THE JOHN STRUTT CONSERVATION FOUNDATION

England & Wales · Charity number 1141021

Details

Other names	JSCF
Status	Registered
Legal form	Charitable company
Company number	07444213
Registered	2011-03-30
Register	View on the Charity Commission register

Contact

Address	Low Hay Bridge Bouth Ulverston Cumbria LA12 8JG
Phone	01229 861727
Email	margaret.hough57@gmail.com
Website	https://jscf.org.uk/

Activities

Objects: 1 TO PROMOTE THE CONSERVATION AND STUDY OF WILDLIFE INCLUDING ALL KINDS OF PLANT AND ALL KINDS OF ANIMAL INCLUDING INSECTS, BIRDS AND MAMMALS IN THEIR NATURAL ENVIRONMENT AND THE ENVIRONMENT FORMING THEIR HABITAT2 TO PROMOTE KNOWLEDGE OF, INTEREST IN AND UNDERSTANDING OF SUCH WILDLIFE, ITS HABITATS AND CONSERVATION3 TO BENEFIT SUCH OTHER EXCLUSIVELY CHARITABLE OBJECTIVES AND PURPOSES AS THE CHARITY MAY DETERMINE FROM TIME TO TIME.

Activities: The Charity's objectives are to promote the conservation of wildlife including mammals, birds, reptiles, amphibians, invertebrates and all kinds of plant together with the environment forming their habitat; to promote the study of, knowledge of, and interest in all such wildlife; all within the county of Cumbria.

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Classification

- **How:** Provides Buildings/facilities/open Space
- **What:** Education/training, Animals, Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- Cumbria

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£284,827	£212,506	-	-
2024-03-31	£385,451	£213,014	-	-
2023-03-31	£301,469	£293,689	-	-
2022-03-31	£172,008	£161,473	-	-
2021-03-31	£161,316	£168,410	-	-

Trustees

Name	Role	Appointed
JAMES SIMON RADFORD ELLIOTT	Chair	2011-04-01
David Swalwell		2020-07-09
Guy Harold Horsley Broome		2026-05-06
Helen Loxam		2019-07-30
Margaret Hough		2024-11-20
Peter Welsh		2018-04-19

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THE JOHN STRUTT CONSERVATION FOUNDATION

England & Wales - Charity number 1141021

Accounts

Charity registration number 1141021

Company registration number 07444213 (England and Wales)

THE JOHN STRUTT CONSERVATION FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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THE JOHN STRUTT CONSERVATION FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs C Berry	
	Mrs H Loxam	
	Mr J S R Elliott	
	Dr P Welsh	
	Mr D Swalwell	
	Mrs C Winter	(Appointed 20 March 2024)
Charity number	1141021	
Company number	07444213	
Registered office	The Estate Office Low Ploughlands Little Musgrave Kirkby Stephen Cumbria CA17 4PQ	
Auditor	Xeinadin Audit Limited Oak House Market Place Bedale North Yorkshire DL8 1AQ	
Bankers	Barclays Bank Plc 31 High Row Darlington County Durham DL3 7QS	
Solicitors	Kilvington Solicitors Westmorland House Market Square Kirkby Stephen Cumbria CA17 4QT	

THE JOHN STRUTT CONSERVATION FOUNDATION

CONTENTS

	Page
Trustees' report	1 - 5
Statement of trustees' responsibilities	6
Independent auditor's report	7 - 9
Statement of financial activities	10
Balance sheet	11
Notes to the financial statements	12 - 23

THE JOHN STRUTT CONSERVATION FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

The trustees present their annual report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles of association, the Companies Act 2006 and "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).

Objectives and activities

The charity's principal objectives are to promote the conservation and study of wildlife including birds, mammals and insects in the natural environment forming their habitat and to promote knowledge of and interest in such wildlife.

The management of the charity's land is designed to sustain and enhance wildlife habitats and biodiversity. In managing areas of ancient woodland and wetland, the charity seeks to retain vegetation that is natural in type and displays natural processes. Where land is managed by grazing, the policy is to enhance biodiversity by regulating stock levels and prohibiting the application of herbicides, artificial fertilisers and livestock slurry. Hay meadows are managed to enhance floristic richness and safeguard ground nesting birds and the trustees are receiving assistance from Cumbria Wildlife Trust for hay meadow restoration projects on their Hartley and Haybridge lands. Hedgerows and stone walls are maintained by traditional practices. The charity is working with Teresa Morris (Natural England) and Andrew Gornall (Foresty Commission) to develop a Mixed Agri-Environment and Woodlands Higher Tier Scheme at Haybridge which will provide funding for the charity to deliver further environmental benefits. The charity is also working with Edward Mills of Footprint Forestry to develop a Woodland Management Plan for the woodlands at Hartley.

Public benefit statement

In interpreting and planning the activities of the Charity the Trustees have given consideration to compliance with Public Benefit and it is planned for 24/25 to strengthen formal consideration at the AGM relating to the Charity Commission guidance on public benefit.

The advancement of environmental protection and improvement is recognised as a charitable purpose and is universally regarded as producing a public good. The charity exists to promote the care of wildlife and its habitats and its management of land provides a clear public benefit. The value of several areas of the charity's land has been recognised by their designation as either a Site of Special Scientific Interest or a County Wildlife Site, and through conserving these areas following recognised good practice the charity contributes to national conservation goals and enhances public benefit. The public enjoys access to a considerable part of the charity's land, and benefits from enjoyment of outstanding scenery and rich wildlife. At Haybridge the provision of facilities for the Haybridge Society members and the encouragement of educational visits adds further clear public benefit. The trustees have plans to enhance public enjoyment of their land at Hartley, part of which is already designated as Access Land under the Countryside and Rights of Way Act. It has established a concessionary path along a disused railway line crossing its estate. The charity has worked with Mark Jenkinson at Hartley to deliver a large Countryside Stewardship Higher Tier Scheme across land he rents from the charity.

Achievements and performance

Significant activities and achievements against objectives

At Hay Bridge, a huge amount of work resulted in the successful approval of a new 10-year Countryside Stewardship agreement commencing on the 1st of January 2024. This will help fund management and monitoring to further improve this exceptional Nature Reserve.

At Hay Bridge a grant was obtained for Cumbria Wildlife Trust for the creation of six new ponds for the benefit of Great Crested Newts. We have also continued to host a good number of educational group visits including from 'MIND'.

At Hartley, a Farming in Protected Landscapes Grant was obtained in the previous financial year for the creation of a footpath in the Hartley Lakes Field and also across the higher land for public access. The footpath is now open and there has been good feedback from the local community.

At Hartley we have continued to work closely with our farming tenants, Mark Jenkinson and Roger Smithson to deliver some of our conservation objectives. On our behalf Mark Jenkinson is delivering a Countryside Stewardship Higher Tier scheme which includes the creation of upland wood pasture and restoration of hay meadows.

The Foundation owns a number of houses, farm buildings and industrial units at Hartley. These properties are let to provide income and so support the conservation work of the charity. During the year the houses at Hartley were predominantly occupied and income producing. The Warden now occupies Haybridge House on a service occupancy agreement as part of his employment contact so that there is a permanent presence on the site for both management and security.

Financial review

The Trustees have continued to strengthen their policy of strict control over expenditure. Income for the year amounted to £385,451 (2023 - £301,469), including a £159,543 gain on disposal of land no longer required, and expenditure for the year amounted to £213,014 (2023 - £293,689). Excluding the property gain, the charity generated a net surplus before investment gains of £12,894 (2023 - net surplus £7,780).

Total investment gains of £90,378 (2023 - gains of £15,544) were generated in the year.

As a result the charity's total funds stood at £5,595,120 (2023 - £5,332,305) as at 31 March 2024, including unrestricted funds of £5,549,735 (2023 - £5,292,342) and restricted funds of £45,385 (2023 - £39,963). The restricted funds represent the net book value of capital assets acquired as part of the Natural England Higher Level Stewardship Agreement project and unspent funds for the Haybridge Peake's Pond project, the Hartley Lakes Field and Open Access Project, the MIND project and funds received from The Cumbria Wildlife Trust.

The charity's reserves policy has been to maintain unrestricted funds, not committed to tangible fixed assets or investment, equivalent to at least six months expenditure. The basis of this policy being that reserves are needed to meet the cash flow requirements of the charity and the trustees are confident that at this level they would, in the short term, be able to continue the current activities of the charity in the event of a significant drop in funding. A review is currently ongoing to assess whether this policy remains appropriate in light of recent and future expected changes to the charity's income and expenditure.

Investment policy and objectives

During the year the charity's financial investments were managed by Hugh Beaumont of Mindful Financial Planning. The investment strategy is reviewed each year. The current investment policy statement includes the following objectives:

- to generate a distributable return, comprising income and capital withdrawals, of at least 2.6% per annum over rolling five year periods to contribute toward the charity's activities;
- to maintain the value of capital in real terms over the medium to long term; and
- to maintain an investment strategy in keeping with the aims of a conservation charity, paying due regard to environmental, ethical and social considerations.

The trustees have appointed Hugh Beaumont of Mindful Financial Planning Ltd, a trading style of Lyncombe Consultants Ltd, a firm authorised and regulated by the Financial Conduct Authority, to act as investment advisor to the charity.

The investment advisor provides quarterly portfolio valuations and comments to the trustees. On at least an annual basis the trustees, in conjunction with the investment advisor, will review the portfolio returns risk and asset allocation, compare the investment returns with a suitable benchmark, rebalance the portfolio as required, replace funds where alternate funds are considered to provide better opportunities, realise profits to replenish the cash reserve as appropriate, and review the portfolio costs and charges.

Plans for future periods

Our excellent warden, Keith Loxam, decided to retire at the end of August and we welcomed Jim Shaw as his replacement. Our thanks go to Keith for his outstanding work turning Hay Bridge into the amazing reserve that it is today and that is so highly appreciated by so many.

We are developing plans for Jim Shaw to build on Keith's work. These include:

- Ensuring the excellent but complex Countryside Stewardship agreement at Hay Bridge is managed to achieve the best possible conservation results;
- To work with our farm tenants and volunteers at Hartley to enhance the existing nature conservation achievements; and
- To further develop our education and interpretation work at both locations.

In addition we will be working more fully with neighbours and partner bodies to deliver nature recovery at scale around both sites.

A strategy is being considered regarding the residential and commercial property as improvements will be required to keep abreast with the ever evolving regulation surrounding tenanted property.

In respect of Governance and Finance, particular focus is on:

- Reviewing the Trustee Board and terms of office to develop all generations to the Board and the appropriate spread of skill sets for the Charity;
- Ensuring the Charity is seeking appropriate independent advice when required from appropriately qualified advisors in order to address the challenges and requirements expected from a medium sized charity;
- Continuation with the Financial Management improvements identified;
- Implement an appropriate programme of training for Trustees, Staff and Volunteers, and ensure professional advisors can demonstrate an appropriate level of training for their sector.

Structure, governance and management

The charity is a company limited by guarantee and is governed by a memorandum and articles of association.

The charity was incorporated on 18 November 2010 and remained dormant until 31 March 2011 when the net assets of a charitable trust known as The John Strutt Conservation Foundation (charity no. 1073619) were transferred to it.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs C Berry	
Mrs H Loxam	
Mr J S R Elliott	
Mr E Hewetson	(Resigned 18 November 2024)
Mr G Broome	(Resigned 18 November 2024)
Dr P Welsh	
Mr D Swalwell	
Dr S D Ward	(Retired 20 November 2024)
Mrs C Winter	(Appointed 20 March 2024)

Recruitment and appointment of trustees

Additional trustees are appointed by the board of trustees and there is no statutory period of service. The memorandum provides for a minimum of three trustees and there is no limitation placed on the maximum number of trustees.

The Trustee skill set was strengthened in March 24 by the appointment of Catherine Winter, retired Head Teacher and career in education, assisting the Charity in developing the educational objectives and strengthening governance.

At the periodic trustees' meetings the trustees agree the broad strategy and areas of activity for the charity including the management of its lands and investment assets. The day-to-day administration of the charity's affairs is undertaken by Claire Noble MRICS FAAV of Hewetson & Johnson Limited, Rural Land Agents of Cumbria. The charity's investment portfolio is managed by Hugh Beaumont of Mindful Financial Planning Ltd appointed as the charity's investment advisor. The charity's solicitor is Kilvington Solicitors of Kirkby Stephen. The charity's accountants are Xeinadin.

Organisational structure

The Trustees commenced focus upon improved Governance Structure and Financial Management to ensure the Charity incorporates a modernised structure of Governance and Financial Management to comply with the Charity Commission and RICS requirements. A new structure was agreed and implemented to form two sub groups, 'Governance and Finance' and 'Conservation and Education' sitting below the Main Trustee Board. To ensure the Charity complies with its stated conservation and education objectives and functions/managed in accordance with the Charity Commission and other relevant Regulatory and Advisory bodies.

A review of the Trustee Board was commenced. Education and Governance being an identified area for improvement. Catherine Winter, retired Head Teacher, joined the Board in March 24 to support the Charity in terms of overall Governance and pursuing its Education objectives.

The trustees designated Helen Loxam and Peter Welsh as trustees with special responsibility for their estate at Haybridge, Dave Swalwell as trustee with special responsibility for the land at Hartley and Winton, and Christine Berry as Treasurer.

With the imminent retirement of Hay Bridge Reserve manager, Keith Loxam, discussions took place regarding a future structure and Reserve manager role for JSCF to be implemented in 24/25.

Increased visibility and focus commenced surrounding Financial Management and Reporting. In addition Kenneth Easby (now Xeinadin) was instructed to review our financial procedures and make recommendations for improvement.

Induction and training of trustees

A Training Plan for 24/25 will be considered in specific areas for Trustees, Staff and Volunteers plus ensuring Advisors and Contractors are appropriately 'up to date'.

Other matters

All trustees give their time freely and no trustee remuneration was paid in the year.

The trustees Christine Berry and Simon Elliott are designated as the Trustees to 'oversee' the Management Agents in relation to the Property Management Agreement. They approved the monthly property management fees totalling £32,640 in the financial year 23/24 payable to Hewetson and Johnson Ltd, a professional firm whereby Ed Hewetson is a director and shareholder. A further £21,016 was payable to Hewetson and Johnson for specific projects - the fees being approved by the relevant Trustees responsible for each project.

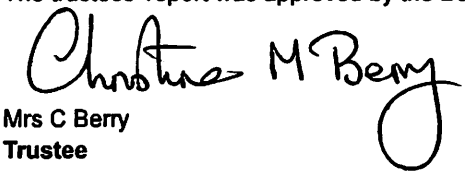
Auditor

In accordance with the company's articles, a resolution proposing that Xeinadin Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



Mrs C Berry
Trustee

29 November 2024

THE JOHN STRUTT CONSERVATION FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2024

The trustees, who are also the directors of The John Strutt Conservation Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE JOHN STRUTT CONSERVATION FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE JOHN STRUTT CONSERVATION FOUNDATION

Opinion

We have audited the financial statements of The John Strutt Conservation Foundation (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 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's 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 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 are 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE JOHN STRUTT CONSERVATION FOUNDATION

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 charitable company or to cease operations, or have no realistic alternative but to do so.

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement principal ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the charitable sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF THE JOHN STRUTT CONSERVATION FOUNDATION

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, the company's legal advisors and any other relevant regulator or body.

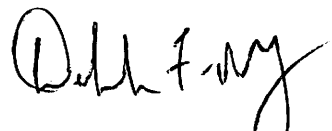
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charitable company's members, 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 charitable company's members 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Deborah Fletcher-McVay FCA (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited

18/12/24

Chartered Accountants
Statutory Auditor

Oak House
Market Place
Bedale
North Yorkshire
DL8 1AQ

THE JOHN STRUTT CONSERVATION FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Income and endowments from:							
Donations and legacies	3	142	-	142	425	34,795	35,220
Charitable activities	4	69,070	18,015	87,085	55,232	78,357	133,589
Investments	5	138,681	-	138,681	131,643	-	131,643
Other income	6	159,543	-	159,543	1,017	-	1,017
Total income		367,436	18,015	385,451	188,317	113,152	301,469
Expenditure on:							
Raising funds	7	65,228	-	65,228	83,047	-	83,047
Charitable activities	8	131,525	16,261	147,786	136,684	73,958	210,642
Total expenditure		196,753	16,261	213,014	219,731	73,958	293,689
Net gains/(losses) on investments	11	90,378	-	90,378	15,544	-	15,544
Net income		261,061	1,754	262,815	(15,870)	39,194	23,324
Transfers between funds		(3,668)	3,668	-	3,495	(3,495)	-
Net movement in funds		257,393	5,422	262,815	(12,375)	35,699	23,324
Reconciliation of funds:							
Fund balances at 1 April 2023		5,292,342	39,963	5,332,305	5,304,717	4,264	5,308,981
Fund balances at 31 March 2024		5,549,735	45,385	5,595,120	5,292,342	39,963	5,332,305

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE JOHN STRUTT CONSERVATION FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Entitlements	13		1,600		4,500
Tangible assets	14		1,737,449		1,783,121
Investment property	15		2,890,000		2,890,000
Investments	16		902,337		796,895
			5,531,386		5,474,516
Current assets					
Debtors	17	39,444		58,325	
Cash at bank and in hand		99,321		74,317	
		138,765		132,642	
Creditors: amounts falling due within one year	19	(61,006)		(40,321)	
Net current assets			77,759		92,321
Total assets less current liabilities			5,609,145		5,566,837
Creditors: amounts falling due after more than one year	20		(14,025)		(234,532)
Net assets			5,595,120		5,332,305
The funds of the charity					
Restricted income funds	21		45,385		39,963
Unrestricted funds			5,549,735		5,292,342
			5,595,120		5,332,305

The financial statements were approved by the trustees on 20 November 2024

Mrs C Berry
Trustee

Mr J S R Elliott
Trustee

Company registration number 07444213 (England and Wales)

1 Accounting policies

Charity information

The John Strutt Conservation Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is The Estate Office, Low Ploughlands, Little Musgrave, Kirkby Stephen, Cumbria, CA17 4PQ.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include investment properties and fixed asset investments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income from charitable activities includes rental income net of VAT and government subsidies and is recognised when receivable by the charity. Rental income received in advance at the balance sheet is deferred into the following period.

Investment income, in the form of investment dividends and rental income, is recognised when receivable by the charity.

1 Accounting policies **(Continued)**

1.5 Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure which is directly attributable to specific activities has been included in these cost categories.

Expenditure on raising funds represents those costs associated with generating the investment income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

1.6 Intangible fixed assets - entitlements

Entitlements are initially recognised as an asset at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Entitlements are considered to have a useful life of 4 years and are amortised on that basis.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

All assets are capitalised. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	Nil
Plant and equipment	15% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

The trustees have considered the nature and use of the Foundation's land and buildings. The trustees have always maintained the assets at a high standard for the education and enjoyment of visitors and promotion of the Foundation's aims. In respect of the assets which represent land and other buildings used for the Foundation's educational and conservational aims they consider that depreciation would be inappropriate due to the prospective long life of these assets.

1.8 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.9 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.10 Impairment of fixed assets

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

1 Accounting policies **(Continued)**

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

1.12 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Investment properties

The fair value of the investment properties has been arrived at on the basis of a valuation carried out as at 31 March 2021 by a Trustee who is an experienced FRICS qualified surveyor and in 2021 had relatively recently been involved with market adjustments, adjusted for capital improvements carried out since 2021. The 2021 valuation was made by reference to market evidence of transaction prices for similar properties for residential properties, and applying appropriate market yields to current net rental income for commercial property units.

3 Income from donations and legacies

	Unrestricted funds 2024	Restricted funds 2024	Total 2024	Unrestricted funds 2023	Restricted funds 2023	Total 2023
	£	£	£	£	£	£
Donations and gifts	142	-	142	425	34,795	35,220

Restricted donations in the prior year represents funds received following the closure of The Haybridge Nature Reserve Society charity in September 2022. The Society's activities have been taken on and are financed through the funds donated and ongoing membership fees.

4 Income from charitable activities

	2024	2023
	£	£
Rental income	33,116	38,202
Government subsidies and other income	20,137	17,709
Performance related grants	15,832	77,678
Easement fees	18,000	-
	87,085	133,589
Analysis by fund		
Unrestricted funds	69,070	55,232
Restricted funds	18,015	78,357
	87,085	133,589

5 Income from investments

	Unrestricted funds 2024	Unrestricted funds 2023
	£	£
Rental income	121,853	119,140
Income from listed investments	16,474	12,455
Interest receivable	354	48
	138,681	131,643

6 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Net gain on disposal of tangible fixed assets	159,543	1,017

7 Expenditure on raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Trading costs		
Investment property running costs	49,715	41,804
Investment property repairs and maintenance	13,939	39,656
	63,654	81,460
Investment management	1,574	1,587
Total costs	65,228	83,047

8 Expenditure on charitable activities

	2024 £	2023 £
Direct costs		
Staff costs	26,150	26,150
Depreciation and impairment	9,315	9,877
Repair, maintenance and conservation costs	35,109	101,080
Operational costs	8,406	13,122
Support costs	68,806	51,234
Irrecoverable VAT	-	9,179
	147,786	210,642
Analysis by fund		
Unrestricted funds	131,525	136,684
Restricted funds	16,261	73,958
	147,786	210,642

8 Expenditure on charitable activities **(Continued)**

Support costs includes amounts payable to the auditors of £7,250 (2023 - £6,825) for the audit and preparation of the annual accounts and £6,316 (2023 - £3,412) for other accountancy services.

Also included in support costs is £14,220 interest payable (2023 - £10,206) in relation to a bank loan repaid in the year and a bounce back loan taken out in 2021.

9 Trustees

None of the trustees (or any person connected with them) received any remuneration during the year. Travel expenses, subsistence and other expenditure on behalf of the foundation totalling £956 (2023 - £371) has been reimbursed to three trustees in the year (2023 - two trustees) in their capacity as trustees.

10 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Warden	1	1

Employment costs	2024 £	2023 £
Wages and salaries	24,150	24,150
Other pension costs	2,000	2,000
	26,150	26,150

There were no employees whose annual remuneration was more than £60,000.

11 Gains and losses on investments

Gains/(losses) arising on:	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Revaluation of investments	90,378	(71,037)
Revaluation of investment properties	-	86,581
	90,378	15,544

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxationof Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

13 Intangible fixed assets

	Entitlements
	£
Cost	
At 1 April 2023	6,000
Disposals	(2,800)
At 31 March 2024	3,200
Amortisation and impairment	
At 1 April 2023	1,500
Amortisation charged for the year	800
Disposals	(700)
At 31 March 2024	1,600
Carrying amount	
At 31 March 2024	1,600
At 31 March 2023	4,500

14 Tangible fixed assets

	Freehold land and buildings	Plant and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2023	1,749,448	57,149	20,525	1,827,122
Additions	-	1,416	-	1,416
Disposals	(40,673)	-	-	(40,673)
At 31 March 2024	1,708,775	58,565	20,525	1,787,865
Depreciation and impairment				
At 1 April 2023	-	35,004	8,997	44,001
Depreciation charged in the year	-	3,533	2,882	6,415
At 31 March 2024	-	38,537	11,879	50,416
Carrying amount				
At 31 March 2024	1,708,775	20,028	8,646	1,737,449
At 31 March 2023	1,749,448	22,145	11,528	1,783,121

15 Investment property

	2024
	£
Fair value	
At 1 April 2023 and 31 March 2024	2,890,000

Investment properties are measured at fair value, with changes in fair value being recognised in net income/ (expenditure). The fair value of the investment properties has been arrived at on the basis of a valuation carried out as at 31 March 2021 by a Trustee who is an experienced FRICS qualified surveyor and in 2021 had relatively recently been involved with market adjustments, adjusted for capital improvements carried out since 2021. The 2021 valuation was made by reference to market evidence of transaction prices for similar properties for residential properties, and applying appropriate market yields to current net rental income for commercial property units.

16 Fixed asset investments

	Listed investments	Investment cash	Total
	£	£	£
Cost or valuation			
At 1 April 2023	781,914	14,981	796,895
Additions	2,427	12,637	15,064
Valuation changes	90,378	-	90,378
At 31 March 2024	874,719	27,618	902,337
Carrying amount			
At 31 March 2024	874,719	27,618	902,337
At 31 March 2023	781,914	14,981	796,895

All investments are carried at their fair value. Investments in equities, fixed interest and other securities are all traded in quoted public markets for which market prices are readily available.

17 Debtors

	2024	2023
Amounts falling due within one year:	£	£
Other debtors	16,779	8,472
Prepayments and accrued income	22,665	49,853
	39,444	58,325

18 Loans and overdrafts

	2024	2023
	£	£
Bank loans	22,040	242,547
Payable within one year	8,015	8,015
Payable after one year	14,025	234,532
Amounts included above which fall due after five years:		
Payable other than by instalments	-	212,490

19 Creditors: amounts falling due within one year

	Notes	2024	2023
		£	£
Bank loans	18	8,015	8,015
Other taxation and social security		-	1,521
Trade creditors		27,315	8,051
Other creditors		5,489	5,489
Accruals and deferred income		20,187	17,245
		61,006	40,321

20 Creditors: amounts falling due after more than one year

	Notes	2024	2023
		£	£
Bank loans	18	14,025	234,532

21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2024 £
Natural England - Higher Level Stewardship Scheme	1,212	-	(174)	-	1,038
Peakes Pond Haybridge	2,847	-	-	-	2,847
Haybridge Nature Reserve	29,044	2,183	(1,700)	-	29,527
Hartley Lakes Field & Open Access Project	1,406	(3,668)	-	3,668	1,406
Haybridge BEATA Habitat Assessment	5,454	-	(5,454)	-	-
MIND project	-	1,500	-	-	1,500
Cumbria Wildlife Trust - Great Crested Newts	-	18,000	(8,933)	-	9,067
	39,963	18,015	(16,261)	3,668	45,385

Previous year:	At 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2023 £
Natural England - Higher Level Stewardship Scheme	1,417	-	(205)	-	1,212
Peakes Pond Haybridge	2,847	-	-	-	2,847
Haybridge Nature Reserve	-	35,474	(6,430)	-	29,044
Hartley Lakes Field & Open Access Project	-	72,224	(67,323)	(3,495)	1,406
Haybridge BEATA Habitat Assessment	-	5,454	-	-	5,454
	4,264	113,152	(73,958)	(3,495)	39,963

21 Restricted funds **(Continued)**

The Natural England Higher Level Stewardship Scheme fund relates to the Haybridge Moss and Hulleter Moss project. The remaining balance within this fund represents the net book value of capital assets that were acquired and created as a result of the project.

The Peakes Pond Haybridge fund relates to a legacy that was left for the benefit of Haybridge.

The Haybridge Nature Reserve fund comprises monies received following the closure of The Haybridge Nature Reserve Society together with subsequent membership fees which are to be spent on conservation of the Haybridge Nature Reserve and for the benefit of the members.

The Hartley Lakes Field & Open Access Project comprises grant income received from the North Pennines AONB Partnership for farming in protected landscapes.

The Haybridge BEATA Habitat Assessment fund includes income receivable from Countryside Stewardship for the purpose of conducting a feasibility study. This was fully expended at the year end.

A donation was received from The Rawdon - Smith Trust to be spent on the MIND project at Haybridge.

A grant was received from Cumbria Wildlife Trust to create and improve habitat for Great Crested Newts in Cumbria, this project was ongoing at the year end.

22 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 March 2024:			
Intangible fixed assets	1,600	-	1,600
Tangible assets	1,736,461	988	1,737,449
Investment properties	2,890,000	-	2,890,000
Investments	902,337	-	902,337
Current assets/(liabilities)	33,362	44,397	77,759
Long term liabilities	(14,025)	-	(14,025)
	5,549,735	45,385	5,595,120

22 Analysis of net assets between funds **(Continued)**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 March 2023:			
Intangible fixed assets	4,500	-	4,500
Tangible assets	1,781,959	1,162	1,783,121
Investment properties	2,890,000	-	2,890,000
Investments	796,895	-	796,895
Current assets/(liabilities)	53,520	38,801	92,321
Long term liabilities	(234,532)	-	(234,532)
	5,292,342	39,963	5,332,305

23 Related party transactions

During the year the charity incurred management fees totalling £53,646 (2023 - £34,000) payable to Hewetson & Johnson Limited, a professional firm in which Ed Hewetson is a director and shareholder. The fees were charged on a commercial basis for land agent and property management services provided.

THE JOHN STRUTT CONSERVATION FOUNDATION

England & Wales - Charity number 1141021

Accounts

Charity registration number 1141021

Company registration number 07444213 (England and Wales)

THE JOHN STRUTT CONSERVATION FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

KENNETH EASBY LIMITED

A Xeinadin Company

THE JOHN STRUTT CONSERVATION FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr J S R Elliott Dr S D Ward Mr E Hewetson Mrs C Berry Dr P Welsh Mrs H Loxam Mr D Swalwell Mr G Broome
Charity number	1141021
Company number	07444213
Registered office	The Estate Office Low Ploughlands Little Musgrave Kirkby Stephen Cumbria CA17 4PQ
Auditor	Xeinadin Audit Limited Oak House, Market Place Bedale North Yorkshire DL8 1AQ
Bankers	Barclays Bank Plc 31 High Row Darlington County Durham DL3 7QS
Solicitors	Kilvington Solicitors Westmorland House Market Square Kirkby Stephen Cumbria CA17 4QT

THE JOHN STRUTT CONSERVATION FOUNDATION

CONTENTS

	Page
Trustees' report	1 - 4
Statement of trustees' responsibilities	5
Independent auditor's report	6 - 9
Statement of financial activities	10
Balance sheet	11
Notes to the financial statements	12 - 23

THE JOHN STRUTT CONSERVATION FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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).

Objectives and activities

The charity's principal objectives are to promote the conservation and study of wildlife including birds, mammals and insects in the natural environment forming their habitat and to promote knowledge of and interest in such wildlife.

The management of the charity's land is designed to sustain and enhance wildlife habitats and biodiversity. In managing areas of ancient woodland and wetland, the charity seeks to retain vegetation that is natural in type and displays natural processes. Where land is managed by grazing, the policy is to enhance biodiversity by regulating stock levels and prohibiting the application of herbicides, artificial fertilisers and livestock slurry. Hay meadows are managed to enhance floristic richness and safeguard ground nesting birds and the trustees are receiving assistance from Cumbria Wildlife Trust for hay meadow restoration projects on their Hartley and Haybridge lands. Hedgerows and stone walls are maintained by traditional practices. The charity is working with Teresa Morris (Natural England) and Andrew Gornall (Foresty Commission) to develop a Mixed Agri-Environment and Woodlands Higher Tier Scheme at Haybridge which will provide funding for the charity to deliver further environmental benefits. The charity is also working with Edward Mills of Footprint Forestry to develop a Woodland Management Plan for the woodlands at Hartley.

Public benefit statement

In interpreting the objectives and planning the activities of the charity the trustees have given careful consideration to the Charities Commission guidance on public benefit.

The advancement of environmental protection and improvement is recognised as a charitable purpose and is universally regarded as producing a public good. The charity exists to promote the care of wildlife and its habitats and its management of land provides a clear public benefit. The value of several areas of the charity's land has been recognised by their designation as either a Site of Special Scientific Interest or a County Wildlife Site, and through conserving these areas following recognised good practice the charity contributes to national conservation goals and enhances public benefit. The public enjoys access to a considerable part of the charity's land, and benefits from enjoyment of outstanding scenery and rich wildlife. At Haybridge the provision of facilities for the Haybridge Society of over 600 members and the encouragement of educational visits adds further clear public benefit. The trustees have plans to enhance public enjoyment of their land at Hartley, part of which is already designated as Access Land under the Countryside and Rights of Way Act. It has established a concessionary path along a disused railway line crossing its estate. The charity has worked with Mark Jenkinson at Hartley to deliver a large Countryside Stewardship Higher Tier Scheme across land he rents from the charity.

Achievements and performance

At Haybridge, schools and other groups such as Mind regularly visit Haybridge and these have benefitted from time spent on the reserve. Following the completion of the works which formed part of the Higher Level Stewardship, works at Haybridge include ongoing conservation works including woodland coppicing, hedge planting and pond creation. The HBNRS has now merged into the charity. We have taken responsibility for managing the society including administering memberships, collection of membership fees and organising events.

At Hartley, further meadow restoration works have been completed in conjunction with Cumbria Wildlife Trust. Cattle grazing has been introduced into the 'Lakes' Field to alter the grazing regime. Woodland Pasture is starting to develop on the land rented by Mark Jenkinson.

At Hartley, a grant was obtained through the North Pennines Area of Outstanding Natural Beauty (AONB) to develop a Permissive Public Right of Way which encompasses Longrigg Scar, The Lakes Field and the railway track. A footpath with fencing in The Lakes Field has been constructed and signage including information boards have been obtained. The project was finalised in July 2023.

Investment Assets

The Foundation owns a number of houses, farm buildings and industrial units at Hartley. These properties are let to provide income and so support the conservation work of the charity. During the year the houses at Hartley were predominantly occupied and income producing. The Warden now occupies Haybridge House on a service occupancy agreement as part of his employment contact so that there is a permanent presence on the site for both management and security.

A review of the Hartley units and houses has taken place to ensure the accommodation continues to meet occupier requirements and regulatory requirements. Works were undertaken to repair the roof on unit 5&6. In addition, repairs were carried out on the chimney between Hartley Fold House and Cottage.

All commercial units are occupied.

Financial review

The trustees have continued their policy of strict control over expenditure. Income for the year amounted to £301,469 (2022 - £172,008) and expenditure for the year amounted to £293,689 (2022 - £161,473). Therefore the charity generated a net surplus before investment gains of £7,780 (2022 - net surplus £10,535).

Investment gains of £15,544 (2022 - losses of £33,101) were generated in the year, comprising an uplift in the charity's investment properties of £86,581 less unrealised losses on the listed investment portfolio of £71,037.

As a result the charity's total funds stood at £5,332,305 (2022 - £5,308,981) as at 31 March 2023, including unrestricted funds of £5,292,342 (2022 - £5,304,717) and restricted funds of £39,963 (2022 - £4,264). The restricted funds represent the net book value of capital assets acquired as part of the Natural England Higher Level Stewardship Agreement project and unspent funds for the Haybridge Peake's Pond project, the Hartley Lakes Field and Open Access Project and funds received for the Haybridge BEATA Habitat Assessment.

Financial Reserves Policy

The charity's reserves policy has been to maintain unrestricted funds, not committed to tangible fixed assets or investment, equivalent to at least six months expenditure. The basis of this policy being that reserves are needed to meet the cash flow requirements of the charity and the trustees are confident that at this level they would, in the short term, be able to continue the current activities of the charity in the event of a significant drop in funding. A review is currently ongoing to assess whether this policy remains appropriate in light of recent and future expected changes to the charity's income and expenditure.

Investment policy and objectives

During the year the charity's financial investments were managed by Hugh Beaumont of Mindful Financial Planning. The investment strategy is reviewed each year. The current investment policy statement includes the following objectives:

- to generate a distributable return, comprising income and capital withdrawals, of at least 2.6% per annum over rolling five year periods to contribute toward the charity's activities;
- to maintain the value of capital in real terms over the medium to long term; and
- to maintain an investment strategy in keeping with the aims of a conservation charity, paying due regard to environmental, ethical and social considerations.

The trustees have appointed Hugh Beaumont of Mindful Financial Planning Ltd, a trading style of Lyncombe Consultants Ltd, a firm authorised and regulated by the Financial Conduct Authority, to act as investment advisor to the charity.

On at least an annual basis the trustees, in conjunction with the investment advisor, will review the portfolio returns risk and asset allocation, compare the investment returns with a suitable benchmark, rebalance the portfolio as required, replace funds where alternate funds are considered to provide better opportunities, realise profits to replenish the cash reserve as appropriate, and review the portfolio costs and charges.

Financial risk management

The charity's trustees keep under review the major risks to which the charity is exposed and have established systems and procedures to mitigate and manage those risks.

Currency risk
As some of the fixed asset investments represent foreign currency funds there is a risk that an adverse movement in the exchange rates would lead to a reduction in the market value of the portfolio. This is mitigated by constructing a diverse portfolio of investments across various markets.

Liquidity risk
The charity expects to meet its financial obligations through operating cash flows. The charity continuously monitors forecast and actual cash flows and maintains adequate funds to ensure that financial obligations are met as they fall due.

Plans for future periods
A modernisation programme continues at Hartley Fold in order to ensure the accommodation meets modern requirements and satisfies demand from current and potential occupiers.

A strategy is being considered regarding the residential and commercial portfolio as improvements are required to improve energy efficiency. All the above plans should lead to improved energy efficiency and accommodation for our tenants, and secure and improve the rental income for the Foundation in order to support an increasing number of conservation projects.

At Haybridge, Keith Loxam continues to manage the reserve on a day-to-day basis keeping it in good order. The managing agent and Trustees are working with Natural England and the Forestry Commission to develop a Countryside Stewardship Higher Tier Agri-Environment and Woodlands application. The scheme will start on 1st January 2024. This will replace the current Higher Level Stewardship Scheme and will provide funding for the delivery of environmental benefits.

A Woodland Management Plan is being put together for Hartley Woodlands which will guide the future management of the charity's woodlands.

At Haybridge, the Haybridge Nature Reserve Society has merged with the charity. The charity is responsible for managing the society including administering memberships, collection of membership fees and organising events. Going forward, discussions have started with Natural England regarding the new Countryside Stewardship Scheme which will start in 2024.

Structure, governance and management

The charity is a company limited by guarantee and is governed by a memorandum and articles of association.

The charity was incorporated on 18 November 2010 and remained dormant until 31 March 2011 when the net assets of a charitable trust known as The John Strutt Conservation Foundation (charity no. 1073619) were transferred to it.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:
Mr J S R Elliott
Dr S D Ward
Mr E Hewetson
Mrs C Berry
Dr P Welsh
Mrs H Loxam
Mr D Swalwell
Mr G Broome

Additional trustees are appointed by the board of trustees and there is no statutory period of service. The memorandum provides for a minimum of three trustees and there is no limitation placed on the maximum number of trustees.

The trustees designated Mrs Loxam and Mr Elliott as trustees with special responsibility for their estate at Haybridge, Dr Ward as trustee with special responsibility for the land at Hartley and Winton, and Miss Claire Noble MRICS FAAV from Hewetson & Johnson Limited as Treasurer.

At the periodic trustees' meetings the trustees agree the broad strategy and areas of activity for the charity including the management of its lands and investment assets. The day-to-day administration of the charity's affairs is undertaken by Claire Noble MRICS FAAV of Hewetson & Johnson Limited, Rural Land Agents of Cumbria. The charity's investment portfolio is managed by Hugh Beaumont of Mindful Financial Planning Ltd appointed as the charity's investment advisor. The charity's solicitor is Kilvington Solicitors of Kirkby Stephen. The charity's accountants are Kenneth Easby Limited of Bedale, North Yorkshire.

No formal training is given to the trustees but recruitment is only made from those who support the charity's objectives and are considered well qualified to contribute to its work.

All trustees give their time freely and no trustee remuneration was paid in the year.

The trustees Christine Berry and Simon Elliott are designated as the Trustees to 'oversee' the Management Agents on a regular basis. They approved the total management fees of £34,000 in the financial year 22/23 payable to Hewetson and Johnson Ltd, a professional firm whereby Ed Hewetson is a director and shareholder. The fees were charged on a commercial basis for land agency services provided. A conflict of interest procedure is in place whereby all potential conflicts are managed and discussed by the designated Trustees.

Auditor
In accordance with the company's articles, a resolution proposing that Xeinadin Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor
Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

On behalf of the board of trustees



Mr E Hewetson
Trustee

20 December 2023

THE JOHN STRUTT CONSERVATION FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

The trustees, who are also the directors of The John Strutt Conservation Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE JOHN STRUTT CONSERVATION FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE JOHN STRUTT CONSERVATION FOUNDATION

Opinion

We have audited the financial statements of The John Strutt Conservation Foundation (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company'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's 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 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 are 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE JOHN STRUTT CONSERVATION FOUNDATION

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 charitable company or to cease operations, or have no realistic alternative but to do so.

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement principal ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the charitable sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, the company's legal advisors and any other relevant regulator or body.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charitable company's members, 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 charitable company's members 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Deborah Fletcher-McVay (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited

20 December 2023

Accountants
Statutory Auditor

Oak House, Market Place
Bedale
North Yorkshire
DL8 1AQ

THE JOHN STRUTT CONSERVATION FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income and endowments from:							
Donations and legacies	3	425	34,795	35,220	50	-	50
Charitable activities	4	55,232	78,357	133,589	51,886	-	51,886
Investments	5	131,643	-	131,643	113,982	-	113,982
Other income	6	1,017	-	1,017	6,090	-	6,090
Total income		188,317	113,152	301,469	172,008	-	172,008
Expenditure on:							
Raising funds	7	83,047	-	83,047	55,100	-	55,100
Charitable activities	8	136,684	73,958	210,642	106,132	241	106,373
Total expenditure		219,731	73,958	293,689	161,232	241	161,473
Net gains/(losses) on investments	11	15,544	-	15,544	(33,101)	-	(33,101)
Net (outgoing)/incoming resources before transfers		(15,870)	39,194	23,324	(22,325)	(241)	(22,566)
Gross transfers between funds		3,495	(3,495)	-	-	-	-
Net movement in funds		(12,375)	35,699	23,324	(22,325)	(241)	(22,566)
Fund balances at 1 April 2022		5,304,717	4,264	5,308,981	5,327,042	4,505	5,331,547
Fund balances at 31 March 2023		5,292,342	39,963	5,332,305	5,304,717	4,264	5,308,981

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE JOHN STRUTT CONSERVATION FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Entitlements	13		4,500		-
Tangible assets	14		1,783,121		1,790,451
Investment property	15		2,890,000		2,770,371
Investments	16		796,895		857,228
			5,474,516		5,418,050
Current assets					
Debtors	17	58,325		19,320	
Cash at bank and in hand		74,317		191,475	
		132,642		210,795	
Creditors: amounts falling due within one year	18	(40,321)		(76,774)	
Net current assets			92,321		134,021
Total assets less current liabilities			5,566,837		5,552,071
Creditors: amounts falling due after more than one year	19		(234,532)		(243,090)
Net assets			5,332,305		5,308,981
Income funds					
Restricted funds	21		39,963		4,264
Unrestricted funds			5,292,342		5,304,717
			5,332,305		5,308,981

The financial statements were approved by the Trustees on 20 December 2023

Mr E Hewetson
Trustee

Company registration number 07444213

1 Accounting policies

Charity information

The John Strutt Conservation Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is The Estate Office, Low Ploughlands, Little Musgrave, Kirkby Stephen, Cumbria, CA17 4PQ.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include investment properties and fixed asset investments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income from charitable activities includes rental income net of VAT and government subsidies and is recognised when receivable by the charity. Rental income received in advance at the balance sheet is deferred into the following period.

Investment income, in the form of investment dividends and rental income, is recognised when receivable by the charity.

1 Accounting policies **(Continued)**

1.5 Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure which is directly attributable to specific activities has been included in these cost categories.

Expenditure on raising funds represents those costs associated with generating the investment income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

1.6 Intangible fixed assets - entitlements

Entitlements are initially recognised as an asset at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Entitlements are considered to have a useful life of 4 years and are amortised on that basis.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

All assets are capitalised. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land & buildings	Nil
Plant and equipment	15% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

The trustees have considered the nature and use of the Foundation's land and buildings. The trustees have always maintained the assets at a high standard for the education and enjoyment of visitors and promotion of the Foundation's aims. In respect of the assets which represent land and other buildings used for the Foundation's educational and conservational aims they consider that depreciation would be inappropriate due to the prospective long life of these assets.

1.8 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.9 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.10 Impairment of fixed assets

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

1 Accounting policies **(Continued)**

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Key sources of estimation uncertainty

Investment properties

The fair value of the investment properties has been arrived at on the basis of a valuation carried out as at 31 March 2021 by a Trustee who is an experienced FRICS qualified surveyor, adjusted for capital improvements carried out since 2021 and recent market trends. The 2021 valuation was made by reference to market evidence of transaction prices for similar properties for residential properties, and applying appropriate market yields to current net rental income for commercial property units.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2023	2023	2023	2022
	£	£	£	£
Donations and gifts	425	34,795	35,220	50

The restricted donations represent funds received following the closure of The Haybridge Nature Reserve Society charity in September 2022. The Society's activities have been taken on and are financed through the funds donated and ongoing membership fees.

4 Charitable activities

	2023	2022
	£	£
Rental income	38,202	35,749
Government subsidies and other income	17,709	16,137
Performance related grants	77,678	-
	133,589	51,886
Analysis by fund		
Unrestricted funds	55,232	51,886
Restricted funds	78,357	-
	133,589	51,886

Charitable trading income

Unrestricted government subsidies include Environmental Stewardship and other rural payment grants receivable to enable the charity to carry out its objectives.

Performance related grants include amounts receivable from the North Pennines AONB Partnership for the Hartley Lakes Field and Open Access Project and from Countryside Stewardship to conduct the Haybridge BEATA Habitat Assessment.

5 Investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Rental income	119,140	104,948
Income from listed investments	12,455	9,028
Interest receivable	48	6
	131,643	113,982

6 Other income

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Net gain on disposal of tangible fixed assets	1,017	6,090

7 Raising funds

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Investment property expenditure		
Investment property running costs	41,804	27,747
Investment property repairs and maintenance	39,656	23,150
Investment property expenditure	81,460	50,897
Investment management costs	1,587	4,203
	83,047	55,100

8 Charitable activities

	2023	2022
	£	£
Staff costs	26,150	24,928
Depreciation and impairment	9,877	9,647
Repair, maintenance and conservation costs	101,080	17,106
Operational costs	13,122	7,038
Support costs	51,234	35,490
Irrecoverable VAT	9,179	12,164
	210,642	106,373
Analysis by fund		
Unrestricted funds	136,684	106,132
Restricted funds	73,958	241
	210,642	106,373

Support costs includes amounts payable to the auditors of £6,825 (2022 - £6,500) for the audit and preparation of the annual accounts and £3,412 (2022 - £2,840) for other accountancy services.

Also included in support costs is £10,206 interest payable (2022 - £5,481) in relation to a bank loan taken out in 2020 and a bounce back loan taken out in 2021.

9 Trustees

None of the trustees (or any person connected with them) received any remuneration during the year. Travel expenses, subsistence and other expenditure on behalf of the foundation totalling £371 (2022 - £1,285) has been reimbursed to two trustees in the year (2022 - two trustees) in their capacity as trustees.

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Warden	1	1

Employment costs	2023 £	2022 £
Wages and salaries	24,150	22,928
Other pension costs	2,000	2,000
	26,150	24,928

There were no employees whose annual remuneration was £60,000 or more.

11 Net gains/(losses) on investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Revaluation of investments	(71,037)	(329,842)
Gain/(loss) on sale of investments	-	296,741
Revaluation of investment properties	86,581	-
	15,544	(33,101)

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxationof Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

13 Intangible fixed assets

	Entitlements £
Cost	
At 1 April 2022	-
Additions - separately acquired	6,000
At 31 March 2023	6,000
Amortisation and impairment	
At 1 April 2022	-
Amortisation charged for the year	1,500
At 31 March 2023	1,500
Carrying amount	
At 31 March 2023	4,500
At 31 March 2022	-

14 Tangible fixed assets

	Freehold land & buildings	Plant and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2022	1,749,448	64,744	20,525	1,834,717
Additions	-	6,280	-	6,280
Disposals	-	(13,875)	-	(13,875)
At 31 March 2023	1,749,448	57,149	20,525	1,827,122
Depreciation and impairment				
At 1 April 2022	-	39,112	5,154	44,266
Depreciation charged in the year	-	4,534	3,843	8,377
Eliminated in respect of disposals	-	(8,642)	-	(8,642)
At 31 March 2023	-	35,004	8,997	44,001
Carrying amount				
At 31 March 2023	1,749,448	22,145	11,528	1,783,121
At 31 March 2022	1,749,448	25,632	15,371	1,790,451

15 Investment property

	2023 £
Fair value	
At 1 April 2022	2,770,371
Additions through external acquisition	33,048
Net gains or losses through fair value adjustments	86,581
At 31 March 2023	2,890,000

Investment properties are measured at fair value, with changes in fair value being recognised in net income/ (expenditure). The fair value of the investment properties has been arrived at on the basis of a valuation carried out as at 31 March 2021 by a Trustee who is an experienced FRICS qualified surveyor, adjusted for capital improvements carried out since 2021 and recent market trends. The 2021 valuation was made by reference to market evidence of transaction prices for similar properties for residential properties, and applying appropriate market yields to current net rental income for commercial property units.

16 Fixed asset investments

	Listed investments £	Investment cash £	Total £
Cost or valuation			
At 1 April 2022	851,536	5,692	857,228
Additions	1,580	9,289	10,869
Valuation changes	(71,037)	-	(71,037)
Disposals	(165)	-	(165)
At 31 March 2023	781,914	14,981	796,895
Carrying amount			
At 31 March 2023	781,914	14,981	796,895
At 31 March 2022	851,536	5,692	857,228

All investments are carried at their fair value. Investments in equities, fixed interest and other securities are all traded in quoted public markets for which market prices are readily available.

17 Debtors

Amounts falling due within one year:	2023 £	2022 £
Other debtors	8,472	10,680
Prepayments and accrued income	49,853	8,640
	58,325	19,320

18 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	20	8,015	4,800
Other taxation and social security		1,521	2,345
Trade creditors		8,051	14,837
Other creditors		5,489	5,489
Accruals and deferred income		17,245	49,303
		40,321	76,774

19 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	20	234,532	243,090

20 Loans and overdrafts

	2023 £	2022 £
Bank loans	242,547	247,890
Payable within one year	8,015	4,800
Payable after one year	234,532	243,090
Amounts included above which fall due after five years:		
Payable other than by instalments	212,490	212,490

A long term bank loan is secured by a fixed charge over freehold land owned by the charity. The loan is on a standard variable interest rate at a fixed margin of 2.32% over the Bank of England base rate for the first 5 years.

21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

				Movement in funds			
	Balance at 1 April 2021	Resources expended	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers	Balance at 31 March 2023
	£	£	£	£	£	£	£
Natural England - Higher Level Stewardship Scheme	1,658	(241)	1,417	-	(205)	-	1,212
Peakes Pond Haybridge	2,847	-	2,847	-	-	-	2,847
Haybridge Nature Reserve	-	-	-	35,474	(6,430)	-	29,044
Hartley Lakes Field & Open Access Project	-	-	-	72,224	(67,323)	(3,495)	1,406
Haybridge BEATA Habitat Assessment	-	-	-	5,454	-	-	5,454
	4,505	(241)	4,264	113,152	(73,958)	(3,495)	39,963

The Natural England Higher Level Stewardship Scheme fund relates to the Haybridge Moss and Hulleter Moss project. The remaining balance within this fund represents the net book value of capital assets that were acquired and created as a result of the project.

The Peakes Pond Haybridge fund relates to a legacy that was left for the benefit of Haybridge.

The Haybridge Nature Reserve fund comprises monies received following the closure of The Haybridge Nature Reserve Society together with subsequent membership fees which are to be spent on conservation of the Haybridge Nature Reserve and for the benefit of the members.

The Hartley Lakes Field & Open Access Project comprises grant income received from the North Pennines AONB Partnership for farming in protected landscapes and has been largely spent in the year.

The Haybridge BEATA Habitat Assessment fund includes income receivable from Countryside Stewardship for the purpose of conducting a feasibility study.

22 Analysis of net assets between funds

	Unrestricted funds 2023	Restricted funds 2023	Total 2023	Unrestricted funds 2022	Restricted funds 2022	Total 2022
	£	£	£	£	£	£
Fund balances at 31 March 2023 are represented by:						
Intangible fixed assets	4,500	-	4,500	-	-	-
Tangible assets	1,781,959	1,162	1,783,121	1,789,084	1,367	1,790,451
Investment properties	2,890,000	-	2,890,000	2,770,371	-	2,770,371
Investments	796,895	-	796,895	857,228	-	857,228
Current assets/(liabilities)	53,520	38,801	92,321	131,124	2,897	134,021
Long term liabilities	(234,532)	-	(234,532)	(243,090)	-	(243,090)
	5,292,342	39,963	5,332,305	5,304,717	4,264	5,308,981

23 Related party transactions

During the year the charity incurred management fees totalling £34,000 (2022 - £30,067) payable to Hewetson & Johnson Limited, a professional firm in which Ed Hewetson is a director and shareholder. The fees were charged on a commercial basis for land agent services provided.

THE JOHN STRUTT CONSERVATION FOUNDATION

England & Wales - Charity number 1141021

Accounts

Charity registration number 1141021

Company registration number 07444213 (England and Wales)

THE JOHN STRUTT CONSERVATION FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

KENNETH EASBY LIMITED

A Xeinadin Company

THE JOHN STRUTT CONSERVATION FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr J S R Elliott Dr S D Ward Mr E Hewetson Mrs C Berry Dr P Welsh Mrs H Loxam Mr D Swalwell Mr G Broome	 (Appointed 22 July 2021)
Charity number	1141021	
Company number	07444213	
Registered office	The Estate Office Low Ploughlands Little Musgrave Kirkby Stephen Cumbria CA17 4PQ	
Auditor	Xeinadin Audit Limited 1 City Road East Manchester M15 4PN	
Bankers	Barclays Bank Plc 31 High Row Darlington County Durham DL3 7QS	
Solicitors	Kilvington Solicitors Westmorland House Market Square Kirkby Stephen Cumbria CA17 4QT	

THE JOHN STRUTT CONSERVATION FOUNDATION

CONTENTS

	Page
Trustees' report	1 - 5
Statement of trustees' responsibilities	6
Independent auditor's report	7 - 10
Statement of financial activities	11
Balance sheet	12
Notes to the financial statements	13 - 23

THE JOHN STRUTT CONSERVATION FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their annual report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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).

Objectives and activities

The charity's principal objectives are to promote the conservation and study of wildlife including birds, mammals and insects in the natural environment forming their habitat and to promote knowledge of and interest in such wildlife.

The management of the charity's land is designed to sustain and enhance wildlife habitats and biodiversity. In managing areas of ancient woodland and wetland, the charity seeks to retain vegetation that is natural in type and displays natural processes. Where land is managed by grazing, the policy is to enhance biodiversity by regulating stock levels and prohibiting the application of herbicides, artificial fertilisers and livestock slurry. Hay meadows are managed to enhance floristic richness and safeguard ground nesting birds and the trustees are receiving assistance from Cumbria Wildlife Trust for hay meadow restoration projects on their Hartley and Hay Bridge lands. Hedgerows and stone walls are maintained by traditional practices. The charity is also working with Edward Mills of Footprint Forestry to develop a Woodland Management Plan for the woodlands at Hartley and Haybridge.

Public benefit statement

In interpreting the objectives and planning the activities of the charity the trustees have given careful consideration to the Charities Commission guidance on public benefit.

The advancement of environmental protection and improvement is recognised as a charitable purpose and is universally regarded as producing a public good. The charity exists to promote the care of wildlife and its habitats and its management of land provides a clear public benefit. The value of several areas of the charity's land has been recognised by their designation as either a Site of Special Scientific Interest or a County Wildlife Site, and through conserving these areas following recognised good practice the charity contributes to national conservation goals and enhances public benefit.

The public enjoys access to a considerable part of the charity's land, and benefits from enjoyment of outstanding scenery and rich wildlife. At Hay Bridge the provision of facilities for the Hay Bridge Society of over 600 members and the encouragement of educational visits adds further clear public benefit. The trustees have plans to enhance public enjoyment of their land at Hartley, part of which is already designated as Access Land under the Countryside and Rights of Way Act. It has established a concessionary path along a disused railway line crossing its estate and published a descriptive leaflet available at the Visitor Centre in nearby Kirkby Stephen.

The public enjoys access to a considerable part of the charity's land, and benefits from enjoyment of outstanding scenery and rich wildlife. At Hay Bridge the provision of facilities for the Hay Bridge Society of over 600 members and the encouragement of educational visits adds further clear public benefit. The trustees are considering how to enhance public enjoyment of their land at Hartley, part of which is already designated as Access Land under the Countryside and Rights of Way Act. It has established a concessionary path along a disused railway line crossing its estate and published a descriptive leaflet available at the Visitor Centre in nearby Kirkby Stephen.

Achievements and performance

At Haybridge, schools and other groups such as Mind regularly visit Haybridge and these have benefitted from time spent on the reserve. Following the completion of the works which formed part of the Higher Level Stewardship, works at Haybridge include ongoing conservation works including woodland coppicing, hedge planting and pond creation.

At Hartley, further meadow restoration works have been completed in conjunction with Cumbria Wildlife Trust. Cattle grazing has been introduced into the 'Lakes' field to alter the grazing regime.

At Hartley, we have worked in collaboration with the principal farm tenant to establish the creation of woodland pasture by planting approximately 4,600 trees and grazing only with cattle. Other works which have taken place included the laying of hedges and restoration of stone walls.

Investment Assets

The Foundation owns a number of houses, farm buildings and industrial units at Hartley. These properties are let to provide income and so support the conservation work of the charity. During the year the houses at Hartley were predominantly occupied and income producing. The Warden now occupies Hay Bridge House on a service occupancy agreement as part of his employment contact so that there is a permanent presence on the site for both management and security.

A review of the Hartley Units has taken place to ensure the accommodation continues to meet occupier requirements and regulatory requirements.

Further works have been carried out to unit 35. These have included the provision of a corridor from the lefthand unit to the kitchen area, refurbishment of the kitchen and creation of an extra lettable unit. All units within unit 35 are now let and is generating additional income.

Planning permission was granted for unit 36 for change of use from agricultural to B8-storage and distribution. Roller shutter doors have been installed and the unit is generating income from commercial lettings.

Financial review

The trustees have continued their policy of strict control over expenditure. Income for the year amounted to £172,008 (2021 - £161,316) and expenditure for the year amounted to £161,473 (2021 - £168,410). Therefore the charity generated a net surplus before investment losses of £10,535 (2021 - net deficit £7,094).

Investment losses of £33,101 (2021 - gains of £678,004) were generated in the year.

As a result the charity's total funds stood at £5,308,981 (2021 - £5,331,547) as at 31 March 2022, including unrestricted funds of £5,304,717 (2021 - £5,327,042) and restricted funds of £4,264 (2021 - £4,505). The restricted funds represent the net book value of capital assets acquired as part of the Natural England Higher Level Stewardship Agreement project and unspent funds for the Haybridge Peake's Pond project.

Financial Reserves Policy

The trustees have examined the charity's requirements for financial reserves in light of the identification of a sudden drop in income as a principal risk. It has established a policy whereby the unrestricted funds not committed to tangible fixed assets or investment should be equivalent to at least six months expenditure. The reserves are needed to meet the working requirements of the charity and the trustees are confident that at this level they would, in the short term, be able to continue the current activities of the charity in the event of a significant drop in funding.

Investment policy and objectives

During the year the charity's financial investments were managed by Hugh Beaumont of Mindful Financial Planning. The investment strategy is reviewed each year. The current investment policy statement includes the following objectives:

- to generate a distributable return, comprising income and capital withdrawals, of at least 2.6% per annum over rolling five year periods to contribute toward the charity's activities;
- to maintain the value of capital in real terms over the medium to long term; and
- to maintain an investment strategy in keeping with the aims of a conservation charity, paying due regard to environmental, ethical and social considerations.

The trustees have appointed Hugh Beaumont of Mindful Financial Planning Ltd, a trading style of Lyncombe Consultants Ltd, a firm authorised and regulated by the Financial Conduct Authority, to act as investment advisor to the charity.

On at least an annual basis the trustees, in conjunction with the investment advisor, will review the portfolio returns risk and asset allocation, compare the investment returns with a suitable benchmark, rebalance the portfolio as required, replace funds where alternate funds are considered to provide better opportunities, realise profits to replenish the cash reserve as appropriate, and review the portfolio costs and charges.

Financial risk management

The charity's trustees have considered the major risks to which the charity is exposed and have established systems and procedures to manage those risks.

Currency risk
As some of the fixed asset investments represent foreign currency funds there is a risk that an adverse movement in the exchange rates would lead to a reduction in the market value of the portfolio. This is mitigated by constructing a diverse portfolio of investments across various markets.

Liquidity risk
The charity expects to meet its financial obligations through operating cash flows. The charity continuously monitors forecast and actual cash flows and maintains adequate funds to ensure that financial obligations are met as they fall due.

Cash flow risk
The trustees consider that a decline in income as a result of a fall in the value or yield of the investment portfolio or a fall in rents received from its properties as a consequence of economic down turn and Brexit uncertainties relating to agriculture and conservation are the principal risks. The trustees consider that the use of specialist agents to manage their investments and properties is the best approach to the maintenance of stability.

Plans for future periods

A modernisation programme continues at Hartley Fold in order to ensure the accommodation meets modern requirements and satisfies demand from current and potential occupiers.

A strategy is being considered regarding the residential and commercial portfolio as improvements are required to improve energy efficiency. All the above plans should lead to improved energy efficiency and accommodation for our tenants, and secure and improve the rental income for the Foundation in order to support an increasing number of conservation projects.

At Hartley, there is a plan in place to develop at Permissive Public Right of Way which encompasses Longrigg Scar, The Lakes Field and the railway track. Funding has been secured from the North Pennines AONB from a Farming in Protected Landscapes grant to create the permissive route and the funding will cover items including signage and creation of a footpath in the Lakes Field.

At Haybridge, the Haybridge Nature Reserve Society is merging with the charity. Going forward, the charity will be responsible for managing the society including administering memberships, collection of membership fees and organising events. Keith Loxam continues to manage the reserve on a day-to-day basis keeping it in good order. Going forward, discussions have started with Natural England regarding the new Countryside Stewardship Scheme which will start in 2024.

Woodland Management plans are being put together for both Hartley and Haybridge Woodlands which will guide the future management of the charity's woodlands.

Structure, governance and management

The charity is a company limited by guarantee and is governed by a memorandum and articles of association.

The charity was incorporated on 18 November 2010 and remained dormant until 31 March 2011 when the net assets of a charitable trust known as The John Strutt Conservation Foundation (charity no. 1073619) were transferred to it.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:
Mr J S R Elliott
Dr S D Ward
Mr E Hewetson
Mrs C Berry
Dr P Welsh
Mrs H Loxam
Mr D Swalwell
Mr G Broome (Appointed 22 July 2021)

Additional trustees are appointed by the board of trustees and there is no statutory period of service. The memorandum provides for a minimum of three trustees and there is no limitation placed on the maximum number of trustees.

The trustees designated Mrs Loxam and Mr Elliott as trustees with special responsibility for their estate at Hay Bridge, Dr Ward as trustee with special responsibility for the land at Hartley and Winton, and Miss Claire Noble MRICS (from 31 August 2021) from Hewetson & Johnson Limited as Treasurer.

At the periodic trustees' meetings the trustees agree the broad strategy and areas of activity for the charity including the management of its lands and investment assets. The day to day administration of the charity's affairs is undertaken by Claire Noble MRICS of Hewetson & Johnson Limited, Rural Land Agents of Cumbria. The charity's investment portfolio is managed by Hugh Beaumont of Mindful Financial Planning Ltd appointed as the charity's investment advisor. The charity's solicitor is Kilvington Solicitors of Kirkby Stephen. The charity's accountants are Kenneth Easby Limited of Bedale, North Yorkshire.

No formal training is given to the trustees but recruitment is only made from those who support the charity's objectives and are considered well qualified to contribute to its work.

All trustees give their time freely and no trustee remuneration was paid in the year.

The trustees Christine Berry and Simon Elliott are designated as the Trustees to 'oversee' the Management Agents on a regular basis. They approved the total management fees of £30,067 in the financial year 21/22 payable to Hewetson and Johnson Ltd, a professional firm whereby Ed Hewetson is a director and shareholder. The fees were charged on a commercial basis for land agency services provided. A conflict of interest procedure, in accordance with RICS guidance, is in place whereby all potential conflicts are managed and discussed by the designated Trustees.

Auditor
In accordance with the company's articles, a resolution proposing that Xeinadin Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

On behalf of the board of trustees



Mr E Hewetson
Trustee

28 November 2022

THE JOHN STRUTT CONSERVATION FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

The trustees, who are also the directors of The John Strutt Conservation Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE JOHN STRUTT CONSERVATION FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE JOHN STRUTT CONSERVATION FOUNDATION

Opinion

We have audited the financial statements of The John Strutt Conservation Foundation (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, 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's 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 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 are 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within 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 the knowledge and understanding of the company 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 in relation to which 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 charitable company or to cease operations, or have no realistic alternative but to do so.

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement principal ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the charitable sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, the company's legal advisors and any other relevant regulator or body.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE JOHN STRUTT CONSERVATION FOUNDATION

Use of our report

This report is made solely to the charitable company's members, 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 charitable company's members those matters we are required to state to them in an auditors' 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Deborah Fletcher-McVay (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited

28/11/2022

Accountants
Statutory Auditor

1 City Road East
Manchester
M15 4PN

THE JOHN STRUTT CONSERVATION FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income and endowments from:							
Donations and legacies	3	50	-	50	-	-	-
Charitable activities	4	51,886	-	51,886	49,977	-	49,977
Investments	5	113,982	-	113,982	111,339	-	111,339
Other income	6	6,090	-	6,090	-	-	-
Total income		172,008	-	172,008	161,316	-	161,316
Expenditure on:							
Raising funds	7	55,100	-	55,100	60,554	-	60,554
Charitable activities	8	106,132	241	106,373	107,487	369	107,856
Total expenditure		161,232	241	161,473	168,041	369	168,410
Net gains/(losses) on investments	11	(33,101)	-	(33,101)	678,004	-	678,004
Net movement in funds		(22,325)	(241)	(22,566)	671,279	(369)	670,910
Fund balances at 1 April 2021		5,327,042	4,505	5,331,547	4,655,763	4,874	4,660,637
Fund balances at 31 March 2022		5,304,717	4,264	5,308,981	5,327,042	4,505	5,331,547

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE JOHN STRUTT CONSERVATION FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	**12**		1,790,451		1,782,427
Investment properties	**13**		2,770,371		2,715,000
Investments	**14**		857,228		971,830
			5,418,050		5,469,257
Current assets					
Debtors	**15**	19,320		19,091	
Cash at bank and in hand		191,475		124,015	
		210,795		143,106	
Creditors: amounts falling due within one year	**16**	(76,774)		(26,073)	
Net current assets			134,021		117,033
Total assets less current liabilities			5,552,071		5,586,290
Creditors: amounts falling due after more than one year	**17**		(243,090)		(254,743)
Net assets			5,308,981		5,331,547
Income funds					
Restricted funds	**20**		4,264		4,505
Unrestricted funds			5,304,717		5,327,042
			5,308,981		5,331,547

The financial statements were approved by the Trustees on 28 November 2022

Mr E Hewetson
Trustee

Company registration number 07444213

1 Accounting policies

Charity information

The John Strutt Conservation Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is The Estate Office, Low Ploughlands, Little Musgrave, Kirkby Stephen, Cumbria, CA17 4PQ.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include investment properties and fixed asset investments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income from charitable activities includes rental income net of VAT and government subsidies and is recognised when receivable by the charity. Rental income received in advance at the balance sheet is deferred into the following period.

Investment income, in the form of investment dividends and rental income, is recognised when receivable by the charity.

1 Accounting policies **(Continued)**

1.5 Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure which is directly attributable to specific activities has been included in these cost categories.

Expenditure on raising funds represents those costs associated with generating the investment income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

All assets are capitalised. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land & buildings	Nil
Plant and equipment	15% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

The trustees have considered the nature and use of the Foundation's land and buildings. The trustees have always maintained the assets at a high standard for the education and enjoyment of visitors and promotion of the Foundation's aims. In respect of the assets which represent land and other buildings used for the Foundation's educational and conservational aims they consider that depreciation would be inappropriate due to the prospective long life of these assets.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

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

1 Accounting policies **(Continued)**

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

2 Critical accounting estimates and judgements **(Continued)**

Key sources of estimation uncertainty

Investment properties

The fair value of the investment properties has been arrived at on the basis of a valuation carried out as at 31 March 2021 by a Trustee who is an experienced FRICS qualified surveyor, adjusted for ongoing capital works carried out in the year. The 2021 valuations were made by reference to market evidence of transaction prices for similar properties for residential properties, and applying appropriate market yields to current net rental income for commercial property units.

3 Donations and legacies

	Unrestricted funds	Total
	2022	2021
	£	£
Donations and gifts	50	-

4 Charitable activities

	2022	**2021**
	£	**£**
Rental income	35,749	32,161
Government subsidies and other income	16,137	17,816
	51,886	49,977

Charitable trading income

Unrestricted government subsidies related to Environmental Stewardship and other rural payment grants receivable to enable the charity to carry out its objectives.

5 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Rental income	104,948	90,660
Income from listed investments	9,028	20,655
Interest receivable	6	24
	113,982	111,339

6 Other income

	Unrestricted funds	Total
	2022	2021
	£	£
Net gain on disposal of tangible fixed assets	6,090	-

7 Raising funds

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Investment property expenditure		
Investment property running costs	27,747	21,208
Investment property repairs	23,150	35,261
Investment property expenditure	50,897	56,469
Investment management costs	4,203	4,085
	55,100	60,554

All investment property and investment management expenditure incurred in 2021 and 2022 relates to unrestricted funds.

8 Charitable activities

	2022	2021
	£	£
Staff costs	24,928	25,428
Depreciation and impairment	9,647	7,375
Haybridge Moss and Hulleter Moss project costs	-	85
Repair, maintenance and conservation costs	17,106	22,479
Operational costs	7,038	9,134
Support costs	35,490	37,061
Irrecoverable VAT	12,164	6,294
	106,373	107,856
	106,373	107,856
Analysis by fund		
Unrestricted funds	106,132	107,487
Restricted funds	241	369
	106,373	107,856

Support costs includes amounts payable to the auditors of £6,500 (2021 - £6,500) for the audit and preparation of the annual accounts and £2,840 (2021 - £2,820) for other accountancy services.

Also included in support costs is £5,481 interest payable (2021 - £2,546) and £Nil charges incurred (2021: £2,490) in relation to a bank loan taken out in 2020 and a bounce back loan taken out in 2021.

9 Trustees

None of the trustees (or any person connected with them) received any remuneration during the year. Travel expenses, subsistence and small expenditure on behalf of the foundation totalling £1,285 (2021 - £725) have been reimbursed to four trustees in the year (2021 - two trustees) in their capacity as trustees.

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Warden	1	1

Employment costs	2022 £	2021 £
Wages and salaries	22,928	22,928
Other pension costs	2,000	2,500
	24,928	25,428

There were no employees whose annual remuneration was £60,000 or more.

11 Net gains/(losses) on investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Revaluation of investments	(329,842)	141,563
Gain/(loss) on sale of investments	296,741	(10,079)
Revaluation of investment properties	-	546,520
	(33,101)	678,004

12 Tangible fixed assets

	Freehold land & buildings	Plant and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2021	1,749,448	57,658	23,520	1,830,626
Additions	-	7,086	20,495	27,581
Disposals	-	-	(23,490)	(23,490)
At 31 March 2022	1,749,448	64,744	20,525	1,834,717
Depreciation and impairment				
At 1 April 2021	-	34,589	13,610	48,199
Depreciation charged in the year	-	4,523	5,124	9,647
Eliminated in respect of disposals	-	-	(13,580)	(13,580)
At 31 March 2022	-	39,112	5,154	44,266
Carrying amount				
At 31 March 2022	1,749,448	25,632	15,371	1,790,451
At 31 March 2021	1,749,448	23,069	9,910	1,782,427

Motor vehicles with a carrying amount of £Nil (2021 - £9,910) have been pledged to secure the finance lease creditor at the balance sheet date.

13 Investment property

	2022
	£
Fair value	
At 1 April 2021	2,715,000
Additions through external acquisition	55,371
At 31 March 2022	2,770,371

Investment properties are measured at fair value, with changes in fair value being recognised in net income/ (expenditure). The fair value of the investment properties has been arrived at on the basis of a valuation carried out as at 31 March 2021 by a Trustee who is an experienced FRICS qualified surveyor, adjusted for ongoing capital works carried out in the year. The 2021 valuations were made by reference to market evidence of transaction prices for similar properties for residential properties, and applying appropriate market yields to current net rental income for commercial property units.

14 Fixed asset investments

	Listed investments	Investment cash	Total
	£	£	£
Cost or valuation			
At 1 April 2021	897,332	74,498	971,830
Additions	929,131	-	929,131
Valuation changes	(329,842)	-	(329,842)
Disposals	(645,085)	(68,806)	(713,891)
At 31 March 2022	851,536	5,692	857,228
Carrying amount			
At 31 March 2022	851,536	5,692	857,228
At 31 March 2021	897,332	74,498	971,830

All investments are carried at their fair value. Investments in equities, fixed interest and other securities are all traded in quoted public markets for which market prices are readily available.

15 Debtors

Amounts falling due within one year:	2022 £	2021 £
Other debtors	10,680	12,549
Prepayments and accrued income	8,640	6,542
	19,320	19,091

16 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	18	4,800	1,800
Obligations under finance leases	19	-	570
Other taxation and social security		2,345	172
Trade creditors		14,837	5,902
Other creditors		5,489	5,489
Accruals and deferred income		49,303	12,140
		76,774	26,073

17 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	18	243,090	246,690
Obligations under finance leases	19	-	8,053
		243,090	254,743

Amounts owed under finance lease agreements are secured on the assets to which they relate.

18 Loans and overdrafts

	2022 £	2021 £
Bank loans	247,890	248,490
Payable within one year	4,800	1,800
Payable after one year	243,090	246,690

Amounts included above which fall due after five years:

Payable by instalments	-	5,400
Payable other than by instalments	212,490	212,490
	212,490	217,890

A long term bank loan is secured by a fixed charge over freehold land owned by the charity. The loan is on a standard variable interest rate at a fixed margin of 2.32% over the Bank of England base rate for the first 5 years.

19 Finance lease commitments

Future minimum lease payments due under finance leases:

	2022 £	2021 £
Within one year	-	570
Within two and five years	-	8,053
	-	8,623

Amounts owed under finance lease agreements are secured on the assets to which they relate.

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2020	Resources expended	Balance at 1 April 2021	Resources expended	Balance at 31 March 2022
	£	£	£	£	£
Natural England - Higher Level Stewardship Scheme	1,942	(284)	1,658	(241)	1,417
Peakes Pond Haybridge	2,932	(85)	2,847	-	2,847
	4,874	(369)	4,505	(241)	4,264

The Natural England Higher Level Stewardship Scheme fund relates to the Haybridge Moss and Hulleter Moss project. The remaining balance within this fund represents the net book value of capital assets that were acquired and created as a result of the project.

The Peakes Pond Haybridge fund relates to a legacy that was left for the benefit of Haybridge.

21 Analysis of net assets between funds

	Unrestricted funds 2022	Restricted funds 2022	Total 2022	Unrestricted funds 2021	Restricted funds 2021	Total 2021
	£	£	£	£	£	£
Fund balances at 31 March 2022 are represented by:						
Tangible assets	1,789,084	1,367	1,790,451	1,780,769	1,658	1,782,427
Investment properties	2,770,371	-	2,770,371	2,715,000	-	2,715,000
Investments	857,228	-	857,228	971,830	-	971,830
Current assets/(liabilities)	131,124	2,897	134,021	114,186	2,847	117,033
Long term liabilities	(243,090)	-	(243,090)	(254,743)	-	(254,743)
	5,304,717	4,264	5,308,981	5,327,042	4,505	5,331,547

22 Related party transactions

During the year the charity incurred management fees totalling £30,067 (2021 - £33,998) payable to Hewetson & Johnson Limited, a professional firm in which Ed Hewetson is a director and shareholder. The fees were charged on a commercial basis for land agent services provided.

THE JOHN STRUTT CONSERVATION FOUNDATION

England & Wales - Charity number 1141021

Accounts

Charity Registration No. 1141021

Company Registration No. 07444213 (England and Wales)

THE JOHN STRUTT CONSERVATION FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

KENNETH EASBY LIMITED

CHARTERED ACCOUNTANTS

THE JOHN STRUTT CONSERVATION FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr J S R Elliott Dr S D Ward Mr E Hewetson Mrs C Berry Dr P Welsh Mrs H Loxam	 (Appointed 28 August 2019)
Charity number	1141021	
Company number	07444213	
Registered office	The Estate Office Low Ploughlands Little Musgrave Kirkby Stephen Cumbria CA17 4PQ	
Auditor	Kenneth Easby Limited Oak House Market Place Bedale North Yorkshire DL8 1AQ	
Bankers	Barclays Bank Plc 31 High Row Darlington County Durham DL3 7QS	
Solicitors	McCormicks - Solicitors 35 - 37 East Parade Harrogate HG1 5LQ	
Investment advisors	Waverton Investment Management 16 Babmaes Street London SW1Y 6AH	

THE JOHN STRUTT CONSERVATION FOUNDATION

CONTENTS

	Page
Trustees' report	1 - 4
Statement of trustees' responsibilities	5
Independent auditor's report	6 - 8
Statement of financial activities	9
Balance sheet	10
Notes to the financial statements	11 - 22

THE JOHN STRUTT CONSERVATION FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2020

The trustees present their report and financial statements for the year ended 31 March 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's memorandum and articles of association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The charity's principal objectives are to promote the conservation and study of wildlife including birds, mammals and insects in the natural environment forming their habitat and to promote knowledge of and interest in such wildlife.

The management of the charity's land is designed to sustain and enhance wildlife habitats and biodiversity. In managing areas of ancient woodland and wetland, the charity seeks to retain vegetation that is natural in type and displays natural processes. Where land is managed by grazing, the policy is to enhance biodiversity by regulating stock levels and prohibiting the application of herbicides, artificial fertilisers and livestock slurry. Hay meadows are managed to enhance floristic richness and safeguard ground nesting birds and the trustees are receiving assistance from Cumbria Wildlife Trust for hay meadow restoration projects on their Hartley and Hay Bridge lands. Hedgerows and stone walls are maintained by traditional practices and stone barns and other buildings are safeguarded. The Trustees are also concerned to maintain scenic quality and historical and archaeological interest.

Public benefit statement

In interpreting the objectives and planning the activities of the charity the trustees have given careful consideration to the Charities Commission guidance on public benefit.

The advancement of environmental protection and improvement is recognised as a charitable purpose and is universally regarded as producing a public good. The charity exists to promote the care of wildlife and its habitats and its management of land provides a clear public benefit. The value of several areas of the charity's land has been recognised by their designation as either a Site of Special Scientific Interest or a County Wildlife Site, and through conserving these areas following recognised good practice the charity contributes to national conservation goals and enhances public benefit.

The public enjoys access to a considerable part of the charity's land, and benefits from enjoyment of outstanding scenery and rich wildlife. At Hay Bridge the provision of facilities for the Hay Bridge Society of over 600 members and the encouragement of educational visits adds further clear public benefit. The trustees are considering how to enhance public enjoyment of their land at Hartley, part of which is already designated as Access Land under the Countryside and Rights of Way Act. It has established a concessionary path along a disused railway line crossing its estate and published a descriptive leaflet available at the Visitor Centre in nearby Kirkby Stephen.

Achievements and performance

The JSCF completed restoration works in Hulleter Moss in accordance with the Higher Level Stewardship agreement which included drainage works and the creation of further scale bunding and tree planting on the 'Withies'. Works at Haybridge include ongoing conservation works including woodland coppicing, hedge planting and pond creation.

At Hartley, further meadow restoration works have been completed in conjunction with Cumbria Wildlife Trust on Bull Cop and Gain Bank. Cattle grazing has been introduced into the 'Lakes' field to alter the grazing regime.

Investment Assets

The Foundation owns a number of houses, farm buildings and industrial units at Hartley. These properties are let to provide income and so support the conservation work of the charity. During the year all the houses at Hartley continued in full occupation and Hay Bridge House was leased to the Warden so that there is a permanent presence on the site for both management and security. All but one of the industrial units at Hartley were fully occupied throughout the year. Routine maintenance has continued and during the year the trustees also explored options for concentrating agricultural activities in one section of the site, releasing a large building for other uses at enhanced rental.

Financial review

The trustees have continued their policy of strict control over expenditure. Income for the year amounted to £158,432 (2019 - £111,650) and expenditure for the year amounted to £170,870 (2019 - £230,822). Therefore the charity generated a net deficit of £12,438 (2019 - net deficit £119,172).

The charity's ongoing unrestricted activities incurred net expenditure of £15,086 (before investment losses) compared to £31,008 net expenditure in 2019.

Investment losses of £84,447 (2019 - gains of £23,688) were generated in the year. As a result the charity's total funds stood at £4,660,637 (2019 - £4,757,522) as at 31 March 2020, including unrestricted funds of £4,655,763 (2019 - £4,755,296) and restricted funds of £4,874 (2019 - £2,226). The restricted funds represent the net book value of capital assets acquired as part of the Natural England Higher Level Stewardship Agreement project and unspent funds for the Haybridge Peake's Pond project.

Financial Reserves Policy

The trustees have examined the charity's requirements for financial reserves in light of the identification of a sudden drop in income as a principal risk. It has established a policy whereby the unrestricted funds not committed to tangible fixed assets or investment should be equivalent to at least six months expenditure. The reserves are needed to meet the working requirements of the charity and the trustees are confident that at this level they would, in the short term, be able to continue the current activities of the charity in the event of a significant drop in funding.

Investment policy and objectives

The charity's financial investments are managed by Alexandra Buchan of Waverton Investment Management. The investment strategy is reviewed each year. The trustees continue to review the performance, risk profile and ethical balance of the investments held. The value of the portfolio has decreased but the level of income derived from the charity's financial and property assets has been maintained.

Financial risk management

The charity's trustees have considered the major risks to which the charity is exposed and have established systems and procedures to manage those risks.

Currency risk
As some of the fixed asset investments represent foreign currency funds there is a risk that an adverse movement in the exchange rates would lead to a reduction in the market value of the portfolio. This is mitigated by constructing a diverse portfolio of investments across various markets.

Liquidity risk
The charity expects to meet its financial obligations through operating cash flows. The charity continuously monitors forecast and actual cash flows and maintains adequate funds to ensure that financial obligations are met as they fall due.

Cash flow risk
The trustees consider that a decline in income as a result of a fall in the value or yield of the investment portfolio or a fall in rents received from its properties as a consequence of economic down turn and Brexit uncertainties relating to agriculture and conservation are the principal risks. The trustees consider that the use of specialist agents to manage their investments and properties is the best approach to the maintenance of stability.

Plans for the future

There are proposals at Hartley Fold to improve the quality of the industrial units to enhance the income derived for further conservation works. The Trustees are reviewing alternative uses for Unit 36 to provide a complementary extension to the existing commercial units at Hartley Fold. The Trustees are reviewing options for Unit 35 as the tenant is carrying significant rental arrears. An assessment of the energy efficiency of the investment property will be explored to improve the rental security and efficiency of the investment income.

On the conservation front, there is an ambitious plan to put in place a new Countryside Stewardship Scheme over much of Mark Jenkinson's tenanted land including new woodland pasture. There will be further meadow planting in Winton Road and Rough Bottoms fields.

At Haybridge a new grant of rights is being considered with the Haybridge Nature Reserve Society. Keith Loxam is continuing with clearance of scrub around ponds, and generally putting the reserve into good order ahead of a new stewardship scheme in a few years time. The Trustees have submitted an offer to acquire an additional 72 acre block of mature woodland known as Black Beck Woods which borders the southern boundary of the existing reserve.

Structure, governance and management

The charity is a company limited by guarantee and is governed by a memorandum and articles of association.

The charity was incorporated on 18 November 2010 and remained dormant until 31 March 2011 when the net assets of a charitable trust known as The John Strutt Conservation Foundation (charity no. 1073619) were transferred to it.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr J S R Elliott	
Mrs S C Bradley	(Resigned 27 June 2019)
Dr S D Ward	
Mr E Hewetson	
Mrs C Berry	
Dr P Welsh	
Mrs H Loxam	(Appointed 28 August 2019)

Additional trustees are appointed by the board of trustees and there is no statutory period of service. The memorandum provides for a minimum of three trustees and there is no limitation placed on the maximum number of trustees.

The trustees designated Mrs Bradley (succeeded by Mrs Loxam) and Mr Elliott as trustees with special responsibility for their estate at Hay Bridge, Dr Ward as trustee with special responsibility for the land at Hartley and Winton, and Mr Mark Ludiman from Hewetson & Johnson Limited as Treasurer.

At the periodic trustees' meetings the trustees agree the broad strategy and areas of activity for the charity including the management of its lands and investment assets. The day to day administration of the charity's affairs is undertaken by Mark Ludiman MRICS of Hewetson & Johnson Limited, Rural Land Agents of Cumbria. The charity's investment portfolio is managed by Alexandra Buchan of Waverton Investment Management (formerly J O Hambro) of London. The charity's solicitor is Mr Peter McCormick of McCormicks of Harrogate. The charity's auditors and accountants are Kenneth Easby Limited of Bedale, North Yorkshire.

No formal training is given to the trustees but recruitment is only made from those who support the charity's objectives and are considered well qualified to contribute to its work. During the year the trustees reviewed a skills audit to assist the forward planning of trustees' appointments.

All trustees give their time freely and no trustee remuneration was paid in the year.

During the year the charity incurred management fees totalling £3,750 (2019 - £nil) payable to Hewetson & Johnson Limited, a professional firm in which Ed Hewetson is a director and shareholder. The fees were charged on a commercial basis for land agent services provided.

Auditor

Kenneth Easby Limited were re-appointed auditors to the company in the year, and a resolution proposing that they be re-appointed will be put to the members.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

On behalf of the board of trustees

Mr E Hewetson
Trustee
Dated: 21 December 2020

THE JOHN STRUTT CONSERVATION FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2020

The trustees, who are also the directors of The John Strutt Conservation Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE JOHN STRUTT CONSERVATION FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE JOHN STRUTT CONSERVATION FOUNDATION

Opinion

We have audited the financial statements of The John Strutt Conservation Foundation (the 'charity') for the year ended 31 March 2020 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, 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's 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE JOHN STRUTT CONSERVATION FOUNDATION

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, 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 charitable company or to cease operations, or have no realistic alternative but to do so.

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.

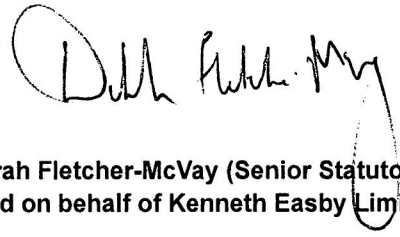
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE JOHN STRUTT CONSERVATION FOUNDATION

Use of our report

This report is made solely to the charitable company's members, 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 charitable company's members those matters we are required to state to them in an auditors' 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Deborah Fletcher-McVay (Senior Statutory Auditor)
for and on behalf of Kenneth Easby Limited

21 December 2020

Chartered Accountants
Statutory Auditor

Oak House
Market Place
Bedale
North Yorkshire
DL8 1AQ

THE JOHN STRUTT CONSERVATION FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Income and endowments from:							
Donations and legacies	3	50	5,050	5,100	70	-	70
Charitable activities	4	56,440	-	56,440	54,548	(60,328)	(5,780)
Investments	5	96,892	-	96,892	112,092	-	112,092
Other income	6	-	-	-	5,268	-	5,268
Total income		153,382	5,050	158,432	171,978	(60,328)	111,650
Expenditure on:							
Raising funds	7	54,881	-	54,881	46,048	-	46,048
Charitable activities	8	113,587	2,402	115,989	156,938	27,836	184,774
Total resources expended		168,468	2,402	170,870	202,986	27,836	230,822
Net gains/(losses) on investments	11	(84,447)	-	(84,447)	23,688	-	23,688
Net movement in funds		(99,533)	2,648	(96,885)	(7,320)	(88,164)	(95,484)
Fund balances at 1 April 2019		4,755,296	2,226	4,757,522	4,762,616	90,390	4,853,006
Fund balances at 31 March 2020		4,655,763	4,874	4,660,637	4,755,296	2,226	4,757,522

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE JOHN STRUTT CONSERVATION FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	12		1,581,719		1,582,948
Investment properties	13		2,168,480		2,168,480
Investments	14		845,376		930,112
			4,595,575		4,681,540
Current assets					
Debtors	15	14,369		57,865	
Cash at bank and in hand		80,763		73,093	
		95,132		130,958	
Creditors: amounts falling due within one year	16	(21,447)		(45,831)	
Net current assets			73,685		85,127
Total assets less current liabilities			4,669,260		4,766,667
Creditors: amounts falling due after more than one year	18		(8,623)		(9,145)
Net assets			4,660,637		4,757,522
Income funds					
Restricted funds	19		4,874		2,226
Unrestricted funds			4,655,763		4,755,296
			4,660,637		4,757,522

The financial statements were approved by the Trustees on 21 December 2020

Mr E Hewetson
Trustee

Company Registration No. 07444213

1 Accounting policies

Charity information

The John Strutt Conservation Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is The Estate Office, Low Ploughlands, Little Musgrave, Kirkby Stephen, Cumbria, CA17 4PQ.

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include investment properties and fixed asset investments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income from charitable activities includes rental income net of VAT and government subsidies and is recognised when receivable by the charity. Rental income received in advance at the balance sheet is deferred into the following period.

Investment income, in the form of investment dividends and rental income, is recognised when receivable by the charity.

1 Accounting policies **(Continued)**

1.5 Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure which is directly attributable to specific activities has been included in these cost categories.

Expenditure on raising funds represents those costs associated with generating the investment income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

All assets are capitalised. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land & buildings	Nil
Plant and equipment	15% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

The trustees have considered the nature and use of the Foundation's land and buildings. The trustees have always maintained the assets at a high standard for the education and enjoyment of visitors and promotion of the Foundation's aims. In respect of the assets which represent land and other buildings used for the Foundation's educational and conservational aims they consider that depreciation would be inappropriate due to the prospective long life of these assets.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

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

1 Accounting policies **(Continued)**

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Critical accounting estimates and judgements **(Continued)**

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Investment properties

Investment properties are measured at fair value, with changes in fair value being recognised in net income/(expenditure). The trustees have considered the valuations as at 31 March 2020 with input from the charity's Managing Agent and using comparable recent market data and deem there to have been no material changes in the year.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds
	2020	2020	2020	2019
	£	£	£	£
Donations and gifts	50	50	100	70
Legacies receivable	-	5,000	5,000	-
	50	5,050	5,100	70

4 Charitable activities

	2020	2019
	£	£
Rental income	33,212	33,157
Government subsidies and other income	23,228	(38,937)
	56,440	(5,780)
Analysis by fund		
Unrestricted funds	56,440	54,548
Restricted funds	-	(60,328)

Charitable trading income

Unrestricted government subsidies related to Agricultural Countryside and Forestry grants received to enable the charity to carry out its objectives. Project grants receivable are included within restricted income.

Capital works to Haybridge and Hulleter Moss and funded by the Natural England Higher Level Stewardship Scheme were completed in the prior year. Overall expenditure was less than the original budget as a result of planning issues and as a result £60,328 of income previously accrued for was reversed in the prior period.

5 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Rental income	71,061	87,224
Income from listed investments	25,828	24,868
Interest receivable	3	-
	96,892	112,092

6 Other income

	Total	Total
	2020	2019
	£	£
Net gain on disposal of tangible fixed assets	-	5,268

7 Raising funds

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Investment property expenditure		
Investment property running costs	16,666	15,098
Investment property repairs	24,430	25,284
Investment property development costs	9,269	-
Investment property expenditure	50,365	40,382
Investment management costs	4,516	5,666
	54,881	46,048

All investment property and investment management expenditure incurred in 2019 and 2020 relates to unrestricted funds.

8 Charitable activities

	2020	2019
	£	£
Staff costs	25,528	26,435
Depreciation and impairment	9,193	10,411
Haybridge Moss and Hulleter Moss project costs	2,068	38,072
Repair, maintenance and conservation costs	17,679	36,942
Operational costs	10,623	12,687
Support costs	38,976	45,977
Irrecoverable VAT	11,922	14,250
	115,989	184,774
	115,989	184,774
Analysis by fund		
Unrestricted funds	113,587	156,938
Restricted funds	2,402	27,836
	115,989	184,774

Support costs includes amounts payable to the auditors of £6,500 (2019 - £6,650) for the audit and preparation of the annual accounts and £3,335 (2019 - £10,468) for other accountancy services.

9 Trustees

None of the trustees (or any person connected with them) received any remuneration during the year. Travel and repair expenses totalling £1,367 (2019 - £2,271) have been reimbursed to two trustees in the year (2019 - three trustees) in their capacity as trustees.

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Warden	1	1

Employment costs	**2020 £**	**2019 £**
Wages and salaries	23,028	23,935
Other pension costs	2,500	2,500
	25,528	26,435

There were no employees whose annual remuneration was £60,000 or more.

11 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Revaluation of investments	(76,677)	27,944
Gain/(loss) on sale of investments	(7,770)	(4,256)
	(84,447)	23,688

12 Tangible fixed assets

	Freehold land & buildings	Plant and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2019	1,539,629	51,430	23,520	1,614,579
Additions	1,736	6,228	-	7,964
At 31 March 2020	1,541,365	57,658	23,520	1,622,543
Depreciation and impairment				
At 1 April 2019	-	25,729	5,902	31,631
Depreciation charged in the year	-	4,789	4,404	9,193
At 31 March 2020	-	30,518	10,306	40,824
Carrying amount				
At 31 March 2020	1,541,365	27,140	13,214	1,581,719
At 31 March 2019	1,539,629	25,701	17,618	1,582,948

Motor vehicles with a carrying amount of £13,213 (2019 - £17,618) have been pledged to secure the finance lease creditor at the balance sheet date.

13 Investment property

	2020
	£
Fair value	
At 1 April 2019 and 31 March 2020	2,168,480

Investment properties are measured at fair value, with changes in fair value being recognised in net income/(expenditure). The trustees have considered the valuations as at 31 March 2020 with input from the charity's Managing Agent and using comparable recent market data and deem there to have been no material changes in the year.

14 Fixed asset investments

	Listed investments	Investment cash	Total
	£	£	£
Cost or valuation			
At 1 April 2019	858,318	71,794	930,112
Additions	47,157	39,581	86,738
Valuation changes	(76,677)	-	(76,677)
Disposals	(94,797)	-	(94,797)
At 31 March 2020	734,001	111,375	845,376
Carrying amount			
At 31 March 2020	734,001	111,375	845,376
At 31 March 2019	858,318	71,794	930,112

All investments are carried at their fair value. Investments in equities, fixed interest and other securities are all traded in quoted public markets for which market prices are readily available.

15 Debtors

	2020	2019
Amounts falling due within one year:	£	£
Other debtors	8,000	10,411
Prepayments and accrued income	6,369	47,454
	14,369	57,865

16 Creditors: amounts falling due within one year

	Notes	2020	2019
		£	£
Obligations under finance leases	17	570	570
Other taxation and social security		-	329
Other creditors		5,489	-
Accruals and deferred income		15,388	44,932
		21,447	45,831

Amounts owed under finance lease agreements are secured on the assets to which they relate.

17 Finance lease commitments

Future minimum lease payments due under finance leases:

	2020	2019
	£	£
Within one year	570	570
Within two and five years	8,623	9,145
	9,193	9,715

18 Creditors: amounts falling due after more than one year

	Notes	2020	2019
		£	£
Obligations under finance leases	17	8,623	9,145

Amounts owed under finance lease agreements are secured on the assets to which they relate.

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

		Movement in funds			Movement in funds		
	Balance at 1 April 2018	Incoming resources	Resources expended	Balance at 1 April 2019	Incoming resources	Resources expended	Balance at 31 March 2020
	£	£	£	£	£	£	£
Natural England - Higher Level Stewardship Scheme	90,390	(60,328)	(27,836)	2,226	50	(334)	1,942
Peakes Pond Haybridge	-	-	-	-	5,000	(2,068)	2,932
	90,390	(60,328)	(27,836)	2,226	5,050	(2,402)	4,874

The Natural England Higher Level Stewardship Scheme fund relates to the Haybridge Moss and Hulleter Moss project. The remaining balance within this fund represents the net book value of capital assets that were acquired and created as a result of the project.

The Peakes Pond Haybridge fund relates to a legacy that was left for the benefit of Haybridge.

20 Analysis of net assets between funds

	Unrestricted funds 2020	Restricted funds 2020	Total 2020	Unrestricted funds 2019	Restricted funds 2019	Total 2019
	£	£	£	£	£	£
Fund balances at 31 March 2020 are represented by:						
Tangible assets	1,579,777	1,942	1,581,719	1,580,722	2,226	1,582,948
Investment properties	2,168,480	-	2,168,480	2,168,480	-	2,168,480
Investments	845,376	-	845,376	930,112	-	930,112
Current assets/ (liabilities)	70,753	2,932	73,685	85,127	-	85,127
Long term liabilities	(8,623)	-	(8,623)	(9,145)	-	(9,145)
	4,655,763	4,874	4,660,637	4,755,296	2,226	4,757,522

21 Related party transactions

During the year the charity incurred management fees totalling £3,750 (2019 - £nil) payable to Hewetson & Johnson Limited, a professional firm in which Ed Hewetson is a director and shareholder. The fees were charged on a commercial basis for land agent services provided.