

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

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<b>Trustees</b>	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
<b>Charity number</b>	1141021
<b>Company number</b>	07444213
<b>Registered office</b>	The Estate Office Low Ploughlands Little Musgrave Kirkby Stephen Cumbria CA17 4PQ
<b>Auditor</b>	Xeinadin Audit Limited Oak House, Market Place Bedale North Yorkshire DL8 1AQ
<b>Bankers</b>	Barclays Bank Plc 31 High Row Darlington County Durham DL3 7QS
<b>Solicitors</b>	Kilvington Solicitors Westmorland House Market Square Kirkby Stephen Cumbria CA17 4QT

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# **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 2023**

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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 (Forestry 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.



# THE JOHN STRUTT CONSERVATION FOUNDATION

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

### FOR THE YEAR ENDED 31 MARCH 2023

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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 contract 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 JOHN STRUTT CONSERVATION FOUNDATION

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

### FOR THE YEAR ENDED 31 MARCH 2023

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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 1<sup>st</sup> 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 JOHN STRUTT CONSERVATION FOUNDATION

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

**FOR THE YEAR ENDED 31 MARCH 2023**

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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***

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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

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#### 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.

# THE JOHN STRUTT CONSERVATION FOUNDATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE JOHN STRUTT CONSERVATION FOUNDATION

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#### **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.

# THE JOHN STRUTT CONSERVATION FOUNDATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE JOHN STRUTT CONSERVATION FOUNDATION

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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

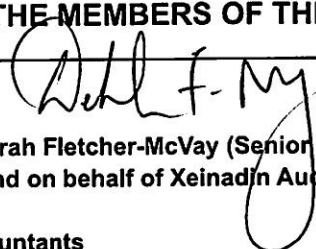
This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report 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.

# THE JOHN STRUTT CONSERVATION FOUNDATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE JOHN STRUTT CONSERVATION FOUNDATION

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

Accountants  
Statutory Auditor

20 December 2023

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**

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
<b><u>Income and endowments from:</u></b>							
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
<b>Total income</b>		<b>188,317</b>	<b>113,152</b>	<b>301,469</b>	<b>172,008</b>	<b>-</b>	<b>172,008</b>
<b><u>Expenditure on:</u></b>							
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
<b>Total expenditure</b>		<b>219,731</b>	<b>73,958</b>	<b>293,689</b>	<b>161,232</b>	<b>241</b>	<b>161,473</b>
Net gains/(losses) on investments	11	15,544	-	15,544	(33,101)	-	(33,101)
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(15,870)</b>	<b>39,194</b>	<b>23,324</b>	<b>(22,325)</b>	<b>(241)</b>	<b>(22,566)</b>
Gross transfers between funds		3,495	(3,495)	-	-	-	-
<b>Net movement in funds</b>		<b>(12,375)</b>	<b>35,699</b>	<b>23,324</b>	<b>(22,325)</b>	<b>(241)</b>	<b>(22,566)</b>
Fund balances at 1 April 2022		5,304,717	4,264	5,308,981	5,327,042	4,505	5,331,547
<b>Fund balances at 31 March 2023</b>		<b>5,292,342</b>	<b>39,963</b>	<b>5,332,305</b>	<b>5,304,717</b>	<b>4,264</b>	<b>5,308,981</b>

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 £	£	2022 £	£
<b>Fixed assets</b>					
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
			<u>5,474,516</u>		<u>5,418,050</u>
<b>Current assets</b>					
Debtors	17	58,325		19,320	
Cash at bank and in hand		74,317		191,475	
			<u>132,642</u>		<u>210,795</u>
<b>Creditors: amounts falling due within one year</b>	18	(40,321)		(76,774)	
Net current assets			<u>92,321</u>		<u>134,021</u>
<b>Total assets less current liabilities</b>			<u>5,566,837</u>		<u>5,552,071</u>
<b>Creditors: amounts falling due after more than one year</b>	19	(234,532)		(243,090)	
<b>Net assets</b>			<u><u>5,332,305</u></u>		<u><u>5,308,981</u></u>
<b>Income funds</b>					
Restricted funds	21	39,963		4,264	
Unrestricted funds		5,292,342		5,304,717	
			<u><u>5,332,305</u></u>		<u><u>5,308,981</u></u>

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

  
Mr E Hewetson  
Trustee

Company registration number 07444213

# THE JOHN STRUTT CONSERVATION FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **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.

# THE JOHN STRUTT CONSERVATION FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 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).

# THE JOHN STRUTT CONSERVATION FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **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.

# THE JOHN STRUTT CONSERVATION FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 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	-
	<u>133,589</u>	<u>51,886</u>
<b>Analysis by fund</b>		
Unrestricted funds	55,232	51,886
Restricted funds	78,357	-
	<u>133,589</u>	<u>51,886</u>

#### 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.

# THE JOHN STRUTT CONSERVATION FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

### 5 Investments

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

### 6 Other income

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

### 7 Raising funds

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

# THE JOHN STRUTT CONSERVATION FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

### 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
	<u>210,642</u>	<u>106,373</u>
<b>Analysis by fund</b>		
Unrestricted funds	136,684	106,132
Restricted funds	73,958	241
	<u>210,642</u>	<u>106,373</u>

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.



# THE JOHN STRUTT CONSERVATION FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

### 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
	<u>26,150</u>	<u>24,928</u>

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

### 11 Net gains/(losses) on investments

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

### 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 Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

# THE JOHN STRUTT CONSERVATION FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 13 Intangible fixed assets

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

#### 14 Tangible fixed assets

	Freehold land & buildings £	Plant and Motor vehicles equipment £	£	Total £
<b>Cost</b>				
At 1 April 2022	1,749,448	64,744	20,525	1,834,717
Additions	-	6,280	-	6,280
Disposals	-	(13,875)	-	(13,875)
	<u>1,749,448</u>	<u>57,149</u>	<u>20,525</u>	<u>1,827,122</u>
At 31 March 2023	<u>1,749,448</u>	<u>57,149</u>	<u>20,525</u>	<u>1,827,122</u>
<b>Depreciation and impairment</b>				
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)
	<u>-</u>	<u>35,004</u>	<u>8,997</u>	<u>44,001</u>
At 31 March 2023	<u>-</u>	<u>35,004</u>	<u>8,997</u>	<u>44,001</u>
<b>Carrying amount</b>				
At 31 March 2023	<u>1,749,448</u>	<u>22,145</u>	<u>11,528</u>	<u>1,783,121</u>
At 31 March 2022	<u>1,749,448</u>	<u>25,632</u>	<u>15,371</u>	<u>1,790,451</u>

# THE JOHN STRUTT CONSERVATION FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 15 Investment property

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

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 £
<b>Cost or valuation</b>			
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)
	<u>781,914</u>	<u>14,981</u>	<u>796,895</u>
At 31 March 2023	<u>781,914</u>	<u>14,981</u>	<u>796,895</u>
<b>Carrying amount</b>			
At 31 March 2023	<u>781,914</u>	<u>14,981</u>	<u>796,895</u>
At 31 March 2022	<u>851,536</u>	<u>5,692</u>	<u>857,228</u>

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

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

# THE JOHN STRUTT CONSERVATION FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 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
		<u>40,321</u>	<u>76,774</u>

### 19 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans	20	<u>234,532</u>	<u>243,090</u>

### 20 Loans and overdrafts

	2023 £	2022 £
Bank loans	<u>242,547</u>	<u>247,890</u>
Payable within one year	8,015	4,800
Payable after one year	<u>234,532</u>	<u>243,090</u>

Amounts included above which fall due after five years:

Payable other than by instalments	<u>212,490</u>	<u>212,490</u>
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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.

# THE JOHN STRUTT CONSERVATION FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 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 31 March 2023
	Balance at 1 April 2021	Resources expended	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£	£	£
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
	<u>4,505</u>	<u>(241)</u>	<u>4,264</u>	<u>113,152</u>	<u>(73,958)</u>	<u>(3,495)</u>	<u>39,963</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 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.

# THE JOHN STRUTT CONSERVATION FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 22 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total Unrestricted funds 2023 £	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	1,790,451
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	134,021
Long term liabilities	(234,532)	-	(234,532)	(243,090)	(243,090)
	<u>5,292,342</u>	<u>39,963</u>	<u>5,332,305</u>	<u>4,264</u>	<u>5,308,981</u>

### 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.