

Company registration number: 07424020

Charity registration number: 1139328

KIELDER WATER & FOREST PARK DEVELOPMENT TRUST

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2022

Kielder Water & Forest Park Development Trust

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Kielder Water & Forest Park Development Trust

Reference and Administrative Details

Trustees	P J V Cockerill (resigned 31 October 2022) C M Green (resigned 20 November 2021) D Hall H Mottram N A Gates (resigned 31 March 2022) K May J I Hutchinson I Jackson M Pratt C Robson Homer (appointed 9 June 2021 and resigned 31 May 2022) P C Standfield C J Johns J Morrison-Bell (resigned 31 March 2022) M Holroyd A M Charlton (appointed 20 November 2021)
Registered Office	Northumbria House Abbey Road Pity Me Durham County Durham DH1 5FJ
Company Registration Number	07424020 The charity is incorporated in England and Wales.
Charity Registration Number	1139328
Auditor	Azets Audit Services Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Bankers	Natwest 16 Northumberland Street Newcastle upon Tyne NE1 7EL

Kielder Water & Forest Park Development Trust

Trustees' Report

Structure, governance and management

Nature of governing document

Kielder Water & Forest Park Development Trust ("the Charity") is a company limited by guarantee. It does not have share capital.

The company was incorporated on 29th October 2010 and registered as a Charity with the Charity Commission on 15th December 2010.

It is governed by its Articles of Association, which were last amended on 4th February 2013.

The company is administered by a board of directors which meets quarterly.

In accordance with the Articles of Association, there must be a minimum of three and a maximum of 20 directors. Each must be a natural person aged 18 or over and is also a trustee of the Charity.

Recruitment and appointment of trustees

The first directors were appointed by the founding members. Each member (including the founding members) is entitled to appoint two directors and to remove and replace them from time to time.

The board may from time to time by unanimous agreement co-opt as a director/trustee any person willing to act. Co-opted directors/trustees may serve for up to one year, after which time they shall cease to hold office. Such co-opted directors/trustees may serve for further one-year terms by the unanimous agreement of the board.

A director may not appoint an alternate director or anyone to act on his or her behalf at meetings of the board.

Arrangements for setting key management personnel remuneration

The trustees give their time freely and received no remuneration in the year. They have considered who the Key Management Personnel (KMP) of the Charity are and concluded that there are none aside from the trustees themselves.

The Charity does not employ any staff directly. All staff who run the day-to-day operations of the Charity are provided by member organisations via service level agreements with the Charity. Remuneration for staff is set by the relevant member organisation and recharged to the Charity. As a result of these arrangements the Charity is not responsible for review or benchmarking of remuneration for seconded staff. See note 9 for more details.

Organisational structure

The charitable company is administered by a board of trustees which meets quarterly. The board has service level agreements with members to provide staff to run the day to day operations of the charitable company. See note 9 for more details.

Kielder Water & Forest Park Development Trust

Trustees' Report

Objectives and activities

Objects and aims

The Charity was established:

(1) To promote sustainable development for the benefit of the public by:

- (a) the preservation, conservation and the protection of the environment and the prudent use of natural resources in the area surrounding Kielder Water and Kielder Forest ("Kielder"); and
- (b) the relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities at Kielder; and
- (c) the promotion of sustainable means of achieving economic growth and regeneration at Kielder;

(2) To provide or assist in the provision of facilities for public recreation and other leisure activities at Kielder in the interests of social welfare with the object of improving conditions of life of those using such facilities;

(3) To educate the public in all aspects of the natural environment at Kielder; and

(4) To advance the Arts by promoting the creation of works of art and presenting musical and dramatic performances.

Fundraising disclosures

The Charity is required to report how it deals with fundraising from the public. The Charity does not use a professional fundraiser or commercial participator to raise funds. Any monies raised direct from the public follow all guidelines set out by the Charity Commission and UK law in every respect. We respect the privacy and contact preferences of all public donors.

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

Management & Organisation

Graham Perry (Director) and Paul Nichol (Operations Manager) continued to lead and manage Trust affairs throughout the year following their introductions in October 2020. Secondment agreements are in place for them until the end of September 2022. At the time of writing, there is no confirmation of the secondment continuing, but it is anticipated that will be the case. It is confirmed that Hilary Norton, working on loan from Northumberland Wildlife Trust as Marketing and Project Development Co-ordinator will retire in September 2022. There are no immediate plans to fill that role in the short term, with the Trust intending to focus on future staff structures and resources in the latter part of 2022.

With Covid still a significant consideration throughout the year, officers continued to work almost exclusively from home.

Kielder Water & Forest Park Development Trust

Trustees' Report

At board and governance level, Chris Green stepped down from his role as Chair of Calvert Kielder and as board member of the Trust in November 2021. He had been a trustee since the formation of the Trust and prior to that, was a long serving member of the Kielder Partnership Board before it became a Charity. His position has been filled by Anna Charlton who is a local resident and operator of the very successful Hesleyside Huts accommodation business operating within the local area.

In June 2021, Councillor Cath Homer was re-appointed as a director and trustee and resigned 31 May 2022.

Tony Gates and Julian Morrison-Bell resigned from the board on 31 March 2022 when Northumberland National Park Authority ceased to be a member of the Trust.

Marketing

With the Covid-19 pandemic still an influential factor on visitor motivations and activities in 2021-22, the Trust chose not to produce printed promotional materials and continued using social media as a valuable communication vehicle for providing advice and information to large numbers of visitors, keen to immerse themselves in the countryside after a lengthy period of restrictions.

Social media was also of great value in the aftermath of Storm Arwen in November 2021, which brought down many thousands of trees, closing some facilities and large parts of the trails network. It enabled the Trust working in collaboration with its partners to communicate closures, limited access, safety information and subsequent re-openings of routes and facilities.

Both the Visit Kielder website and Kielder Art & Architecture website have functioned on ageing operating systems for some considerable time, with only limited technical support available. As the main Visit Kielder site is a fundamentally important information and marketing tool, the Trust management team has begun to explore a new platform and all-encompassing single website solution. It is anticipated that the information will be transferred to a new platform in late 2022 with content and functionality subsequently being amended and improved to match modern visitor expectations.

The transition to a new website hosting arrangement provides an ideal opportunity to introduce a new Kielder brand and logo. The existing mark has been in use for more than 15 years and is considered outdated by several parties. Alternative propositions are under consideration.

Kielder enjoyed star billing on national TV through the 4-part series, "Secret Life of The Forest" which was broadcast from November into December, on Channel 5. The series was filmed over the course of a year and told the story of Kielder Forest across the four seasons, using some highly impressive imagery.

A BBC Countryfile episode broadcast in December was based in Kielder and focused on the management of the forest, from harvesting through to preserving and enhancing our wildlife. An insight into Northumberland's geology was also presented by Trust board member, Ian Jackson.

Kielder Water & Forest Park Development Trust

Trustees' Report

Strategic Planning

Armed with previously acquired feedback and evaluation from partners and stakeholders, and as a next step from the completion of a new Trust manifesto, an outline strategic development plan for Kielder has been agreed by the Trust Board. The plan focuses on:

- Delivering additional reasons to visit Kielder (new attractions, products, experiences, and services)
- Increasing visitor access and mobility
- Supporting our various communities (geographical/ place, interest & action)
- Presenting Kielder as an exemplar environmental destination.

The Trust management team has commenced discussions with economic growth colleagues at Northumberland County Council to activate support mechanisms needed to secure investors, developers, and funding. The Trust team has also actively engaged with accommodation developers, a major attractions investor and facilities developers.

Art & Architecture Programme

The ambitious underground experiential project at Kielder Waterside, Human Burrow (formerly referenced as Human Den) was completed in September with the final RDPE (Rural Development Programme for England) claim of £122,005 out of a possible £123,456, being successfully received as eligible expenditure. As part of the funding agreement, the Trust is required to provide an annual report on the project over the next 5 years.

Following Covid related and assembly delays, Tethered Cloud within the Kielder Waterside location was completed in February. Northumbrian Water have reimbursed the Trust with the full expenditure, making this a cost neutral addition for the Trust and the art and architecture programme.

A new programme, funded by Arts Council England, commenced in November and by April 2023 will deliver:

- A shelter/ structure at Purdom Pile
- Digital residency outputs
- Continuation and extension of the Kielder Brag outreach
- Preparation of a future development proposal

The programme also encompasses a project at Calvert Kielder in which Newcastle University architecture students will design and build a space to be enjoyed by disabled guests and their families. This collaboration helps to cultivate young talent, providing opportunities for students to develop creative and practical skills through a live build project.

The Kielder studio and workshop has been out of operation for some considerable time, initially due to a heating breakdown and an unresolved water ingress issue. The Trust management team has taken this opportunity to review its need for this facility and decided to vacate the premises in Summer 2022 to avoid incurring additional premises costs that would otherwise be levied by the landlord as part of a revised lease.

The Trust is aware of a potential break clause in the landlord lease for the entire Rivermead workshop development which contains the studio and workshop. This would leave the premises and the related obligations with Kielder Parish Council which will be a difficult task for such a small rural body.

Kielder Water & Forest Park Development Trust

Trustees' Report

The Trust is aware that by vacating the studio and workshop, it is potentially increasing the vulnerability of the premises and is therefore attempting to facilitate discussions with the landlord, Advance Northumberland and Kielder Parish Council around a secure solution that would ultimately benefit the local geographical community.

Financial review

Policy on reserves

The calculation of free reserves is based on the definition included in the Charities Statement of Recommended Practice (SORP), which provides recommendations for accounting and reporting for charities. The trustees have reviewed the Charity's requirement to hold free reserves – i.e. those reserves not invested in tangible fixed assets, excluding long term liabilities, or designated for a particular purpose. This exercise considered both the normal requirements for working capital and the loss of income of a hypothetical but reasonable reduction in the scale of operations. It also considered the need to retain capacity to deliver the current programme to which the Trust is committed.

Resulting from this, the trustees considered it would be appropriate to hold the equivalent of six months' operational running costs which would equate to holding approximately £57,000 in free reserves.

At the year end, free reserves were £76,731 (2021 - £71,593), an increase of £5,138 in the year.

The Charity has strong positive cash balances and expects this to continue to be the case, despite the anticipated challenges of securing grant funding in the current economic climate. Project work is only undertaken once all necessary funding has been secured, and the Charity's staffing arrangements are flexible enough to be adjusted at short notice if required. The trustees are therefore satisfied that there are no material uncertainties that would cast significant doubt on the Charity's ability to continue as a going concern for at least twelve months from the date of approval of these accounts.

Kielder Water & Forest Park Development Trust

Trustees' Report

Plans for future periods

The Trust will continue to pursue evidence and opportunities to aid the implementation of its revised strategic ambitions, as revealed by wide ranging consultative discussions in 2021. Those ambitions are aligned to the charitable objectives.

Initial feedback from the 2022 Kielder visitor survey indicates the strategy is very much in line with customer opinion and provides an essential checkpoint and motivation to move onto a commissioning a masterplan, the next stage of validation.

The masterplan will be a dynamic long-term planning document, providing a conceptual layout to guide future growth and development and will include analysis, recommendations, and proposals for the destination's current and aspired visitor facilities and infrastructure, economy, transportation, community facilities, and land use. It will be based on people input, surveys, planning initiatives, existing development, physical characteristics, and social and economic conditions.

The visitor survey data, combined with a robust masterplan, will be vital in justifying funding, both from within the Trust partners and from external sources, to implement the strategic outcomes.

The 2022 visitor survey confirms a necessity to develop and improve outdated information resources to match modern visitors' expectations. The trust will therefore push ahead, as a priority set of actions, to:

- Develop and implement a new Visit Kielder website
- Commission new photography and film for marketing, communications and public relations purpose
- Create and implement new Kielder branding
- Update and replace outdated and degraded signage infrastructure around the destination

While leading on destination ambitions, the Trust will continue to support the destination, partners and stakeholders in practical ways by bringing the current art and architecture programme to a successful conclusion and providing project and financial management for a new Northumberland County Council funded visitor trails development project, with the team working in collaboration with organisations outside of the Trust and communities of interest.

As the organisation enters its third year with the current management structure, reducing any inference of a temporary position, it will take time in early 2023 to review its governance arrangements and resources to place the Trust in the best possible position to move ahead with its ambitions for the destination and local economy.

Kielder Water & Forest Park Development Trust

Trustees' Report

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Kielder Water & Forest Park Development Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the 'Charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

Azets Audit Services Limited, trading as Azets Audit Services, were appointed auditor to the charitable company following their acquisition of the trade of Tait Walker LLP, trading as MHA Tait Walker, on 1 May 2022.

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the Charity is to be proposed at the forthcoming Board Meeting.

The annual report was approved by the trustees of the Charity on12/12/22 and signed on its behalf by:



.....
H Mottram
Trustee

Kielder Water & Forest Park Development Trust

Independent Auditor's Report to the Members of Kielder Water & Forest Park Development Trust

Opinion

We have audited the financial statements of Kielder Water & Forest Park Development Trust (the 'charity') for the year ended 31 March 2022, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Kielder Water & Forest Park Development Trust

Independent Auditor's Report to the Members of Kielder Water & Forest Park Development Trust

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Kielder Water & Forest Park Development Trust

Independent Auditor's Report to the Members of Kielder Water & Forest Park Development Trust

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management, about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety and compliance with both the UK Companies Act and UK Charities Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Kielder Water & Forest Park Development Trust

Independent Auditor's Report to the Members of Kielder Water & Forest Park Development Trust

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Brown BA ACA DChA (Senior Statutory Auditor)

For and on behalf of Azets Audit Services,
Chartered Accountant and Statutory Auditor

Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date:.....13/12/2022.....

Azets Audit Services is a trading name of Azets Audit Services Limited

Kielder Water & Forest Park Development Trust

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

		Unrestricted		Total	Total
	Note	General £	Restricted £	2022 £	2021 £
Income and Endowments from:					
Donations and legacies	3	54,367	172,063	226,430	189,098
Charitable activities	4	<u>117,040</u>	<u>25,246</u>	<u>142,286</u>	<u>148,879</u>
Total Income		<u>171,407</u>	<u>197,309</u>	<u>368,716</u>	<u>337,977</u>
Expenditure on:					
Charitable activities	5	<u>(156,420)</u>	<u>(127,224)</u>	<u>(283,644)</u>	<u>(274,956)</u>
Total Expenditure		<u>(156,420)</u>	<u>(127,224)</u>	<u>(283,644)</u>	<u>(274,956)</u>
Net income		<u>14,987</u>	<u>70,085</u>	<u>85,072</u>	<u>63,021</u>
Net movement in funds		14,987	70,085	85,072	63,021
Reconciliation of funds					
Total funds brought forward		<u>213,759</u>	<u>80,868</u>	<u>294,627</u>	<u>231,606</u>
Total funds carried forward	16	<u><u>228,746</u></u>	<u><u>150,953</u></u>	<u><u>379,699</u></u>	<u><u>294,627</u></u>

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

Kielder Water & Forest Park Development Trust

Comparative Statement of Financial Activities for the Year Ended 31 March 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2021 £
Income and Endowments from:				
Donations and legacies	3	62,188	126,910	189,098
Charitable activities	4	<u>120,151</u>	<u>28,728</u>	<u>148,879</u>
Total income		<u>182,339</u>	<u>155,638</u>	<u>337,977</u>
Expenditure on:				
Charitable activities	5	<u>(155,581)</u>	<u>(119,375)</u>	<u>(274,956)</u>
Total expenditure		<u>(155,581)</u>	<u>(119,375)</u>	<u>(274,956)</u>
Net income		26,758	36,263	63,021
Transfers between funds		<u>133,875</u>	<u>(133,875)</u>	-
Net movement in funds		160,633	(97,612)	63,021
Reconciliation of funds				
Total funds brought forward		<u>53,126</u>	<u>178,480</u>	<u>231,606</u>
Total funds carried forward	16	<u><u>213,759</u></u>	<u><u>80,868</u></u>	<u><u>294,627</u></u>

Kielder Water & Forest Park Development Trust

(Registration number: 07424020)

Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	143,209	133,360
Current assets			
Debtors	13	128,302	76,967
Cash at bank and in hand	14	108,188	84,300
		<u>236,490</u>	<u>161,267</u>
Net assets		<u>379,699</u>	<u>294,627</u>
Funds of the charity:			
Restricted income funds			
Restricted funds	16	150,953	80,868
Unrestricted income funds			
Unrestricted funds		<u>228,746</u>	<u>213,759</u>
Total funds	16	<u>379,699</u>	<u>294,627</u>

The financial statements on pages 13 to 28 were approved by the trustees, and authorised for issue on ~~.../2/12/2022~~ and signed on their behalf by:



.....
H Mottram
Trustee

Kielder Water & Forest Park Development Trust

Statement of Cash Flows for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash income		85,072	63,021
Adjustments to cash flows from non-cash items			
Depreciation		15,912	-
		<u>100,984</u>	<u>63,021</u>
Working capital adjustments			
(Increase)/decrease in debtors	13	(51,335)	65,447
Decrease in creditors		-	(31,395)
		<u>-</u>	<u>(31,395)</u>
Net cash flows from operating activities		49,649	97,073
Cash flows from investing activities			
Purchase of tangible fixed assets	12	(25,761)	(93,949)
		<u>(25,761)</u>	<u>(93,949)</u>
Net increase in cash and cash equivalents		23,888	3,124
Cash and cash equivalents at 1 April		84,300	81,176
		<u>84,300</u>	<u>81,176</u>
Cash and cash equivalents at 31 March		<u>108,188</u>	<u>84,300</u>

All of the cash flows are derived from continuing operations during the above two periods.

Kielder Water & Forest Park Development Trust

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

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, 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.

The address of its registered office is: Northumbria House, Abbey Road, Pity Me, Durham, County Durham, DH1 5FJ

2 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). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Kielder Water & Forest Park Development Trust 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.

The financial statements are prepared in sterling, which is the functional currency of the entity and rounded to the nearest pound.

Going concern

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

The Charity meets its day to day working capital requirements through cash generated from operations.

The Charity has strong positive cash balances and expects this to continue to be the case, despite the anticipated challenges of securing grant funding in the current economic climate. Project work is only undertaken once all necessary funding has been secured, and the Charity's staffing arrangements are flexible enough to be adjusted at short notice if required. The trustees are therefore satisfied that there are no material uncertainties that would cast significant doubt on the Charity's ability to continue as a going concern for at least twelve months from the date of approval of these accounts.

Kielder Water & Forest Park Development Trust

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

Estimation uncertainty and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accruals are calculated where a service has been provided but the Charity has not been invoiced before the year end.

Prepayments are calculated where an invoice has been provided in advance of the service taking place.

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:

Human Den 20% straight line

Income and endowments

Income includes amounts received under contract or, where entitlement to grant funding is subject to specific performance conditions, is recognised as it is earned (i.e. as the related goods or services are provided).

Donations and grant income are recognised where there is entitlement – e.g. when the Charity has been notified in writing of both the amount and settlement date – the receipt is probable and the amount can be measured with sufficient reliability.

In the event that a donation or grant is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is recognised as a liability and included on the balance sheet as deferred income 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 those conditions will be fulfilled in the reporting period.

Income from subscriptions is recognised as income upon receipt and is then deferred where the amount received is in respect of a period beyond the year end. Gift Aid in respect of subscriptions is recognised when the subscriptions are paid.

Where a gift in kind is given to the Charity and it can be reliably measured, the gift is shown as both voluntary income and expenditure on charitable activities.

Kielder Water & Forest Park Development Trust

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities. Refer to note 6 for further information on the basis for allocation.

Charitable activities

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.

Governance costs

These include the costs attributable to the Charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

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.

Tangible fixed assets

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

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:

Asset class	Depreciation method and rate
Human Den	20% straight line

Assets under the course of construction are not depreciated until the asset is completed and brought into use.

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.

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.

Kielder Water & Forest Park Development Trust

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

Trade creditors

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

Fund structure

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.

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2022 £
Grants, including capital grants;			
Grants	13,028	151,929	164,957
Gifts in kind	41,339	20,134	61,473
	<u>54,367</u>	<u>172,063</u>	<u>226,430</u>
	Unrestricted funds General £	Restricted funds £	Total 2021 £
Grants, including capital grants;			
Grants	12,799	103,326	116,125
Gifts in kind	49,389	23,584	72,973
	<u>62,188</u>	<u>126,910</u>	<u>189,098</u>

Gifts in kind total £61,473 (2021: £72,973). The income is shown as voluntary income and the expenditure is included as costs within Charitable Activities expenditure. The change in gifts in kind is due to the nature and timing of activities undertaken as part of externally funded projects.

Kielder Water & Forest Park Development Trust

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

4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2022 £
Service level agreements	116,736	-	116,736
Fundraising income	304	25,246	25,550
	<u>117,040</u>	<u>25,246</u>	<u>142,286</u>
	Unrestricted funds General £	Restricted funds £	Total 2021 £
Service level agreements	120,051	-	120,051
Fundraising income	100	28,728	28,828
	<u>120,151</u>	<u>28,728</u>	<u>148,879</u>

5 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total 2022 £
Art & Architecture		-	75,250	75,250
Big Picture		-	25,767	25,767
Human Den		-	26,207	26,207
General charitable activities		137,631	-	137,631
Governance costs	6	<u>18,789</u>	<u>-</u>	<u>18,789</u>
		<u>156,420</u>	<u>127,224</u>	<u>283,644</u>
	Note	Unrestricted funds General £	Restricted funds £	Total 2021 £
Art & Architecture		-	20,138	20,138
Big Picture		-	91,178	91,178
General charitable activities		144,438	-	144,438
Human Den		-	8,059	8,059
Governance costs	6	<u>11,143</u>	<u>-</u>	<u>11,143</u>
		<u>155,581</u>	<u>119,375</u>	<u>274,956</u>

Kielder Water & Forest Park Development Trust

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

6 Analysis of governance and support costs

The charitable company allocates costs direct to activities as far as possible, then identifies the remaining costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the key charitable activities undertaken in the year. The basis for apportionment and the analysis of support and governance costs is set out as follows:

Direct to governance: staff costs, establishment costs, audit fees, other professional fees, telephone and IT and administration costs.

Other expenses have been allocated 100% to direct charitable activity costs.

Governance costs

	Unrestricted General £	Total 2022 £
Staff costs		
Wages and salaries recharged	6,568	6,568
Audit fees		
Audit of the financial statements	3,847	3,847
Other governance costs	8,374	8,374
	<u>18,789</u>	<u>18,789</u>
	Unrestricted funds General £	Total 2021 £
Staff costs		
Wages and salaries	6,324	6,324
Audit fees		
Audit of the financial statements	45	45
Other governance costs	4,774	4,774
	<u>11,143</u>	<u>11,143</u>

7 Net incoming/outgoing resources

Net incoming/outgoing resources for the year include:

	2022 £	2021 £
Audit fees	<u>3,847</u>	<u>45</u>

Kielder Water & Forest Park Development Trust

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

8 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the Charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the Charity during the year.

9 Staff costs

The Charity does not directly employ any staff. Staff are provided through service level agreements between members and the Trust. The Charity is invoiced for all wages and salaries costs. Salaries of staff provided under the service level agreement are not disclosed as the Charity is not responsible for decisions on salary levels of the seconded staff.

During 2021/22 there were 4 staff seconded to the Trust.

As all personnel are provided under service level agreements the trustees confirm that the Charity has no Key Management Personnel who are remunerated directly by the Trust.

10 Auditors' remuneration

	2022 £	2021 £
Audit of the financial statements	<u>5,500</u>	<u>3,200</u>

The amount above represents the agreed fee for the financial year then ended irrespective of it being accrued into the accounts or not.

11 Taxation

The Charity is 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.

Kielder Water & Forest Park Development Trust

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

12 Tangible fixed assets

	Human Den £	Total £
Cost		
At 1 April 2021	133,360	133,360
Additions	<u>25,761</u>	<u>25,761</u>
At 31 March 2022	<u>159,121</u>	<u>159,121</u>
Depreciation		
Charge for the year	<u>15,912</u>	<u>15,912</u>
At 31 March 2022	<u>15,912</u>	<u>15,912</u>
Net book value		
At 31 March 2022	<u>143,209</u>	<u>143,209</u>
At 31 March 2021	<u>133,360</u>	<u>133,360</u>

13 Debtors

	2022 £	2021 £
Prepayments	-	895
VAT recoverable	2,711	16,805
Other debtors	<u>125,591</u>	<u>59,267</u>
	<u>128,302</u>	<u>76,967</u>

Other debtors include amounts due from Northumberland County Council totalling £125,591 (2021: £59,267). This balance represents the bank balance held by Northumberland County Council on behalf of the Charity.

14 Cash and cash equivalents

	2022 £	2021 £
Cash at bank	<u>108,188</u>	<u>84,300</u>

15 Commitments

Other financial commitments

The total amount of other financial commitments not provided in the financial statements was £Nil (2021 - £82,061).

Kielder Water & Forest Park Development Trust

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

16 Funds

	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 31 March 2022 £
Unrestricted funds				
General				
General funds	204,953	171,407	(156,420)	219,940
Designated				
Big Picture	8,806	-	-	8,806
Total unrestricted funds	<u>213,759</u>	<u>171,407</u>	<u>(156,420)</u>	<u>228,746</u>
Restricted funds				
Arts and Architecture	41,938	61,244	(75,250)	27,932
Big Picture	130,511	14,047	(25,767)	118,791
Living Wild	2,012	-	-	2,012
Human Den	(93,593)	122,018	(26,207)	2,218
Total restricted funds	<u>80,868</u>	<u>197,309</u>	<u>(127,224)</u>	<u>150,953</u>
Total funds	<u>294,627</u>	<u>368,716</u>	<u>(283,644)</u>	<u>379,699</u>

Unrestricted funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds, where the trustees, at their discretion, have created a fund for a specific purpose.

The basis for calculating 'free reserves' is after allowing for all designated funds, fixed assets and other non-current assets and liabilities.

General funds

General funds comprise those funds which the trustees are free to use for any purpose in furtherance of charitable objects.

Big Picture

The designated Big Picture funds relate to interpretation and signage at various locations.

Arts & Architecture

The funds held for Art & Architecture relate to income from Arts Council England to be used in delivering commissions, educational activity, public engagement and digital promotion.

Big Picture

Restricted Big Picture funds represent funds received for the 'Building Capacity and Resilience of Kielder' project, a future Kielder Observatory development project, Dark Skies, Forest Discovery, the Osprey project, Lakeside Way maintenance and the delivery of the Kielder Big Picture vision and priorities.

Human Den

The Human Den funds have been secured for the delivery of The Human Den artwork at Kielder Waterside.

Kielder Water & Forest Park Development Trust

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

17 Analysis of net assets between funds

	Unrestricted			Total funds
	General	Designated	Restricted	
	£	£	£	£
Tangible fixed assets	143,209	-	-	143,209
Net current assets	76,731	8,806	150,953	236,490
Total net assets	219,940	8,806	150,953	379,699

	Unrestricted			Total funds at 31 March 2021
	General	Designated	Restricted	
	£	£	£	£
Tangible fixed assets	133,360	-	-	133,360
Net current assets	71,593	8,806	80,868	161,267
Total net assets	204,953	8,806	80,868	294,627

18 Related party transactions

During the year the charity made the following related party transactions:

Calvert Kielder

Calvert Kielder is related to the Charity by virtue of being a member organisation and has made contributions to incoming resources of £13,028 (2021: £12,799) in the year. At the balance sheet date the amount due to/from Calvert Kielder was £nil (2021 - £nil).

Kielder Observatory Astronomical Society

The Kielder Observatory Astronomical Society is related to the charity via virtue of being a member organisation and made contributions to incoming resources of £1,124 (2021: £3,602) in the year. At the balance sheet date the amount due to/from Kielder Observatory Astronomical Society was £nil (2021 - £nil).

Forestry England

Forestry England is related to the Charity by virtue of being a member organisation and has made contributions to incoming resources of £31,808 (2021: £38,684) in the year.

The Charity has incurred costs from Forestry England of £155 (2021: £1,955) in the year.

Forestry England provides the Charity with PR support and does not charge the Charity for the costs. This gift in kind has an estimated value of £14,000 (2021: £13,500) for the year which is included in income and expenditure within the Statement of Financial Activities. At the balance sheet date the amount due to Forestry England was £nil (2021 - £nil).

Kielder Water & Forest Park Development Trust

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

Northumberland County Council

Northumberland County Council is related to the Charity by virtue of being a member organisation and has made contributions to incoming resources of £20,000 (2021: £20,000) in the year. The Charity has incurred costs from Northumberland County Council of £50,668 (2021: £25,088).

Northumberland County Council host the finances of the Charity and at the year end the balance held by Northumberland County Council on behalf of the Charity was £125,591 (2021: £59,267), which is included in other debtors. As described within the debtors note, this amount represents cash held by Northumberland County Council on behalf of the Charity (less amounts recognised by the charity as accruals). Northumberland County Council does not charge the Charity for the costs of administering the finances. This gift in kind has an estimated value of £7,500 (2021: £7,500) for the year and is included in income and expenditure within the Statement of Financial Activities. At the balance sheet date the amount due from Northumberland County Council was £125,591 (2021 - £59,267).

Northumbrian Water Limited

Northumbrian Water Limited is related to the Charity by virtue of being a member organisation and has made contributions to incoming resources of £79,803 (2021: £81,328).

The Charity has incurred costs from Northumbrian Water Limited of £42,616 (2021: £76,898).

Northumbrian Water Limited allows the Charity to use their office space and provide PR and marketing support and do not charge the Charity for the costs. This gift in kind has an estimated value of £32,412 (2021: £44,412) for the year which is included in income and expenditure within the Statement of Financial Activities.

Northumberland National Park Authority

The Northumberland National Park Authority is related to the Charity by virtue of being a member organisation and made contributions to incoming resources of £5,520 (2021: £10,824) in the year.

The Charity has incurred costs from Northumberland National Park Authority of £nil (2021: £nil).

Northumberland Wildlife Trust

The Northumberland Wildlife Trust is related to the Charity by virtue of being a member organisation and made contributions to incoming resources of £3,714 (2021: £6,641) in the year.

The Charity has incurred costs from Northumberland Wildlife Trust of £23,767 (2021: £24,894).

The Northumberland Wildlife Trust has provided support for the 'Building Capacity and Resilience' at Kielder project and support on natural heritage activities through its living landscape manager. It has not charged the Charity for these costs

This gift in kind has an estimated value of £7,560 (2021: £7,560) for the year which is included in income and expenditure within the Statement of Financial Activities. At the balance sheet date the amount due to Northumberland Wildlife Trust was £nil (2021 - £nil).

Northumberland Tourism Limited

Northumberland Tourism Limited is related to the Charity by virtue of common officers. The Charity has incurred costs from Northumberland Tourism Limited of £2,100 (2021: £1,100). At the balance sheet date the amount due from Northumberland Tourism Limited was £nil (2021 - £nil).

Lexicon Group Ltd

Lexicon Group Ltd is related to the Charity via virtue of common officers. The Charity has incurred costs from Lexicon Group Ltd of £nil (2021: £750).

Kielder Water & Forest Park Development Trust

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

Advance Northumberland

Advance Northumberland is related to the Charity via virtue of being a wholly owned subsidiary of Northumberland County Council. The Charity has incurred costs from Advance Northumberland of £219 (2021: £nil).