

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 2023

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 (appointed 10 July 2023) D Hall H Mottram K May J I Hutchinson I Jackson M Pratt C Robson Homer (resigned 31 May 2022) P C Standfield C J Johns M Holroyd A M Charlton
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

The Trust was managed and administered across the year by Paul Nichol (full time Operations Manager), with overview from Graham Perry (part-time Director). Both continued their secondments from Northumberland County Council and Northumbrian Water respectively.

Hilary Norton (part-time Marketing & Project Development Coordinator) retired in September and was not directly replaced. Administrative assistance was unavailable for the last nine months of the year due to long-term absence.

Within the Board, Peter Cockerill, long-serving Chief Executive at Calvert Kielder, retired during the year and thus also stood down from our Board of Trustees. However, he was subsequently appointed as a Trustee at Calvert Kielder and was nominated by them to rejoin our Board in 2023-24.

Kielder Water & Forest Park Development Trust

Trustees' Report

Activity

With partner organisations inevitably focused on restoring their core business after the restrictions imposed by the Covid pandemic restrictions, 2022-23 was a quiet year for the Kielder Water & Forest Park Development Trust. The limited partner capacity to progress Trust issues, combined with lengthy absences in the small Trust management team and the retirement of the dedicated marketing resource, meant that little progress could be made towards our longer-term strategic objectives during the year.

That said, the team was able to continue delivery of projects that were already in progress and begin laying foundations for a comprehensive review of Trust operations, as outlined below.

Highway Signs

Preparatory work was undertaken on new visitor signage, including proposed updates to the highways network. With some partners contributing delegated funding for the purpose, implementation work will begin during 2023-24.

Reivers' Trails

The Trust has collaborated in developing the concept of a new network of multi-user gravel trails, covering a wide area of West Northumberland including the Hadrian's Wall corridor, Kielder Water & Forest Park and the landscapes between the two destinations. The "Reivers' Trails" proposition has successfully attracted the interest of Northumberland County Council who have pledged £150,000 of funding support. With the Trust taking the lead management role, outputs will start being delivered in 2023-24.

Visit Kielder Website & Branding

Although progress was slower than intended, work on constructing a new public-facing Visit Kielder website and developing a new "Kielder" destination brand continued during the year. Both will be rolled out in 2023-24.

2022 Visitor Survey

Hexham-based company DRG was commissioned to conduct visitor survey research from mid-August to September 2022. This built upon similar research conducted in 2008, 2010, 2014 and 2017 and allowed us some insight into current visitor attitudes compared to pre-pandemic conditions.

The survey included a total of 482 face-to-face and online interviews, and qualitative research via two online focus groups of seven visitors each, recruited from among the visitors surveyed.

The survey found that, when compared to 2017:

- There has been a decrease in local visitors but an increase in national visitors, with 30% from the North-East and 62% from elsewhere in the UK
- There has been an increase in first time visitors
- Visitors from outside of the North-East and those staying overnight were significantly more likely to be first time visitors
- To 'enjoy the countryside' is the strongest driving factor to visit Kielder, along with dark skies

Kielder Water & Forest Park Development Trust

Trustees' Report

- Walking trails are key to the Kielder experience with over half including walking as one of their activities
- The observatory continues to be a major draw for visitors
- The average visitor spend in 2022 was £66 per person per day. This is a large jump from £26.60 in 2017
- The visitor experience remains overwhelmingly positive. 93% of respondents rated their overall experience good or excellent and 83% feel likely to visit again
- Kielder met the expectations of 97% of visitors and exceeded the expectations of 44%. 63% of new visitor expectations were exceeded.
- Kielder has a Net Promoter Score of 86%

The qualitative research was tasked with:

- Exploring motivations for visiting, and visitor experiences and satisfaction levels.
- Identifying reactions to development ambitions, by specifically focusing on what aspects could convert potential visitors to actual visitors.

Overall, the focus group participants were delighted with their experiences of Kielder and all expressed a desire to return. However, the research identified some areas for improvement, which included the Visit Kielder website, onsite information, water-based activities and public transport.

Development ambitions that generated immediate appeal included: new accommodation pods and glamping; park & ride/hail & ride bus services; behind-the-scenes tours; a planetarium; and treetop nets/ ziplines.

Art & Architecture

The current Arts Council funded programme continued across the year and concluded [?] in the first half of 2023/24. This programme included:

- A digital residency through musician Jenny Mahler.
- An extension of the Kielder Brag outreach work to schools.
- Further equality, diversity, and access research.
- A new pavilion at Calvert Kielder, as part of the Newcastle University "Testing Ground" programme.

The ambition to create a new a sculptural feature on the mountain bike trails network, was suspended due to an initially reported 60% cost increase. The Trust is now seeking accurate costs and exploring the possibility of securing additional Arts Council funding that could allow the work to be delivered during 2023/24.

The iconic and popular Silvas Capitalis (Forest Head) art structure was severely damaged during Storm Arwen in November 2021. An assessment of the structure concluded that significant work would be required to fully restore the artwork, which had already exceeded its life expectancy and suffered extensive natural decay. It was therefore agreed that Silvas Capitalis should be retained, but allowed to degrade naturally over time, with remedial and supporting actions undertaken, where appropriate to ensure that the structure remains a safe and iconic feature of the art and architecture programme.

Kielder Water & Forest Park Development Trust

Trustees' Report

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 £63,063 (2022 - £76,731), a decrease of £13,668 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.

Plans for future periods

The Trust has served its purpose well for many years. The legacy of the Covid pandemic and subsequent changes in the economic environment have compelled many organisations to review their strategies and business models. Our Trust is no exception. We have therefore embarked upon a thorough review of our emerging strategy, which we are currently testing to ensure it aligns with the post-pandemic ambitions of all Trust partners and the aspirations of our local communities. A full review of our resourcing and governance arrangements is also in hand, to ensure the Trust is appropriately positioned to further the interests of its beneficiaries for many more years into the future.

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

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 on 18 December 2023 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 2023, 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 2023 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 7, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. 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: 19-12-2023

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 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

		Unrestricted		Total	Total
	Note	General £	Restricted £	2023 £	2022 £
Income and Endowments from:					
Donations and legacies	3	86,955	37,114	124,069	226,430
Charitable activities	4	<u>114,887</u>	<u>2,000</u>	<u>116,887</u>	<u>142,286</u>
Total Income		<u>201,842</u>	<u>39,114</u>	<u>240,956</u>	<u>368,716</u>
Expenditure on:					
Charitable activities	5	<u>(231,534)</u>	<u>(29,490)</u>	<u>(261,024)</u>	<u>(283,644)</u>
Total Expenditure		<u>(231,534)</u>	<u>(29,490)</u>	<u>(261,024)</u>	<u>(283,644)</u>
Net (expenditure)/income		<u>(29,692)</u>	<u>9,624</u>	<u>(20,068)</u>	<u>85,072</u>
Net movement in funds		(29,692)	9,624	(20,068)	85,072
Reconciliation of funds					
Total funds brought forward		<u>228,746</u>	<u>150,953</u>	<u>379,699</u>	<u>294,627</u>
Total funds carried forward	16	<u><u>199,054</u></u>	<u><u>160,577</u></u>	<u><u>359,631</u></u>	<u><u>379,699</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 2022 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

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

Kielder Water & Forest Park Development Trust

(Registration number: 07424020)
Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	111,385	143,209
Current assets			
Debtors	13	148,445	128,302
Cash at bank and in hand	14	115,682	108,188
		264,127	236,490
Creditors: Amounts falling due within one year	15	(15,881)	-
Net current assets		248,246	236,490
Net assets		359,631	379,699
Funds of the charity:			
Restricted income funds			
Restricted funds	16	160,577	150,953
Unrestricted income funds			
Unrestricted funds		199,054	228,746
Total funds	16	359,631	379,699

The financial statements on pages 12 to 27 were approved by the trustees, and authorised for issue on 18 December 2023 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 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (expenditure)/income		(20,068)	85,072
Adjustments to cash flows from non-cash items			
Depreciation		31,824	15,912
		11,756	100,984
Working capital adjustments			
Increase in debtors	13	(20,143)	(51,335)
Increase in creditors	15	15,881	-
Net cash flows from operating activities		7,494	49,649
Cash flows from investing activities			
Purchase of tangible fixed assets	12	-	(25,761)
Net increase in cash and cash equivalents		7,494	23,888
Cash and cash equivalents at 1 April		108,188	84,300
Cash and cash equivalents at 31 March		115,682	108,188

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 2023

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 2023

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.

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.

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.

Kielder Water & Forest Park Development Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

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.

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.

Kielder Water & Forest Park Development Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total 2023 £
Grants, including capital grants;			
Grants	39,616	23,338	62,954
Gifts in kind	47,339	13,776	61,115
	<u>86,955</u>	<u>37,114</u>	<u>124,069</u>
	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>

Gifts in kind total £61,115 (2022: £61,473). 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.

4 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2023 £
Service level agreements	113,040	-	113,040
Fundraising income	1,847	2,000	3,847
	<u>114,887</u>	<u>2,000</u>	<u>116,887</u>
	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>

Kielder Water & Forest Park Development Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

5 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total 2023 £
Art & Architecture		-	8,369	8,369
Big Picture		-	13,553	13,553
Human Den		-	5,556	5,556
General charitable activities		211,266	-	211,266
Living wild		-	2,012	2,012
Governance costs	6	20,268	-	20,268
		<u>231,534</u>	<u>29,490</u>	<u>261,024</u>
	Note	Unrestricted funds General £	Restricted funds £	Total 2022 £
Art & Architecture		-	75,250	75,250
Big Picture		-	25,767	25,767
General charitable activities		137,631	-	137,631
Human Den		-	26,207	26,207
Governance costs	6	18,789	-	18,789
		<u>156,420</u>	<u>127,224</u>	<u>283,644</u>

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.

Kielder Water & Forest Park Development Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

Governance costs

	Unrestricted General £	Total 2023 £
Staff costs		
Wages and salaries recharged	5,954	5,954
Audit fees		
Audit of the financial statements	5,500	5,500
Other governance costs	8,814	8,814
	<u>20,268</u>	<u>20,268</u>
	Unrestricted funds General £	Total 2022 £
Staff costs		
Wages and salaries	6,568	6,568
Audit fees		
Audit of the financial statements	5,500	5,500
Other governance costs	6,721	6,721
	<u>18,789</u>	<u>18,789</u>

7 Net incoming/outgoing resources

Net (outgoing)/incoming/outgoing resources for the year include:

	2023 £	2022 £
Audit fees	<u>5,500</u>	<u>5,500</u>

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.

Kielder Water & Forest Park Development Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

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 2022/23 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

	2023 £	2022 £
Audit of the financial statements	<u>5,500</u>	<u>5,500</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 2023

12 Tangible fixed assets

	Human Den £	Total £
Cost		
At 1 April 2022	159,121	159,121
At 31 March 2023	159,121	159,121
Depreciation		
At 1 April 2022	15,912	15,912
Charge for the year	31,824	31,824
At 31 March 2023	47,736	47,736
Net book value		
At 31 March 2023	111,385	111,385
At 31 March 2022	143,209	143,209

13 Debtors

	2023 £	2022 £
VAT recoverable	-	2,711
Other debtors	148,445	125,591
	148,445	128,302

Other debtors include amounts due from Northumberland County Council totalling £148,445 (2022: £125,591). This balance represents the bank balance held by Northumberland County Council on behalf of the Charity.

14 Cash and cash equivalents

	2023 £	2022 £
Cash at bank	115,682	108,188

15 Creditors: amounts falling due within one year

	2023 £	2022 £
VAT repayable	10,381	-
Accruals and deferred income	5,500	-
	15,881	-

Kielder Water & Forest Park Development Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

16 Funds

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Balance at 31 March 2023 £
Unrestricted funds				
<i>General</i>				
General funds	219,940	180,543	(231,535)	168,948
<i>Designated</i>				
Big Picture	8,806	21,300	-	30,106
Total unrestricted funds	<u>228,746</u>	<u>201,843</u>	<u>(231,535)</u>	<u>199,054</u>
Restricted funds				
Arts and Architecture	27,932	3,456	(8,369)	23,019
Big Picture	118,791	10,320	(13,553)	115,558
Living Wild	2,012	-	(2,012)	-
Human Den	2,218	3,338	(5,556)	-
Reivers gravel trail	-	22,000	-	22,000
Total restricted funds	<u>150,953</u>	<u>39,114</u>	<u>(29,490)</u>	<u>160,577</u>
Total funds	<u><u>379,699</u></u>	<u><u>240,957</u></u>	<u><u>(261,025)</u></u>	<u><u>359,631</u></u>

Kielder Water & Forest Park Development Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

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.

Reivers gravel trail

Funding received for reivers gravel trail in the year.

Kielder Water & Forest Park Development Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

17 Analysis of net assets between funds

	Unrestricted		Restricted	Total funds
	General	Designated		
	£	£	£	£
Tangible fixed assets	111,385	-	-	111,385
Net current assets	57,563	30,106	160,577	248,246
Total net assets	168,948	30,106	160,577	359,631

	Unrestricted		Restricted	Total funds at 31 March 2022
	General	Designated		
	£	£	£	£
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

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 £13,316 (2022: £13,028) in the year. At the balance sheet date the amount due to/from Calvert Kielder was £nil (2022 - £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 (2022: £1,124) in the year and incurred expenditure of £2,753 (2022: £nil). At the balance sheet date the amount due to/from Kielder Observatory Astronomical Society was £nil (2022 - £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 £58,744 (2022: £31,308) in the year.

The Charity has incurred costs from Forestry England of £nil (2022: £155) 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 £13,740 (2022: £14,000) 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 (2022 - £nil).

Kielder Water & Forest Park Development Trust

Notes to the Financial Statements for the Year Ended 31 March 2023

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 (2022: £20,000) in the year. The Charity has incurred costs from Northumberland County Council of £55,664 (2022: £50,668).

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 £148,455 (2022: £125,591), 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 £9,180 (2022: £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 £148,455 (2022 - £125,591).

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 £70,561 (2022: £79,803).

The Charity has incurred costs from Northumbrian Water Limited of £37,663 (2022: £42,616).

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 £33,059 (2022: £32,412) 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 (2022: £5,520) in the year.

The Charity has incurred costs from Northumberland National Park Authority of £nil (2022: £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 £3,788 (2022: £3,714) in the year.

The Charity has incurred costs from Northumberland Wildlife Trust of £13,254 (2022: £23,767).

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 £5,136 (2022: £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 (2022 - £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 £nil (2022: £1,100). At the balance sheet date the amount due from Northumberland Tourism Limited was £nil (2022 - £nil).