

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
C H A R T E R E D A C C O U N T A N T S

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

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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.

THE JOHN STRUTT CONSERVATION FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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.

THE JOHN STRUTT CONSERVATION FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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.

THE JOHN STRUTT CONSERVATION FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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.

THE JOHN STRUTT CONSERVATION FOUNDATION

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.

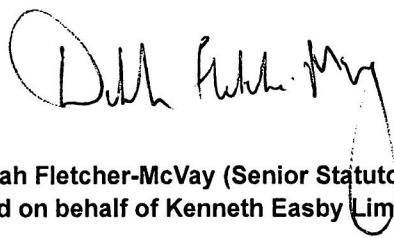
THE JOHN STRUTT CONSERVATION FOUNDATION

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

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
<u>Income and endowments from:</u>							
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
<u>Expenditure on:</u>							
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 £	£	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	
		<u>4,595,575</u>		<u>4,681,540</u>	
Current assets					
Debtors	15	14,369		57,865	
Cash at bank and in hand		80,763		73,093	
		<u>95,132</u>		<u>130,958</u>	
Creditors: amounts falling due within one year	16	(21,447)		(45,831)	
Net current assets			73,685		85,127
Total assets less current liabilities			<u>4,669,260</u>		<u>4,766,667</u>
Creditors: amounts falling due after more than one year	18		(8,623)		(9,145)
Net assets			<u>4,660,637</u>		<u>4,757,522</u>
Income funds					
Restricted funds	19	4,874		2,226	
Unrestricted funds		4,655,763		4,755,296	
		<u>4,660,637</u>		<u>4,757,522</u>	

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



Mr E Hewetson
Trustee

Company Registration No. 07444213

THE JOHN STRUTT CONSERVATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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.

THE JOHN STRUTT CONSERVATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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).

THE JOHN STRUTT CONSERVATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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.

THE JOHN STRUTT CONSERVATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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	-
	<u>50</u>	<u>5,050</u>	<u>5,100</u>	<u>70</u>

THE JOHN STRUTT CONSERVATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

4 Charitable activities

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

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	-
	<u>96,892</u>	<u>112,092</u>

THE JOHN STRUTT CONSERVATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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
	£	£
<u>Investment property expenditure</u>		
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
<u>Investment management costs</u>	4,516	5,666
	54,881	46,048

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

THE JOHN STRUTT CONSERVATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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
	<u>115,989</u>	<u>184,774</u>
	<u>115,989</u>	<u>184,774</u>
Analysis by fund		
Unrestricted funds	113,587	156,938
Restricted funds	2,402	27,836
	<u>115,989</u>	<u>184,774</u>

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.

THE JOHN STRUTT CONSERVATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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
	<u>25,528</u>	<u>26,435</u>

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

11 Net gains/(losses) on investments

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

THE JOHN STRUTT CONSERVATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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.

THE JOHN STRUTT CONSERVATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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.

THE JOHN STRUTT CONSERVATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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
	<u>9,193</u>	<u>9,715</u>

18 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Obligations under finance leases	17	<u>8,623</u>	<u>9,145</u>

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
	<u>90,390</u>	<u>(60,328)</u>	<u>(27,836)</u>	<u>2,226</u>	<u>5,050</u>	<u>(2,402)</u>	<u>4,874</u>

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 JOHN STRUTT CONSERVATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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)
	<u>4,655,763</u>	<u>4,874</u>	<u>4,660,637</u>	<u>4,755,296</u>	<u>2,226</u>	<u>4,757,522</u>

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.