

**PIG SHED TRUST**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

# PIG SHED TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr H S Jones Mr D J Cox
<b>Charity number</b>	1146739
<b>Principal address</b>	The Farmhouse Biddenfield Lane Shedfield Southampton Hampshire United Kingdom SO32 2HP
<b>Auditor</b>	Azets Audit Services 24 Park Road South Havant Hampshire United Kingdom PO9 1HB

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# PIG SHED TRUST

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# **PIG SHED TRUST**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 30 JUNE 2020**

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The trustees present their report and financial statements for the year ended 30 June 2020.

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 trust deed, the Charities Act 2011 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**

##### **Objectives of the Charity**

The Trustees of Pig Shed Trust hold the Trust Fund and its income upon trust to apply them for all objects that are regarded as exclusively charitable under the law of England and Wales.

##### **The Charity Vision**

Pig Shed Trust is primarily focused on interventions that promote conservation and change the natural environment for the better. In particular, the focus is on activities that will benefit both wildlife and the people living with it. The interventions must be smart, well-run projects that use sound business principles to achieve measureable outcomes. Pig Shed Trust undertakes projects itself and funds partner charities and organisations to run compatible projects.

##### **Objectives for 2019 – 2020**

Pig Shed Trust has focused on several key objectives over this financial year:

1. Progress the internal scallop ranching project to develop a commercial size scallop farm
2. Implement planning and measurement into all grants and interventions undertaken to help quantify the outcomes and impact
3. Support the local wildlife around Pig Shed Trust's home office in Hampshire

##### **Strategy for achieving the objectives**

Pig Shed Trust has narrowed its focus to mainly in house projects in order to achieve its objectives. The objectives for 2019-20 remain unchanged from last year and the work undertaken during this year builds on the foundations previously developed.

##### **Strategy for Objective 1**

The scallop project will take a further loan out from Pig Shed Trust to progress the cultivation of scallops ready for harvesting and to develop an in house scallop hatchery close to the farm site.

##### **Strategy for Objective 2**

Planning and measurement is core to Pig Shed Trust and all the projects use scientific rigour and SMART planning to ensure they achieve the best results possible.

##### **Strategy for Objective 3**

Pig Shed Trust will continue to look for interventions within the local countryside to best support wildlife. This will involve working with the Hampshire and Isle of Wight Wildlife Trust and managing Biddenfield Estate to actively enhance wildlife in and around it.

#### **Activities**

##### **The internal Scallop Ranch Project**

Scallop Ranch Ltd (SRL) has continued to focus on managing scallop survivability along with identifying modifications to equipment to help make the husbandry processes more efficient.

SRL continues to work with the University of Plymouth (UoP) to establish best practices in husbandry skills and better understand mortality.

SRL has begun selling scallops to several processors and achieved unit prices in line with expectations, placing them on a par with dive caught prices.

# **PIG SHED TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 30 JUNE 2020***

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In order to reduce the risk to the business from a lack of spat supplied from the hatchery in Norway, attention has been turned to how SRL could develop a hatchery in the UK, providing a second source of spat and reducing the business risks significantly. Over the course of the year, a site in Brixham was identified, secured and a hatchery building made of a series of containers coupled together, installed. It is hoped by the end of 2020, the fit out will be complete and the hatchery will be able to begin producing scallop spat.

Furthermore, with the demands on space within Torbay increasing, SRL took the opportunity to apply for an increased area of seabed within the bay to ensure that the scale required by the business was future proofed. SRL has managed to secure the necessary licence and lease that will double the number of lines in the water, doubling the farm's capacity.

#### **Supporting local Wildlife**

Pig Shed Trust has completed the renovation work on the Farmhouse and the three barns, which have all been let out. The cottage across the road from the other buildings is still being renovated with an anticipated completion by the end of 2020.

The renovation work will provide a perpetual source of income for the estate by renting out the properties, in order to help support the other work carried out on the estate to enhance wildlife.

Adjacent land to Biddenfield Estate has become available which would add an additional 70 acres of mixed grazing and woodland and create additional wildlife habitat without the requirement of additional infrastructure to manage it because the existing equipment and contractors can be used from Biddenfield. PST has successfully negotiated the purchase of the land.

When PST first purchased Biddenfield Estate, baseline surveys were commissioned to give a better understanding of the wildlife on the whole estate and provide information with which to manage it to enhance the wildlife. Since then, the surveys have continued and remain an important tool to influence the interventions on the estate. This approach will be applied to the new piece of land too.

#### **Planning and Measurement**

Pig Shed Trust has committed to use planning and measurement in all of its projects and this is demonstrated through the engagement of surveys from external experts and working with Plymouth University to apply scientific rigour to processes in order to drive improvements.

#### **Public benefit**

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

#### **Volunteers**

Pig Shed Trust has one Trustee who volunteers to work for the trust on a virtually full time basis and who manages the day-to-day activities and commitments of the Trust.

# PIG SHED TRUST

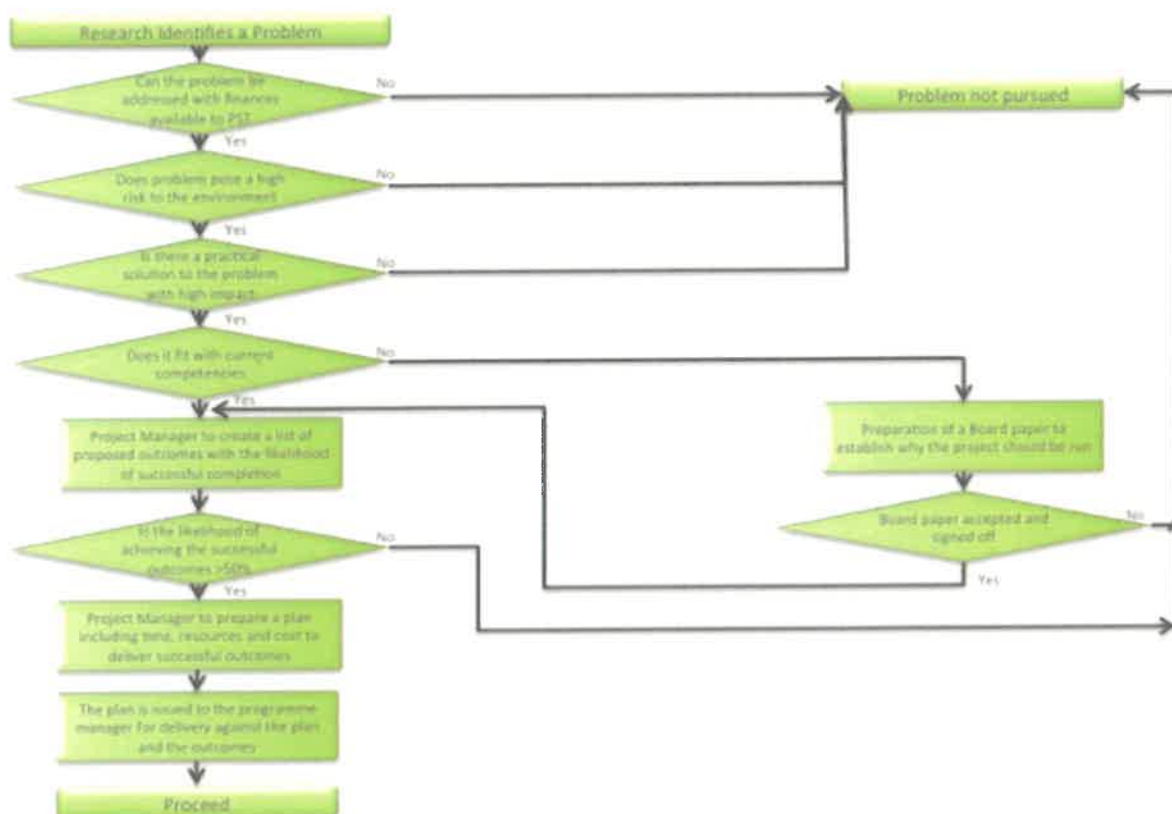
## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### Grant making decision process

Pig Shed Trust continues to use two decision processes, one is for internal projects that it is looking to undertake and the other is for grant applications that have been received from third parties.

## Internal Decision Process



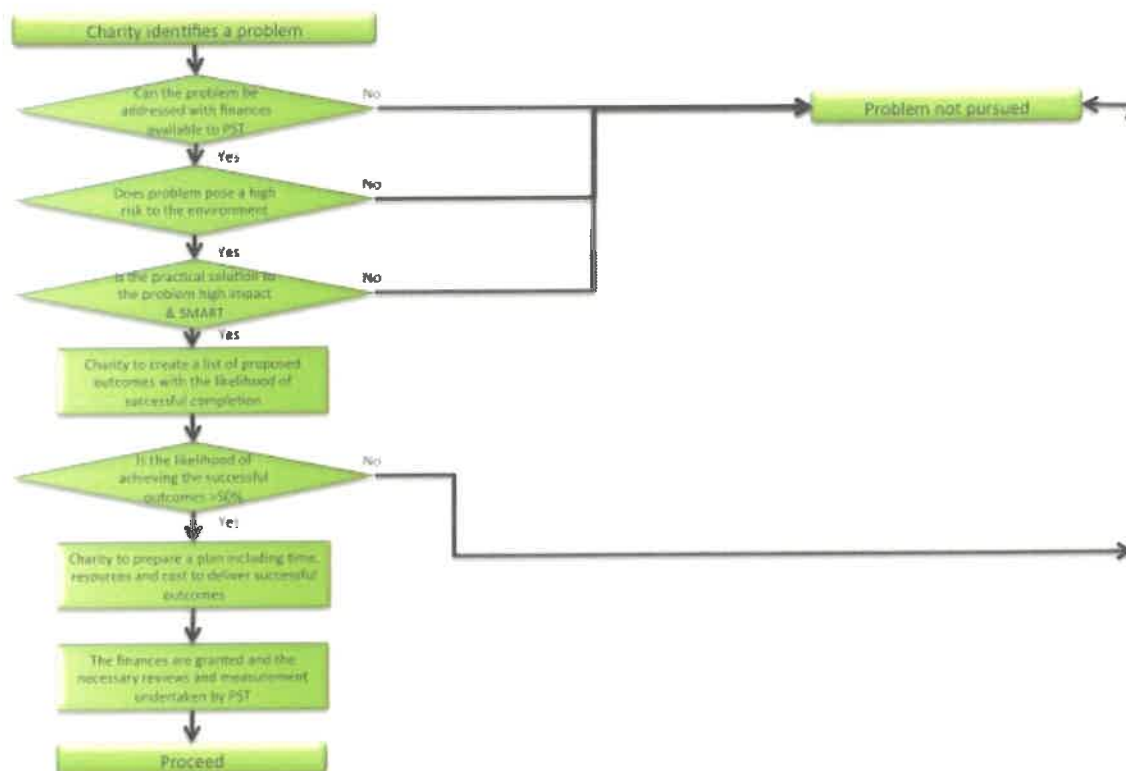
## PIG SHED TRUST

### TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

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## External Funding Decision Process



In both instances, the Trustees will make the final decision on committing funds to a project or application.

### Achievements and performance

The following table details the grants and projects undertaken and financed during the year and sets out what the intended objectives were and whether these were achieved.

## PIG SHED TRUST

### TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

Objectives 2019-20	Grants & Projects	Value	Objectives	Pig Shed Trust activities	Outcomes
1. Progress the internal scallop ranching project to develop a commercial size scallop farm	Scallop Ranch took a commercial loan with PST to progress the site in Torbay as well as a capital loan to build a hatchery in Brixham	£220,000 + £250,000	To take the learning from the scallop nursery trials and scale up the site so that it is capable of producing scallops commercially	Scallop Ranch Ltd (SRL), a wholly owned subsidiary of PST, has secured the lease of an area within Brixham Harbour to house a hatchery. A building made from containers has been designed and built, installed and is ready to be fitted out with all the necessary equipment required to setup a hatchery	Previously, mortality was the biggest factor challenging the project. This still remains the number 1 challenge, however progress is being made on reducing it through targeted interventions to remove predators and reducing density in the nets. This has begun to deliver better survival rates. Work will continue in this area to find the sweet spot between effort and yield.
2. Implement planning and measurement into all grants and interventions undertaken to help quantify the outcomes and impact	Marine Conservation Society		To implement a process of measuring the outcomes of the work funded by the grant money	Working with the key members of the MCS team to identify the measurable aspects of the grant and help ensure that these are reviewed during and post the grant period	The work on this area has helped focus the work effort in the grants to make sure that emphasis is given to the activities that deliver the best outcomes for the project
3. Support the local wildlife around Pig Shed Trust's home office in Hampshire	Management of Biddenfield Estate and procurement of additional land adjacent to the existing estate	£975,000	To create an area of land managed purely for the enhancement of wildlife local to Pig Shed Trust	BEML, a wholly owned subsidiary of PST has undertaken active management of both the woodland areas and grass/arable areas to enhance wildlife and obtain Countryside Higher Level Stewardship grants to help support the work. The HLS schemes have had mixed results which have been documented by ongoing surveys, which have in turn informed the management decisions for the land and enabled significant enhancement to be observed through grazing, tree felling etc.	Base line surveys of the various indicator species were all carried out before any management took place and these have become invaluable to the decision making process for managing the estate. Yearly on going surveys have built up a picture showing the significant enhancement that is happening to the estate. All indications point towards significant wildlife enhancement, which will inform decisions going forward.



# PIG SHED TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2020

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#### Financial review

The Charity's funding has mainly come in from a donation from Harvey Jones, investment income and a gift aid claim.

During the year incoming resources totalled £768,475 and resources expensed totalled £60,408. At the year end the Charity held unspent funds (or 'free' reserves) of £2,731,678 (2019: £2,645,657).

Full details of the application of funds and movement in resources for the Charity are given in the Statement of Financial Activities on page 12. All assets are held in furtherance of the objects of the Charity. The financial statements comply with current statutory requirements and with the Charity's governing document.

The Charity has two trading subsidiaries, Scallop Ranch Limited and Biddenfield Estate Management Limited. During the year, Scallop Ranch Limited made a loss of £393,384 (2019: £353,019), with net liabilities of £1,465,347 (2019: £1,071,963). The company is incurring costs relating to the farming of scallops, which will ultimately enable them to generate an income. Biddenfield Estate Management Limited made a profit of £15,712 (2019: £45,241) in the year, with closing net liabilities of £215,734 (2019: £231,446). The company is currently undertaking work to Biddenfield Estate, which will enable them to generate an income.

#### Reserves policy

Pig Shed Trust does not have any pension or employment liabilities and therefore reserves are required to meet any of the following eventualities:

- The risk of an unforeseen emergency, e.g. a repair or urgent seen funding of a project
- Long term commitments to grants beyond 1 year
- To meet the Trust's objectives of future years
- Professional services, such as legal or accounting associated with any problems the Trust may encounter

Pig Shed Trust holds funds capable of financing the above eventualities and will continue to do so. If there are any significant changes to the way that Pig Shed Trust operates, the above list of reserve elements will be reviewed and sufficient funds will be kept in reserve to meet any additional eventualities.

Pig Shed Trust has continued its funding activities with its core projects, building on the previous year's activities. Long term relationships with the grantees are essential in order to develop outcomes that meet the requirements of both organisations and to understand each others strengths and weaknesses and best capitalise on these.

#### Future plans

The plan for the following year is to build on the projects and relationships that have flourished during this year. From this, the key areas of focus will be:

- Start an income stream from the scallop project and make it commercially viable
- Enhance the estate management plans to deliver the maximum wildlife benefit and maintain a perpetual income source using the estate's assets to support the estate work
- Active reviews of the grant/project outcomes

# PIG SHED TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 JUNE 2020**

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### **Structure, governance and management**

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

The trustees who served during the year and up to the date of signature of the financial statements were:

Mr H S Jones

Mr D J Cox

### **Recruitment and appointment of new trustees**

It is the responsibility of the trustees to appoint a new trustee and this will be done as and when it is agreed by the serving trustees that there is a requirement. Any proposed trustee must not have been disqualified from acting as a trustee before and be aged 18 or over. There have been no appointments during this financial year.

### **Management of the charity**

Harvey Jones, a Trustee of the Charity, takes the active lead in the day-to-day running of Pig Shed Trust and when a decision is deemed as significant, it is discussed at a Trustee Meeting.

### **Organisational structure**

Pig Shed Trust does not directly employ anybody and relies on the active engagement of its trustees in a volunteer capacity. Where specialist and professional services are required, they are contracted in. The trustees, in line with the main objectives and vision of the charity make all financial and strategic decisions.

### **Induction and training of new trustees**

On the appointment of a new trustee, they will be made aware of the Charities Commission "The Essential Trustee: What you need to know (CC3)" document, familiarised with it, trained in any areas they are not familiar with and expected to undertake the duties and responsibilities as set out in it.

### **Relationships with other charities and organisations**

Part of the aims of Pig Shed Trust are to provide grant funding to other charitable organisations to help them pursue their objectives that in turn broadly enhance the vision and objectives of Pig Shed Trust.

### **Major risks to the charity**

There are very few major risks identified by the trustees however, where engagement with third parties takes place, suitable contracts are put in place to help manage and reduce any apparent risks.

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



Mr H S Jones

Trustee

Dated: 24/4/21

# **PIG SHED TRUST**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 30 JUNE 2020***

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The trustees 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).

The law applicable to charities in England and Wales 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 of the charity 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 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 sufficient 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

# PIG SHED TRUST

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF PIG SHED TRUST

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#### Opinion

We have audited the financial statements of Pig Shed Trust (the 'charity') for the year ended 30 June 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 FRS 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 charity's affairs as at 30 June 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 Charities Act 2011.

#### 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 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. Our opinion on the financial statements does not cover the other information and 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.

# PIG SHED TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF PIG SHED TRUST

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#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

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

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

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Other matters**

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

# **PIG SHED TRUST**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE TRUSTEES OF PIG SHED TRUST**

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#### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Mr Julian Sims (Senior Statutory Auditor)**  
**for and on behalf of Azets Audit Services**

27/4/21  
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**Chartered Accountants**  
**Statutory Auditor**

24 Park Road South  
Havant  
Hampshire  
United Kingdom  
PO9 1HB

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

# PIG SHED TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Unrestricted funds 2020 £	Unrestricted funds 2019 £
<b><u>Income from:</u></b>			
Donations and legacies	3	625,000	625,000
Investments	4	143,475	123,923
<b>Total income</b>		<b>768,475</b>	<b>748,923</b>
<b><u>Expenditure on:</u></b>			
Raising funds	5	1,559	5,680
Charitable activities	6	58,849	81,324
<b>Total resources expended</b>		<b>60,408</b>	<b>87,004</b>
Net gains/(losses) on investments	12	9,378	(19,593)
<b>Net income for the year/ Net movement in funds</b>		<b>717,445</b>	<b>642,326</b>
Fund balances at 1 July 2019		10,542,859	9,900,533
<b>Fund balances at 30 June 2020</b>		<b>11,260,304</b>	<b>10,542,859</b>

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

All income and expenditure derive from continuing activities.

# **PIG SHED TRUST**

## **BALANCE SHEET**

**AS AT 30 JUNE 2020**

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	13	8,528,624		7,253,503	
Investments	14		2	643,699	
		<u>8,528,626</u>		<u>7,897,202</u>	
<b>Current assets</b>					
Debtors	15	2,617,247		2,093,145	
Cash at bank and in hand		186,792		619,437	
		<u>2,804,039</u>		<u>2,712,582</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(72,361)</u>		<u>(66,925)</u>	
Net current assets			<u>2,731,678</u>		<u>2,645,657</u>
<b>Total assets less current liabilities</b>			<u>11,260,304</u>		<u>10,542,859</u>
<b>Income funds</b>					
Unrestricted funds			<u>11,260,304</u>		<u>10,542,859</u>
			<u>11,260,304</u>		<u>10,542,859</u>

The financial statements were approved by the Trustees on 24/4/21

Mr H S Jones  
Trustee

Mr D J Cox  
Trustee



# PIG SHED TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

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		2020		2019	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	20		588,439		567,663
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,293,532)		(654,489)	
Purchase of investments		(297,753)		(504,296)	
Proceeds on disposal of investments		919,644		1,199,705	
Interest received		2,392		4,321	
Dividends received		6,980		18,903	
<b>Net cash provided by/(used in) investing</b>			(662,269)		64,144
<b>Financing activities</b>					
Loan to intercompany		(390,000)		(620,000)	
<b>Net cash used in financing activities</b>			(390,000)		(620,000)
<b>Net decrease in cash and cash equivalents</b>			(463,830)		11,807
Cash and cash equivalents at beginning of year			650,622		638,815
<b>Cash and cash equivalents at end of year</b>			186,792		650,622

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# PIG SHED TRUST

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 JUNE 2020**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011 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)". The charity is a Public Benefit Entity as defined by FRS 102.

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 financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The financial statements relate to Pig Shed Trust as an individual entity and not to its group.

#### **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. The trustees have considered the impact of Covid-19 and conclude that there is minimal impact on the activities of the charity and its subsidiaries. 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.

#### **1.5 Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

# PIG SHED TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 JUNE 2020**

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### **1 Accounting policies**

#### **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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% on cost
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All assets costing more than £2,000 are capitalised.

Freehold property consist of land, which is considered to have an infinite life and a value greater than cost. On this basis no depreciation has been provided for the land element.

The assets' residual values, useful lives and depreciation methods are reviewed an adjusted prospectively if appropriate.

#### **1.7 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.

All investments are stated at market value. It is the Trust's policy to keep valuations up to date such that when investments are sold there is no gain or loss arising. As a result the Statement of Financial Activities (SOFA) only includes those unrealised losses or gains arising from the investment portfolio throughout the year.

Investments in subsidiaries and associates are all held at cost in the financial statements. A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### **1.8 Impairment of fixed assets**

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

#### **1.9 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### **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.

# PIG SHED TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

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### 1 Accounting policies

#### **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 unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.11 Taxation

The charity is exempt from tax on its charitable activities.

#### 1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/(expenditure) for the period.

### 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 Trustees consider there to be no significant judgements or estimates made during the preparation of these financial statements.

# PIG SHED TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Donations and gifts	500,000	500,000
Gift aid	125,000	125,000
	<u>625,000</u>	<u>625,000</u>

### 4 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Investment income - interest and dividends	9,372	23,224
Rents receivable	200	200
Interest receivable	133,903	100,499
	<u>143,475</u>	<u>123,923</u>

### 5 Raising funds

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Investment management	1,559	5,680
	<u>1,559</u>	<u>5,680</u>

# PIG SHED TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 6 Charitable activities

	Direct costs 2020 £	Direct costs 2019 £
Sundry expenses	(776)	932
Legal and professional charges	22,225	20,462
Freehold property depreciation	31,540	31,540
	<u>52,989</u>	<u>52,934</u>
Grant funding of activities (see note 7)	-	22,570
Share of governance costs (see note 8)	5,860	5,820
	<u>58,849</u>	<u>81,324</u>

### 7 Grants payable

	2019 £
Grants to institutions:	<u>22,570</u>

A grant of £22,570 was made to HIWWT in the prior year for a project relating to the renovation of Blashford Lakes nature reserve in Ringwood, Hampshire.

### 8 Support costs

	Support costs £	Governance costs £	2020 Support costs £	Governance costs £	2019 £
Bank charges	-	-	-	180	180
Audit fees	-	5,860	5,860	-	5,640
	<u>-</u>	<u>5,860</u>	<u>5,860</u>	<u>-</u>	<u>5,820</u>
Analysed between Charitable activities	-	5,860	5,860	-	5,820
	<u>-</u>	<u>5,860</u>	<u>5,860</u>	<u>-</u>	<u>5,820</u>

Governance costs includes payments to the auditors of £5,860 (2019- £5,640) for audit fees.

# PIG SHED TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 9 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the charity's auditor and associates:

	2020 £	2019 £
Audit of the charity's annual accounts	5,860	5,640

### 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

### 11 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Total	-	-

There were no staff costs for the year ended 30th June 2020 nor for the year ended 30th June 2019.

No employees received emoluments in excess of £60,000.

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

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Gain/(loss) on sale of investments	9,378	(19,593)

# **PIG SHED TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2020**

### **13 Tangible fixed assets**

	Freehold land and buildings £	Assets under construction £	Total £
<b>Cost</b>			
At 1 July 2019	7,114,086	191,772	7,305,858
Additions	981,966	324,695	1,306,661
At 30 June 2020	8,096,052	516,467	8,612,519
<b>Depreciation and impairment</b>			
At 1 July 2019	52,355	-	52,355
Depreciation charged in the year	31,540	-	31,540
At 30 June 2020	83,895	-	83,895
<b>Carrying amount</b>			
At 30 June 2020	8,012,157	516,467	8,528,624
At 30 June 2019	7,061,731	191,772	7,253,503

### **14 Fixed asset investments**

	Listed investments £	Cash in portfolio	Other investments	Total £
<b>Cost or valuation</b>				
At 1 July 2019	612,513	31,184	2	643,699
Additions	297,752	927,620	-	1,225,372
Disposals	(910,265)	(958,804)	-	(1,869,069)
At 30 June 2020	-	-	2	2
<b>Carrying amount</b>				
At 30 June 2020	-	-	2	2
At 30 June 2019	612,513	31,184	2	643,699
Other investments comprise:	Notes	2020 £	2019 £	
Investments in subsidiaries	18	2	2	



# PIG SHED TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 15 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Other debtors	2,227,109	1,837,110
Prepayments and accrued income	390,138	256,035
	<u>2,617,247</u>	<u>2,093,145</u>

### 16 Creditors: amounts falling due within one year

	2020 £	2019 £
Other creditors	32,757	39,633
Accruals and deferred income	39,604	27,292
	<u>72,361</u>	<u>66,925</u>

### 17 Related party transactions

During the year a donation of £500,000 (2019: £500,000) was received from one trustee.

**Mr H S Jones**  
Trustee of the charity

Mr H S Jones remained in a rental agreement with Biddenfield Estate Management Limited in respect at a commercial rent as advised by an external advisor.

**Biddenfield Estate Management Limited**  
Subsidiary

The loan balance at the year end totalled £316,248 and is included within other debtors. The loan is subject to interest receivable at a rate of 6% above base. Interest accrued to date totalled £77,738, of which £20,767 (2019: £21,231) has been recognised in the year.

**Scallop Ranch Limited**  
Subsidiary

During the year, the Charity advanced the company £390,000 in addition to the loan already in place. The loan balance at the year end totalled £1,910,862 and is included within other debtors. The loan is subject to interest receivable at a rate of 6% above base. Interest accrued to date totalled £311,400, of which £113,135 (2019: £79,268) has been recognised in the year.

# PIG SHED TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 18 Subsidiaries

Details of the charity's subsidiaries at 30 June 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Scallop Ranch Limited	England & Wales	Marine aquaculture	Ordinary	100.00	
Biddenfield Estate Management Limited	England & Wales	Mixed farming	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Scallop Ranch Limited	(393,384)	(1,465,347)
Biddenfield Estate Management Limited	15,712	(215,734)

### 19 Financial Instruments

At the balance sheet date, the charity held financial assets at amortised cost of £2,804,039 (2019: £2,712,582) and financial liabilities at amortised cost of £72,361 (2019: £66,925).

20 Cash generated from operations	2020 £	2019 £
Surplus for the year	717,445	642,326
Adjustments for:		
Depreciation charges	31,540	31,540
(Gain)/loss on disposal of investments	(9,378)	19,594
Interest received	(133,903)	(100,499)
Interest on investments	(2,392)	(4,321)
Dividends received	(6,980)	(18,903)
Movements in working capital:		
(Increase) in debtors	(200)	(100)
(Decrease) in creditors	(7,693)	(1,974)
<b>Cash generated from/(absorbed by) operations</b>	<b>(588,439)</b>	<b>(567,663)</b>