watchtree Nature Reserve and Mitie.

**Quantity of waste recycled and reused: 26.34%**

Fortnightly collection of 1.1 cubic meter cardboard recycling - 28.6 cubic meters per year

Monthly collection of 1.1 cubic meter glass and can recycling - 14.3 cubic meters per year

Total refuse recycled 42.9

26.34% of our refuse is recycled

Additional data

We sold 600kg's of scrap metal to Mountelm Recycling Services

We purchased the following recycled products:

6 x recycled plastic refuse collection bins

12 x recycled plastic benches

**Watchtree Nature Reserve Limited**  
**Trustees' Report for the Year Ended 31 March 2022**

**Implementation of consumable products purchasing policy**

Purchasing Policy to be written and implemented in 2022.

**Delivery miles of our consumable products**

There are currently no accurate records of our food delivery miles.

**What's next?**

The biggest task for 2022/23 is to finalise and secure a new lease between Watchtree Nature Reserve Ltd and Defra for the land on which we operate, there is currently 7 years left on our existing lease. However, we are now struggling to secure funding for new projects based on the length of our tenure.

In addition to this, we must find a solution to our Habitat and Estates Team storage and workshop accommodation. In the short term we have plans to repurpose the generator purchased for catering to provide power to the John Muir Hut, but long term the facilities are unsuitable. Our intention is to fund and build a new workshop facility which produces and stores its own renewable energy.

Elsewhere on the reserve we will continue to develop and improve in all areas, the Elemental Garden is due a makeover and we have some additional support on offer from Balfour Beattie for this.

The Watchtree Wheelers are eagerly awaiting their new fleet cycles which will bring the whole facility up to an impeccable standard, apart from the accommodation it is situated in - which is another major development which needs to be addressed sooner rather than later.


We have recently welcomed Leanne Fisher to the team, Leanne will be heading up our Education and Wellbeing services and has already made a considerable impact on this area of work. I trust that Leanne's enthusiasm will drive both these areas forward considerably and I look forward to what we can achieve.

Above all we intend to keep doing what we do so well, supporting our local wildlife and community as well as we can!

**Small company provisions**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 8 September 2022 and signed on its behalf by:



C M Tinker  
Trustee



R W S Speirs  
Trustee



## **Watchtree Nature Reserve Limited**

### **Trustees' Responsibilities in relation to the Financial Statements**

The trustees (who are also directors of Watchtree Nature Reserve Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and the Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



**Independent Examiner's Report to the Trustees of  
Watchtree Nature Reserve Limited**

I report on the accounts of the company for the year ended 31 March 2022, 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 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.

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

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 2011 Act;
- follow the procedures laid down in the General Directions given by the Charity Commission under section 145 (5) (b) of the 2011 Act; and
- 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 seeking 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 requirements:
  - 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 Charitieshave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

  
Joanne Thomlinson FCA  
Dodd & Co Limited  
Chartered Accountants

8 September 2022

FIFTEEN Rosehill  
Montgomery Way  
Rosehill Estate  
CARLISLE  
CA1 2RW

**Watchtree Nature Reserve Limited**

**Statement of Financial Activities (including Income and Expenditure  
Account and Statement of Total Recognised Gains and Losses) for the Year  
Ended 31 March 2022**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
<b>Income</b>					
Donations and legacies	2	47,778	25,190	72,968	78,390
Other trading activities	3	16,447	-	16,447	15,861
Investment income	4	5,191	-	5,191	5,352
Charitable activities	5	219,267	1,308	220,575	87,109
Total income		288,683	26,498	315,181	186,712
<b>Expenditure</b>					
Charitable activities		261,178	45,617	306,795	211,201
Total expenditure		261,178	45,617	306,795	211,201
Gains/(losses) on investment assets		11,801	-	11,801	68,526
Net income/(expenditure)		39,306	(19,119)	20,187	44,037
<b>Reconciliation of funds</b>					
Total funds brought forward		471,232	48,099	519,331	475,294
Total funds carried forward		510,538	28,980	539,518	519,331

All of the Charity's activities derive from continuing operations during the above periods.

**Watchtree Nature Reserve Limited**  
**Company registration number: 05214585**  
**Balance Sheet as at 31 March 2022**

		2022		2021	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		71,640		40,278
Investments	12		286,187		273,149
			<u>357,827</u>		<u>313,427</u>
<b>Current assets</b>					
Stocks and work in progress		500		-	
Debtors	13	22,656		6,131	
Cash at bank and in hand		<u>179,315</u>		<u>211,348</u>	
		202,471		217,479	
<b>Creditors: Amounts falling due within one year</b>	14	<u>(20,780)</u>		<u>(11,575)</u>	
<b>Net current assets</b>			<u>181,691</u>		<u>205,904</u>
<b>Net assets</b>			<u>539,518</u>		<u>519,331</u>
<b>The funds of the charity:</b>					
<b>Restricted funds</b>			28,980		48,099
<b>Unrestricted funds</b>					
Unrestricted income funds			<u>510,538</u>		<u>471,232</u>
<b>Total charity funds</b>			<u>539,518</u>		<u>519,331</u>

For the financial year ended 31 March 2022, the charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 8 September 2022 and signed on its behalf by:



R W S Speirs  
Trustee

## **Watchtree Nature Reserve Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

#### **1 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

##### **Basis of preparation**

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

##### **Going concern**

These financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

##### **Fund accounting policy**

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Further details of each fund are disclosed in note 18.



## **Watchtree Nature Reserve Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

..... continued

#### **Income and endowments**

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the Charity before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measured with a degree of reasonable accuracy and the title to the asset having been transferred to the Charity.

Income from Government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Cafe income and income derived from events is recognised as earned (that is, as the related goods or services are provided).

Investment income is recognised on a receivable basis.

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

#### **Expenditure**

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### **Support costs**

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

#### **Irrecoverable VAT**

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

#### **Taxation**

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Fixed assets**

Individual fixed assets costing £100 or more are initially recorded at cost.

## Watchtree Nature Reserve Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

..... continued

#### Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Plant and machinery	25% reducing balance basis
Fixtures and fittings	25% reducing balance basis
Computer equipment	25% reducing balance basis

#### Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of the financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

#### Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

#### Trade Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due according to the original terms of the receivables.

#### Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### Liabilities

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### Operating leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

#### Pensions

The charity operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

# **Watchtree Nature Reserve Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2022**

..... continued

### **Financial instruments**

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Charity after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

## **2 Donations and legacies**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
<b>Donations and legacies</b>				
Appeals and donations	21,524	2,304	23,828	15,852
Calendar donations and sponsorship	5,366	-	5,366	4,104
	<u>26,890</u>	<u>2,304</u>	<u>29,194</u>	<u>19,956</u>
<b>Grants</b>				
UK Government grants	386	-	386	44,434
Cumbria Community Foundation	20,502	3,386	23,888	-
Adaptive Fleet Replacement	-	19,500	19,500	14,000
	<u>20,888</u>	<u>22,886</u>	<u>43,774</u>	<u>58,434</u>
	<u>47,778</u>	<u>25,190</u>	<u>72,968</u>	<u>78,390</u>

Of the donations and legacies income in 2021, £64,390 related to unrestricted funds and £14,000 related to restricted funds.



**Watchtree Nature Reserve Limited**  
**Notes to the Financial Statements for the Year Ended 31 March 2022**

..... continued

**3 Other trading activities**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Sale of bikes and parts	16,447	-	16,447	15,861

All of the other trading activities income in 2021 related to unrestricted funds.

**4 Investment Income**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Dividends and interest received	4,494	-	4,494	4,593
Bank interest	697	-	697	759
	5,191	-	5,191	5,352

All of the investment income in 2021 related to unrestricted funds.

**5 Charitable activities**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Membership	21,132	-	21,132	21,076
Cycle income	51,303	1,308	52,611	16,175
Cafe Sales	122,688	-	122,688	29,377
Grazing income	1,658	-	1,658	2,000
Education and events income	12,816	-	12,816	8,453
Other income	9,670	-	9,670	10,028
	219,267	1,308	220,575	87,109

All of the income from charitable activities in 2021 related to unrestricted funds.

**Watchtree Nature Reserve Limited**  
**Notes to the Financial Statements for the Year Ended 31 March 2022**

..... continued

**6 Expenditure**

	Nature reserve activities	Investment managem - ent	Total 2022	Total 2021
	£	£	£	£
<b>Direct costs</b>				
Purchases	68,023	-	68,023	22,450
Wages and salaries	158,016	-	158,016	123,903
Staff NIC (Employers)	4,163	-	4,163	2,828
Staff pensions	6,143	-	6,143	5,290
Land maintenance	558	-	558	262
Portfolio management costs	-	2,804	2,804	2,327
Insurance	4,515	-	4,515	1,602
Repairs and maintenance	11,559	-	11,559	18,858
Hire of plant and machinery	3,844	-	3,844	754
Depreciation of plant and machinery	17,498	-	17,498	12,181
	<u>274,319</u>	<u>2,804</u>	<u>277,123</u>	<u>190,455</u>
<b>Support costs</b>				
Staff training	2,305	-	2,305	500
Volunteer expenses	162	-	162	203
Telephone and fax	1,212	-	1,212	1,241
Computer software and maintenance costs	2,172	-	2,172	2,254
Printing, postage and stationery	506	-	506	882
Sundry expenses	2,369	-	2,369	2,384
Advertising	2,581	-	2,581	4,104
Accountancy fees	4,673	-	4,673	3,849
Independent examiner's fee	500	-	500	500
Legal and professional fees	3,429	-	3,429	2,141
Bank charges	4,836	-	4,836	2,688
(Profit)/loss on sale of tangible fixed assets held for charity's own use	<u>4,927</u>	<u>-</u>	<u>4,927</u>	<u>-</u>
	<u>29,672</u>	<u>-</u>	<u>29,672</u>	<u>20,746</u>
	<u>303,991</u>	<u>2,804</u>	<u>306,795</u>	<u>211,201</u>

Of the expenditure in 2021, £185,603 related to unrestricted funds and £25,598 related to restricted funds.

**7 Governance costs**

	2022	2021
	£	£
Accountancy fees	4,673	3,849
Independent examiner's fee	500	500
Legal and professional fees	3,429	2,141
Portfolio management fees	<u>2,804</u>	<u>2,327</u>
	<u>11,406</u>	<u>8,817</u>

**Watchtree Nature Reserve Limited**  
**Notes to the Financial Statements for the Year Ended 31 March 2022**

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**8 Trustees' remuneration and expenses**

During the year no trustees were reimbursed expenses (2021: £nil). No trustees received any remuneration during the year.

**9 Net income/(expenditure)**

Net income/(expenditure) is stated after charging:

	2022 £	2021 £
Loss/(profit) on disposal of tangible fixed assets	4,927	-
Depreciation of tangible fixed assets	17,498	12,181
	<u>17,498</u>	<u>12,181</u>

**10 Employees' remuneration**

The monthly average number of persons (including senior management) employed by the charity during the year was as follows:

	2022 No.	2021 No.
Charitable activities	13	13
	<u>13</u>	<u>13</u>

The aggregate payroll costs of these persons were as follows:

	2022 £	2021 £
Wages and salaries	158,016	123,903
Social security	4,163	2,828
Other pension costs	6,143	5,290
	<u>168,322</u>	<u>132,021</u>

No employee received emoluments of more than £60,000 during the year.

The key management personnel comprise the Trustees. The total employee benefits of the key management personnel of the Charity were £nil (2021 - £nil).

**Watchtree Nature Reserve Limited**  
**Notes to the Financial Statements for the Year Ended 31 March 2022**

..... continued

**11 Tangible fixed assets**

	Plant and machinery including motor vehicles £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>			
As at 1 April 2021	43,383	86,010	129,393
Additions	43,143	10,645	53,788
Disposals	(12,921)	(6,770)	(19,691)
As at 31 March 2022	<u>73,605</u>	<u>89,885</u>	<u>163,490</u>
<b>Depreciation</b>			
As at 1 April 2021	28,619	60,497	89,116
Eliminated on disposals	(8,407)	(6,357)	(14,764)
Charge for the year	9,457	8,041	17,498
As at 31 March 2022	<u>29,669</u>	<u>62,181</u>	<u>91,850</u>
<b>Net book value</b>			
As at 31 March 2022	<u>43,936</u>	<u>27,704</u>	<u>71,640</u>
As at 31 March 2021	<u>14,764</u>	<u>25,513</u>	<u>40,277</u>

**12 Investments held as fixed assets**

	Listed investments £
<b>Market value</b>	
As at 1 April 2021	273,149
Revaluation	6,852
Additions	7,841
Disposals	(1,655)
As at 31 March 2022	<u>286,187</u>
<b>Net book value</b>	
As at 31 March 2022	<u>286,187</u>
As at 31 March 2021	<u>273,149</u>

All investment assets were held in the UK.

**Listed investments**

Investments having a net book value of £286,187 (2021 - £273,149) are listed on a recognised stock exchange and had a market value of £286,187 at the end of the year (2021 - £273,149).

**Watchtree Nature Reserve Limited**  
**Notes to the Financial Statements for the Year Ended 31 March 2022**

..... continued

**13 Debtors**

	2022 £	2021 £
Trade debtors	755	216
Other debtors	-	3,017
Prepayments and accrued income	21,901	2,898
	<u>22,656</u>	<u>6,131</u>

**14 Creditors: Amounts falling due within one year**

	2022 £	2021 £
Trade creditors	4,347	-
Taxation and social security	3,663	1,034
Accruals and deferred income	12,770	10,541
	<u>20,780</u>	<u>11,575</u>

Creditors amounts falling due within one year includes deferred income:

	2022 £	2021 £
As at 1 April 2021	8,092	11,667
Amount deferred in the year	1,843	(3,575)
As at 31 March 2022	<u>9,935</u>	<u>8,092</u>

**15 Members' liability**

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

**16 Pension scheme**

**Defined contribution pension scheme**

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £6,143 (2021 - £5,290).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

**Watchtree Nature Reserve Limited**  
**Notes to the Financial Statements for the Year Ended 31 March 2022**

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**17 Related parties**

**Controlling entity**

The charity is controlled by the trustees who are all directors of the company.

**18 Analysis of funds**

	At 1 April 2021	Incoming resources	Resources expended	Other recognised gains/losses	At 31 March 2022
	£	£	£	£	£
<b>General Funds</b>					
General unrestricted funds	471,232	288,683	(261,178)	11,801	510,538
<b>Restricted Funds</b>					
Trail Project	18,900	-	-	-	18,900
Education Peoples Project	12,732	3,772	(11,450)	-	5,054
Kitchen Refurbishment	1,467	-	(440)	-	1,027
Staff Training	1,000	-	(1,000)	-	-
Adaptive Fleet Replacement	14,000	22,726	(32,727)	-	3,999
	<u>48,099</u>	<u>26,498</u>	<u>(45,617)</u>	<u>-</u>	<u>28,980</u>
	<u>519,331</u>	<u>315,181</u>	<u>(306,795)</u>	<u>11,801</u>	<u>539,518</u>

Trail Project: The fund is being used to re-surface existing multi-use trails to improve the recreation Watchtree Nature Reserve offers to the community making it accessible to all.

The Education People's Project: A National Lottery fund used to improve education at Watchtree.

Kitchen Refurbishment: A fund to update the facilities in the reserve Cafe's kitchen to widen it's appeal and increase it's capabilities.

Staff Training: A grant received to train some of the staff at Watchtree in the use of strimmers and bushcutters.

Adaptive Fleet Replacement: The fund is being used to replace the current adaptive bike fleet.



**Watchtree Nature Reserve Limited**  
**Notes to the Financial Statements for the Year Ended 31 March 2022**

..... continued

**Prior period**

	At 1 April 2020	Incoming resources	Resources expended	Transfers	Other recognised gains/losses	At 31 March 2021
	£	£	£	£	£	£
<b>General Funds</b>						
Unrestricted income fund	406,140	172,712	(185,603)	9,457	68,526	471,232
<b>Restricted Funds</b>						
Trail Project	21,249	-	(2,349)	-	-	18,900
Education Peoples Project	37,574	-	(18,695)	(6,147)	-	12,732
Kitchen Refurbishment	9,331	-	(4,554)	(3,310)	-	1,467
Staff Training	1,000	-	-	-	-	1,000
Adaptive Fleet Replacement	-	14,000	-	-	-	14,000
	<u>69,154</u>	<u>14,000</u>	<u>(25,598)</u>	<u>(9,457)</u>	<u>-</u>	<u>48,099</u>
	<u>475,294</u>	<u>186,712</u>	<u>(211,201)</u>	<u>-</u>	<u>68,526</u>	<u>519,331</u>



**Watchtree Nature Reserve Limited**  
**Notes to the Financial Statements for the Year Ended 31 March 2022**

..... continued

**19 Net assets by fund**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2022</b>	<b>Total Funds 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible assets	71,640	-	71,640	40,278
Investments	286,187	-	286,187	273,149
Current assets	173,491	28,980	202,471	217,479
Creditors: Amounts falling due within one year	(20,780)	-	(20,780)	(11,575)
Net assets	<u>510,538</u>	<u>28,980</u>	<u>539,518</u>	<u>519,331</u>

**Prior period**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2021</b>	<b>Total Funds 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible assets	40,278	-	40,278	45,704
Investments	273,149	-	273,149	204,339
Current assets	169,380	48,099	217,479	241,880
Creditors: Amounts falling due within one year	(11,575)	-	(11,575)	(16,629)
Net assets	<u>471,232</u>	<u>48,099</u>	<u>519,331</u>	<u>475,294</u>