

Foundation For Common Land

(A company limited by guarantee)

Annual Report and Financial Statements

30 June 2021

Company registration number: 08113120

Charity registration number: 1150439



Foundation For Common Land
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Foundation For Common Land
Reference and Administrative Details

Charity name Foundation For Common Land

Charity registration number 1150439

Company registration number 08113120

Principal office Low Nook
University of Cumbria
Rydal Road
AMBLESIDE
LA22 9BB

Registered office Low Nook
University of Cumbria
Rydal Road
AMBLESIDE
LA22 9BB

Trustees C Short
J Bailey
L M Stride
R J Milton
J C Phelps
L C Branfield
H Fraser
W Benson

Accountant Dodd & Co Limited
FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW

Foundation For Common Land
Trustees' Report for the Year Ended 30 June 2021

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply 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.

OBJECTIVES AND ACTIVITIES

Summary of the objects

The Foundation for Common Land's (FCL) charitable objects as set out in the Articles of Association are as follows:

- To conserve the agricultural systems and the cultural landscapes associated with commoning and the management of common land for the benefit of the public.
- To promote the conservation of the physical and natural environment of common land by supporting the responsible and sustainable pastoral use of commons.
- To conduct and commission research into commoning and common land issues and publish the results of such research to the public at large.
- To educate the public, particularly policy makers and other interested parties in subjects pertaining to commoning.

The common land of England and Wales and the common grazings of Scotland are nationally important for access, tourism, wildlife, carbon storage, water supply, archaeological conservation, food production and livestock breeding. Commons deliver more public benefits than any other type of farmland but this heritage is at risk from a continued decline in its active management. The aim of our work is to safeguard and enhance the heritage of common land and keep commons alive by supporting active grazing. Our aims fully reflect the purposes the charity was set up for. In setting the objectives of the charity the trustees have complied with the Charity Commission guidance on public benefit.

Strategies and activities for achieving objectives

We deliver our core work in the following ways:

- Influence and advocacy through membership of technical advisory groups and alliances
- Convene and chair strategic partnerships
- Contract out work to the best consultants in our field
- Design and deliver training to deepen the knowledge of policy makers and practitioners who can influence future commoning
- Develop partnership projects to secure the cultural heritage of commoning
- Provide up-to-date and in-depth information on common land and commoning on our website
- Choose trustees with strong links to commoners and commoning

Due to devolution of agricultural and environmental policies to the devolved nations and FCL being a small charity while our constitution allows us to work across Great Britain our current activities are restricted to England though we seek to retain active links with networks in Scotland and Wales.

The focus of the work for 2020-21

The work for the year has mostly concentrated in the following areas:

Foundation For Common Land

Trustees' Report for the Year Ended 30 June 2021

- To make good progress with the delivery of our Defra contract for the Environmental Land Management (ELM) Test and Trial for Common Land
- To be a critical friend to the Defra Future Farming team participating in their ELM co-design process
- To start the delivery phase of the National Lottery Heritage Fund (NLHF) project, "Our Common Cause: Our Upland Commons (OCC)" including the recruitment of staff and initiation of activities
- To continue to hold the Rural Payments Agency, Natural England and Defra to account over their delivery of schemes on common land in England with particular emphasis on expiring Higher Level Stewardship schemes
- To continue delivering training to educate conservation specialists, policy makers and other interested parties in subjects pertaining to commoning
- To continue our core work of advocacy, outreach and communications with the aim to reach wider audiences
- To establish an office in Ambleside at the University of Cumbria's campus and recruit an Administrator
- To move to an online bookkeeping system for our finances
- Mentoring new trustees to become actively involved in FCL

How our activities deliver public benefit

Common land delivers more public benefits than any other type of farmland and are more heavily designated than enclosed land. Commons are closely linked with a history of traditional and sympathetic pastoral systems developed over many centuries, adapted to local circumstances and informed by the experience of local farming communities. However, farming communities and conservation organisations alike are expressing concerns about the loss of skills and heritage and at the same time due to inappropriate government policies and schemes biodiversity has declined and the impacts of climate change are becoming apparent. While we support the direction of travel for public support we remain concerned that the manner in which the Agricultural Transition is being delivered will put commoners under such significant short to medium term financial strain that the public goods and benefits of common land and the system of commoning are both at risk.

Once these traditional systems and techniques, local infrastructure and expertise is lost, they will be difficult and expensive to re-establish. Scrub and forest would encroach on much of the common land, leading to the loss of many significant habitats and species and damage archaeological sites as well as affecting access and recreation.

Through our work we are taking action to address these concerns to enable our cultural and natural heritage on commons to thrive as well as the unique collaborative system of management. We work with commoners, owners of common land, environmental NGOs, farming bodies and government agencies to be the national voice for common land and commoning. Our ambition is to empower individuals and organisations through their work to improve outcomes for the public benefits from common land.

ACHIEVEMENTS AND PERFORMANCE

FCL's main activities and achievements for the year July 2020 to June 2021 have been:

- Starting the Delivery Phase of Our Common Cause: Our Upland Commons. The Foundation for Common Land is the Lead Body and the National Trust is the accountable body and will manage the finances. There are 25 partners in the project. The start of the Delivery was deferred due to the Covid-19 pandemic.
 - By the end of the financial year we had successfully recruited all six staff for the Our Common Cause: Our Upland Commons Delivery Phase
 - We obtained permission to start from the National Lottery Heritage Fund (NLHF) and have started drawing down on our major grants from Esme Fairbairn and Garfield Weston and funding from partners
 - The Area Groups in each of the four areas have been restarted and plans for delivery are starting to take shape though with most actual delivery from July 2021 onwards

Foundation For Common Land

Trustees' Report for the Year Ended 30 June 2021

- We completed two-thirds of our Defra funded Environmental Land Management Test & Trial on commons.
- The contract is valued at £137,000 and is delivered in conjunction with the Federation of Cumbria Commoners
- Our Facilitator started in July 2020 and our Assistant Facilitator/ Administrator in September 2020
- We have worked with 4 different commoners associations and are extending to a further two areas in this coming financial year
- We have held two national webinars in the financial year which have both been well attended and viewed on YouTube
- Actively engaged in the development of ELM via the Defra ELM engagement - Defra has kindly paid for our time to attend the core meetings. All meetings have been on line.
- Arranged visit for Janet Hughes, the Defra director leading Future Farming, to Cumbria.
- Gave evidence to the Efra Select Committee and to the National Audit Office of ELM progress. Commons were repeatedly mentioned in the Efra report. Letters to Defra ministers
- Raised the profile of commons through newspaper articles including the Financial Times, a column in the Farmers Guardian and interviews on BBC's Farming Today and BBC's Today programme
- Increased use of our website and Twitter account to increase awareness about common land and commoning
- Continued to Chair the Uplands Alliance, a network that builds consensus between farmers land managers, conservation organisations and others who have an interest in the Uplands. Considerable effort has been spent on the Sustainable Farming Incentive (SFI) for Moorland
- Co delivered a session on Common Land at the Oxford Real Farming Online Conference 2021
- Continued providing our Commons Master Class to Defra and RPA staff - the course works well online and this has enabled us to reach many more participants
- Ongoing attendance of the Rural Payment's Agency (RPA) Stakeholder Group on commons and regular meetings with RPA's Director of Operations and CEO to enable RPA to deliver BPS and Stewardship schemes more effectively on commons
- Provided ongoing guidance to commoners' groups, owners of common land and stakeholders via our website, attendance at their meetings and networks

A list of all our funders and their contributions appears in the income section of these accounts. As ever, we would like to express our huge gratitude to all who have supported our work this year and we would like to take the opportunity to thank the following for their kind support: Esmée Fairbairn Foundation, Hadfield Trust, Garfield Weston Trust and National Lottery Heritage Fund as well as the many trusts and partners who are contributing in cash and kind to Our Upland Commons.

FINANCIAL REVIEW

Review of the financial position

The Esmée Fairbairn Foundation continue most generously to provide us with a substantial portion of our core funding. Their most recent grant being for two years. We started drawing down funds in September 2020. The net assets of the charity at the year end are £49,457 a slight increase from last year, £42,228 of this sum is unrestricted funds.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Foundation For Common Land

Trustees' Report for the Year Ended 30 June 2021

Principal financial management policies adopted

The directors scrutinise management accounts and budgets vs actual expenditure at monthly directors' meetings. This is for both the organisation as a whole and on a project/funding stream basis. The adoption of Xero bookkeeping system allows accounts to be kept up to date and easy to analyse. We also changed our accountants to Dodd & Co in Carlisle

Reserves policy

FCL has completed its eighth year of operation. During the year to which these accounts relate FCL had low liabilities with no employed staff, no leases and very low expenditure on overheads though this changes from July 2020 when we start employing our own staff. The primary reason FCL needs reserves is to fund short-term deficits in cash flow and for investment in new projects where grant funding may not be forthcoming or for match funding for larger projects. The Directors believe that present level of reserves available to the charity are enough and this is reviewed on a regular basis.

The reserves held are considered sufficient due to the following financial situation :

- The Esmée Fairbairn and Hadfield Trust core funding for 2021-2022 covers our overhead costs such as accounts, Director insurance and core activities and the cost of the Administrator not covered by the Defra grant.
- The charity owns no tangible assets that require repairs or investment.
- The charity at the end of the year had agreed to employ two part time members of staff. Their salaries will be covered by contracts and funding already secured and they will be recruited on fixed term contracts. Core funds previously spent on the Programme Manager who no longer is contracted to FCL will be used towards a new Administrator's salary.
- The Executive Director is self-employed who provides specific services as agreed by the Directors. The Executive Director's paid time input waxes and wanes according to project income and resources. She has other clients so is not dependent on income from FCL.
- The charity's Directors are chosen as individuals who are actively involved through their day jobs in activities that are closely linked to FCL's charitable objective so that in the worst case that project income ceased our Directors would continue to deliver the charitable objects.

The Charity therefore keeps enough funds in unrestricted funds to cover essential Trustee expenses of insurance, our part-time administrator, travel to the Annual Meeting and Accountants costs for at least six months as recommended by the Charity Commission and due to the time scales for obtaining grant funding our target is to have reserves for all essential costs for 12 months.

Principal funding sources

The principle sources of funding for FCL are from grant making trusts and income generation through delivering training and contracts. 2020-21 marked a development for us as we have started two significant contracts that have increased our turnover considerably. One is for a Defra Environmental Land Management Test and Trial with a value of £137,000 over 18 months. The other is the £3.1 million Our Common Cause: Our Upland Commons National Lottery Heritage Fund project. The accountable body for the finances for that project is the National Trust. This means staff are employed by the NT and seconded to FCL and that contracts are with the NT. Our Executive Director chairs the project board and leads the partnership.

The Charity in this financial year has received funds from the Esmée Fairbairn Foundation for core costs and Our Common Cause: Our Upland Commons, the National Lottery Heritage Fund, and Garfield Weston.

PLANS FOR FUTURE PERIODS

FCL during the financial year 2021-22 will seek to secure continuing core funding while developing more projects that allow us to reach a wider range and depth of audiences.

Foundation For Common Land
Trustees' Report for the Year Ended 30 June 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Foundation for Common Land is a company limited by guarantee and a registered charity governed by its memorandum and articles of association. These were amended by special resolution registered at Companies House on 28 November 2012.

Recruitment and Appointment of the Director-Trustees

The management of FCL is the responsibility of the charity trustees who are elected and co-opted under the terms of the Articles of Association. Under FCL's Articles of Association the trustees are known as the directors. The directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association the directors are elected to serve for a period up to the following year's AGM where all directors stand down and stand for re-election.

There have been no additions to the Board of Trustees in this financial year. After the year end one Trustee, Lyndsey Stride stepped down as a Trustee to become Company Secretary and to undertake some project development and management work for FCL.

Methods adopted for the training and induction of director/ trustees

The Charity Commission's guide "the Essential Trustee" is available to all Directors via a shared filing system. This system also contains all the essential governance documents including: Memorandum and Articles of Association; minutes of Director Meetings, away days, business plan, financial strategies, register of Directors' interests, project files and policies.

FCL recognises the need for directors to be familiar with the work of the organisation. Staff are invited to attend the Trustees Meeting to encourage sharing of information and experience. Staff have also been buddied with Trustees for mentoring and support. Directors are encouraged to be members of relevant working parties and advisory panels and attend conferences (often giving presentations on our work) to keep their knowledge current.

During this financial year we have continued to have had the benefit of a Mentor paid via the National Lottery Heritage Fund and they have worked with the trustees and consultants to enhance our systems, governance and risk management. They have now moved to a new full time position and have stepped down. We are seeking to find a replacement recognising the value of such a role.

Organisational structure

The affairs of FCL are managed by the directors. According to the Articles of Association there must be a minimum of three Directors and there is no maximum number of directors. The directors aim to meet face-to face at least once a year though this has not been possible in this financial year due to Covid restrictions. This is supplemented by 2-hour Director meetings Zoom (at least four per year) following a prepared agenda and written reports covering agenda items. The minutes are recorded and reviewed at each subsequent meeting. The directors are responsible for the strategic direction and policy of FCL. At present there are seven directors from a variety of backgrounds relevant to the work of the charity. The Executive Director, Programmes' Manager (also Company Secretary) and other staff and consultants also attend director meetings as appropriate but have no voting rights.

A scheme of delegation is in place and day-to-day responsibility for the work of FCL rests with the Executive Director and the Administrator. They are responsible for ensuring that FCL delivers agreed projects and contracts and all work is delivered in line with good practice models and relevant quality standards and key performance indicators are met.

Risk management

The Trustees have assessed the risks related to the operations and finances of the charity and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The directors have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. A risk register has been developed and is regularly reviewed.

Foundation For Common Land
Trustees' Report for the Year Ended 30 June 2021

Impact of the Covid-19 Pandemic

Covid-19 has caused significant disruption to all activities across the economy. During the 2020-21 financial year to which these accounts relate this risk was managed via deferring projects start dates. The Defra ELM Test and Trial started at the beginning of this financial year in July 2020 after a 4 month delay. Our Common Cause: Our Upland Commons Project Manager was recruited and started in mid November 2020. We have successfully managed some disruption e.g. by continuing our Master Classes on line and by running nationally advertised webinars. Both of these have worked well and enabled us to reach many more people across a wider geography than previously. We have established a You Tube channel to enable webinars to be watched at a later time. Our Directors continue to meet by Zoom which is working well.

Post Year End Events and Risks

Since the year end we have been continuing with our two main projects; Defra T&T and Our Upland Commons. These are both progressing well. We also have had our Expression of Interest for our Landscape Recovery Test and Trial accepted. The contract with Defra is currently being finalised for a £196,000 contract over 18 months. We will work in the New Forest and the Malverns. This is due to start in early 2022.

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 18 November 2021 and signed on its behalf by:



C Short
Trustee

Foundation For Common Land
Trustees' Responsibilities in relation to the Financial Statements

The trustees (who are also directors of Foundation For Common Land for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and the Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Independent Examiner's Report to the Trustees of
Foundation For Common Land**

I report on the accounts of the company for the year ended 30 June 2021, which are set out on pages 10 to 19.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under Part 16 of the Companies Act 2006 and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the General Directions given by the Charity Commission under section 145 (5) (b) of the 2011 Act; and
- state whether particular matters have come to my attention.


Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Joanne Thomlinson FCA
Dodd & Co Limited
Chartered Accountants

18 November 2021

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CA1 2RW

Foundation For Common Land

Statement of Financial Activities (including Income and Expenditure Account) for the Year Ended 30 June 2021

		Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	Note	£	£	£	£
Income and endowments from:					
Donations and legacies	2	101	137,000	137,101	25,383
Income from Charitable Activities	3	57,783	8,400	66,183	10,123
Total income and endowments		<u>57,884</u>	<u>145,400</u>	<u>203,284</u>	<u>35,506</u>
Expenditure on:					
Charitable activities		36,712	158,462	195,174	32,245
Total expenditure		<u>36,712</u>	<u>158,462</u>	<u>195,174</u>	<u>32,245</u>
Net movements in funds		21,172	(13,062)	8,110	3,261
Reconciliation of funds					
Total funds brought forward		21,056	20,291	41,347	38,086
Total funds carried forward		<u>42,228</u>	<u>7,229</u>	<u>49,457</u>	<u>41,347</u>

All of the Charity's activities derive from continuing operations during the above periods.

The notes on pages 12 to 19 form an integral part of these financial statements.

Foundation For Common Land
Company registration number: 08113120
Balance Sheet as at 30 June 2021

		2021		2020	
	Note	£	£	£	£
Current assets					
Debtors	9	9,564		-	
Cash at bank and in hand		<u>41,715</u>		<u>43,119</u>	
			51,279		43,119
Creditors: Amounts falling due within one year	10		<u>(1,822)</u>		<u>(1,772)</u>
Net current assets			<u>49,457</u>		<u>41,347</u>
Net assets			<u>49,457</u>		<u>41,347</u>
The funds of the charity:					
Restricted funds			7,229		20,291
Unrestricted funds					
Unrestricted income funds			<u>42,228</u>		<u>21,056</u>
Total charity funds			<u>49,457</u>		<u>41,347</u>


For the financial year ended 30 June 2021, the charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 18 November 2021 and signed on its behalf by:



 C Short
 Trustee

The notes on pages 12 to 19 form an integral part of these financial statements.

Foundation For Common Land

Notes to the Financial Statements for the Year Ended 30 June 2021

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

These financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Fund accounting policy

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Further details of each fund are disclosed in note 14.

Income and endowments

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the Charity before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measured with a degree of reasonable accuracy and the title to the asset having been transferred to the Charity.

Income from Government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Foundation For Common Land

Notes to the Financial Statements for the Year Ended 30 June 2021

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Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Trade Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Liabilities

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Pensions

The charity operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

Foundation For Common Land

Notes to the Financial Statements for the Year Ended 30 June 2021

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Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Charity after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

2 Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Donations and legacies				
Appeals and donations	101	-	101	-
Grants				
Esmee Fairbairn	-	87,000	87,000	8,750
Princes Countryside Fund	-	-	-	6,900
The Hadfield Trust	-	-	-	4,000
DEFRA	-	-	-	2,883
University of Gloucestershire	-	-	-	2,850
Garfield Weston	-	50,000	50,000	-
	-	137,000	137,000	25,383
	101	137,000	137,101	25,383

Of the donations and legacies income in 2020, £17,043 related to unrestricted funds and £8,340 related to restricted funds.

Foundation For Common Land
Notes to the Financial Statements for the Year Ended 30 June 2021

..... continued

3 Income from Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Provision of training courses	800	-	800	1,273
Provision of project management for Our Common Cause	-	8,400	8,400	8,850
Defra T&T	56,577	-	56,577	-
Other	406	-	406	-
	<u>57,783</u>	<u>8,400</u>	<u>66,183</u>	<u>10,123</u>

Of the other trading activities income in 2020, £1,273 related to unrestricted funds and £8,850 related to restricted funds.

4 Expenditure

	Charitable activity £	Total 2021 £	Total 2020 £
Direct costs			
Provision of Charitable Activities	10,458	10,458	13,288
Our Common Cause	123,451	123,451	11,328
Defra T&T	33,827	33,827	-
Hill Farming Training	-	-	1,000
Wages and salaries	23,634	23,634	-
Staff NIC (Employers)	1,038	1,038	-
Staff pensions	359	359	-
Research and Educational Activities	-	-	5,321
	<u>192,767</u>	<u>192,767</u>	<u>30,937</u>
Support costs			
Sundry expenses	1,120	1,120	-
Accountancy fees	745	745	772
Independent examiner's fee	500	500	500
Bank charges	42	42	36
	<u>2,407</u>	<u>2,407</u>	<u>1,308</u>
	<u>195,174</u>	<u>195,174</u>	<u>32,245</u>

Of the expenditure in 2020, £2,486 related to unrestricted funds and £29,759 related to restricted funds.

Foundation For Common Land
Notes to the Financial Statements for the Year Ended 30 June 2021

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5 Governance costs

	2021	2020
	£	£
Accountancy fees	745	772
Independent examiner's fee	500	500
	<u>1,245</u>	<u>1,272</u>

6 Trustees' remuneration and expenses

No trustees received any remuneration or expenses (2020: £817) during the year.

7 Employees' remuneration

The monthly average number of persons (including senior management) employed by the charity during the year was as follows:

	2021 No.	2020 No.
Charitable activities	<u>2</u>	<u>-</u>

The aggregate payroll costs of these persons were as follows:

	2021 £	2020 £
Wages and salaries	23,634	-
Social security	1,038	-
Other pension costs	359	-
	<u>25,031</u>	<u>-</u>

No employee received emoluments of more than £60,000 during the year (2020 - No. 0).

Foundation For Common Land
Notes to the Financial Statements for the Year Ended 30 June 2021

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8 Tangible fixed assets

	Fixtures, fittings and equipment £
Cost	
As at 1 July 2020 and 30 June 2021	634
Depreciation	
As at 1 July 2020 and 30 June 2021	634
Net book value	
As at 30 June 2021	-
As at 30 June 2020	-

9 Debtors

	2021 £	2020 £
Trade debtors	9,564	-

10 Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	45	1,272
Taxation and social security	577	-
Accruals and deferred income	1,200	500
	1,822	1,772

11 Members' liability

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

12 Pension scheme

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £359 (2020 - £nil).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Foundation For Common Land
Notes to the Financial Statements for the Year Ended 30 June 2021

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13 Related parties

Controlling entity

The charity is controlled by the trustees who are all directors of the company.

14 Analysis of funds

	At 1 July 2020	Incoming resources	Resources expended	At 30 June 2021
	£	£	£	£
General Funds				
Unrestricted income fund	21,056	57,884	(36,712)	42,228
Restricted Funds				
Restricted income fund	20,291	-	(18,344)	1,947
Esmee Fairbairn	-	20,000	(16,667)	3,333
Our Common Cause	-	125,400	(123,451)	1,949
	20,291	145,400	(158,462)	7,229
	41,347	203,284	(195,174)	49,457

Restricted funds - these are funds held relating to previous projects. The balance carried forward relates to the Princes Countryside Fund.

Esmee Fairbairn - these funds are held for wages and are restricted until the end of the grant period.

Our Common Cause - these funds are held to enable vulnerable communities to enhance iconic places.

Foundation For Common Land

Notes to the Financial Statements for the Year Ended 30 June 2021

..... continued

Prior period

	At 1 July 2019	Incoming resources	Resources expended	At 30 June 2020
	£	£	£	£
General Funds				
General funds	5,226	18,316	(2,486)	21,056
Restricted Funds				
Restricted funds	32,860	17,190	(29,759)	20,291
	<u>38,086</u>	<u>35,506</u>	<u>(32,245)</u>	<u>41,347</u>

15 Net assets by fund

	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
Tangible assets	-	-	-	-
Current assets	44,050	7,229	51,279	43,119
Creditors: Amounts falling due within one year	(1,822)	-	(1,822)	(1,772)
Net assets	<u>42,228</u>	<u>7,229</u>	<u>49,457</u>	<u>41,347</u>

Prior period

	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
	£	£	£	£
Current assets	21,056	22,063	43,119	43,757
Creditors: Amounts falling due within one year	-	(1,772)	(1,772)	(5,671)
Net assets	<u>21,056</u>	<u>20,291</u>	<u>41,347</u>	<u>38,086</u>

