

CHARITY COMMISSION

Foundation For Common Land

(A company limited by guarantee)

Annual Report and Financial Statements

30 June 2022

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 (Retired 5 July 2021) R J Milton J C Phelps L C Branfield H Fraser W Benson
Secretary	L M Stride (Appointed 5 July 2021)
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 2022

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

The Foundation for Common Land's (FCL) charitable objectives 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 bilateral engagement and 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
- On the ground delivery to develop, demonstrate and disseminate best practice

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.

Foundation For Common Land

Trustees' Report for the Year Ended 30 June 2022

The Focus of our work in 2022-2023

- Defra funded Environmental Land Management Test and Trial Projects
 - Continuing our ELM test and trial project "Landscape Recovery on a Lowland Common"
 - Delivering the SFI Moorland Test and Trial including working with the Land App to develop a practical Moorland survey method for commoners via a mobile phone App
- To continue in line with agreed targets for the delivery phase of the £3.1 million National Lottery Heritage Fund (NHLF) project, "Our Common Cause: Our Upland Commons (OCC)". This includes delivery of projects relating to enhancing public goods, supporting collaboration amongst commoners and owners of common land and engage the public in better understanding commons and commoning
- To continue to hold 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 our core work of advocacy, outreach and communications with the aim to reach wider audiences including refreshing and improving our website and holding free of charge webinars
- To continue our critical friendship with Defra and the Future Farming Team participating in the ELM co-design process

How our activities deliver public benefit

In the 1600s over 50% of England was common land. It is now less than 3% so commons are a resource under threat. Common land delivers more public benefits than any other type of farmland and is more heavily designated than enclosed land; for instance Common Land is seven times more likely to be designated for nature as a SSSI 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 as a result of inappropriate government policies and schemes from the mid 1970s onwards biodiversity has declined and alongside this the cultural heritage of commoning is at risk. Farming communities and conservation organisations alike are concerned about the loss of skills and heritage. The impacts of climate change are also becoming apparent though the potential for commons to mitigate the impacts of climate change and be a refuge for some species is high.

While we fully support the policy of public money for public goods we are increasingly concerned about the direction and slow pace in which the new Environmental Land Management scheme is being rolled out while the phase out of the Basic Payment Scheme is continuing at pace. This is now placing 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. Responsible commoning is not financially viable in most areas of the UK without government support as there is no reward for public goods from the market. Private markets for public goods are poorly developed.

If these traditional systems and techniques, local infrastructure and expertise is lost, they will be difficult and expensive to re-establish. Loss of pastoral grazing would lead to the loss of many significant habitats and species and damage archaeological sites as well as affecting access and recreation and an erosion of cultural heritage. We also support the appropriate planting of trees and natural regeneration of scrub on common land especially through maintaining, enhancing and creating new wood pasture. There are safeguards though the Commons Act 2006 to ensure this is planned with full consultation as works on common require the Defra Secretary of State's consent.

Through our work we take 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.

Trustees' achievements and performance: July 2021-June 2022

2021/22 saw considerable growth in the breadth, scope and value of our activities. We are now actively working across lowland as well as upland commons. Lyndsey Stride started work on Project Development at the beginning of the year and Susie Hodgson continues to undertake our Administrator Role. Trustees remain actively engaged and we established a staff and trustee buddy system.

The FCL's main activities and achievements for the year July 2021-July 2022 have been:

Foundation For Common Land
Trustees' Report for the Year Ended 30 June 2022

Projects

- The completion of the £137,000 **Defra Test and Trial of ELM on Commons** summarised in an easily accessible report available on the FCL website
 - Launching the Common Land Tool Kit providing a wide variety of information and learning on key topics concerning Common Land
 - Production of four common management plans
 - Production of baseline and 10-year projection maps
 - Hosting Victoria Prentis, the Minister of State for Farming, Fisheries and Food for a discussion with commoners about the test and trial and land management
- **Our Uplands Commons**, continuing this major £3.1 million National Lottery Heritage Fund project and maintaining a good working relationship with our 25 project partners. The accountable body is the National Trust. Highlights include
 - Undertaking work to improve the public benefits of Common Land
 - Purchase of two remote controlled bracken cutters
 - Commoner Training on Farmer Led Habitat Assessment in the Yorkshire Dales
 - Wetland restoration in Dartmoor
 - The addition of 'Commons Stories' to the FCL website (and YouTube)
 - Hosting Tony Juniper the Chair of Natural England to Ingleborough
 - Public engagement through attendance at a range of events including the multi-day Shropshire Hills Butterfly and Moth festival, attendance at the Westmorland Show
 - Hosting the John Muir Award Training in Dartmoor with 480 families in attendance
 - Hosting the Iron Age Hillfort workshop in the Shropshire Hills with over 40 attendees
- Obtaining a contract for and starting the **Defra ELM Test and Trial Lowland Commons Landscape Recovery Project**
 - Susan Mitchell and Joe Leaper added to the team as employees based in the New Forest and Malvern Hills respectively
 - Work started with the commoners and owners in the Malverns and New Forest to explore how a long term (30 years) Landscape Recovery Scheme might be delivered on Lowland Commons.

Outreach and Engagement

- The level of outreach is made possible by the funding of comms support by the Our Uplands Commons Lottery project. They have supported FCL's Administrator to develop systems for the future.
- The integration of our contacts into Mail Chimp to grow our data base to over 750 contacts by the year end which provides information about their level of engagement whilst maintaining compliant with GDPR
- Quarterly newsletter distributed
- Provided ongoing guidance to commoners' groups, commoners, owners of common land and stakeholders via our website, attendance at their meetings and networks
- Raising the profile of commons through appearances on BBC Farming today, the Financial Times, Country Life, Cumbria Life, Lancashire Life, the Farmer's Guardian and in the Farmer supplement of the Cumberland News
- Hosting several well attended webinars on ELMs particularly focusing on SFI Moorland which have been uploaded to YouTube with around 200 views on each so far

Advocacy

- Working alongside Defra to significantly increase the payment rates for SFI Moorland Introductory Standard and adding a specific extra commons rate of £6.15 per ha per year which should deliver an extra £1.8 million per year to upland commons
- Regular attendance at Defra stakeholder meetings resulting in the FCL planning and supporting Defra host a 24-hr workshop (held just after the year-end) with senior stakeholder staff to attempt to find ways forward for common land governance issues with agri-environment schemes
- Increasing our social media presence through regular tweets
 - Continuing to Chair the Uplands Alliance bringing together over 20 organisations committed to a positive future for uplands management. Instigated the uplands Pathways to Success Economic analysis work with Defra

Foundation For Common Land
Trustees' Report for the Year Ended 30 June 2022

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, 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

Our financial position has remained strong over 2021/2022. Our charitable activities have increased, and we have been successful in drawing down grant funding and contracts to undertake our work. Funding in 2021/22 has come from Esmée Fairbairn for core funding, Defra for undertaking Environmental Land Management Test and Trial Projects and from the National Lottery Heritage Fund, Esmée Fairbairn and Garfield Weston for Our Common Cause: Our Upland Commons.

At the year end our income from direct charitable activities had almost doubled from £66,181 to £126,051 and our net funds held at the year end had increased by £24,916 from June 2021. This provides us with the necessary reserves to operate securely.

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.

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 Dodds in Carlisle.

Reserves policy

FCL has completed its tenth year of operation. During the year to which these accounts relate FCL had low liabilities with one permanent employee and two on fixed term contracts. We have low expenditure on overheads. 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 Trustees consider 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:

- We have sufficient reserves to meet our commitment for continuing operations.
- The charity owns no tangible assets that require repairs or investment. We have a licence for a fully serviced shared office space at the University of Cumbria in Ambleside.

The charity employs three part time members of staff. The salaries of two are covered by a contract with funding secured and they have been recruited on fixed term contracts. Reserves will be used towards our Administrator's salary in 2022-23 as these have been accrued as their position in 2021-22 has been in part paid for by contract income enabling the core funding to be used for an extended period of time beyond the two years of the grant period.
- 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 if at a lower level of activity.

Foundation For Common Land

Trustees' Report for the Year Ended 30 June 2022

The Charity therefore has 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. In 2021/22 we have increased our unrestricted funds through the delivery of contracts to have reserves for all essential costs for 12 months due to the time scales for obtaining grant funding and being committed to the delivery of specific time limited contracts.

Principal funding sources

The principal sources of funding for FCL are from grant making trusts and income generation through delivering training and contracts.

The other source of funding is the £3.1 million Our Common Cause: Our Upland Commons National Lottery Heritage Fund project. The Foundation for Common Land holds the grant with the National Trust who are the accountable body for the finances for that project. 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 Defra.

PLANS FOR FUTURE PERIODS

FCL during the financial year 2022-23 will seek to secure continuing core funding while developing more projects that allow us to reach a wider range and depth of audiences. Securing the legacy from Our Upland Commons will be a priority for the years 2022/23 and 2023/24.

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' Meetings 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 have recently (after the year end) recruited a replacement recognising the value of such a role.

Foundation For Common Land
Trustees' Report for the Year Ended 30 June 2022

Organisational structure

The affairs of FCL are managed by the directors of the limited company who are also trustees of the Charity. 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 by Zoom (aiming for 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.

Impact of the Covid-19 Pandemic

There were limited impacts of Covid in this financial year. Staff remained cautious where appropriate but overall we have returned to normal activities though benefiting from changes in practice such as Zoom meetings and the use of online webinars which prove increasingly popular.

Post Year End Events and Risks

Since the year end we have been continuing with our two main projects; Defra T&T Lowland Landscape Recovery and Our Upland Commons. These are both progressing well. We also after the year end agreed and signed a contract for a further SFI Moorland Road Testing ELM Test and Trial with Defra for £177,665.

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 10 January 2023 and signed on its behalf by:

.....
C Short
Trustee

A handwritten signature in black ink, appearing to read 'C Short', written over a dotted line.

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 2022, 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.

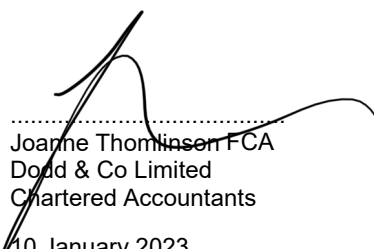
Basis of independent examiner's report

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

10 January 2023

FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW

Foundation For Common Land

**Statement of Financial Activities (including Income and Expenditure Account) for the Year
Ended 30 June 2022**

		Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	Note	£	£	£	£
Income and endowments from:					
Donations and legacies	2	36	100,600	100,636	137,101
Charitable Activities	3	109,517	16,534	126,051	66,183
Total income and endowments		<u>109,553</u>	<u>117,134</u>	<u>226,687</u>	<u>203,284</u>
Expenditure on:					
Charitable activities		95,984	105,787	201,771	195,174
Total expenditure		<u>95,984</u>	<u>105,787</u>	<u>201,771</u>	<u>195,174</u>
Net movements in funds		13,569	11,347	24,916	8,110
Reconciliation of funds					
Total funds brought forward		42,228	7,229	49,457	41,347
Total funds carried forward		<u>55,797</u>	<u>18,576</u>	<u>74,373</u>	<u>49,457</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 2022

		2022		2021	
	Note	£	£	£	£
Current assets					
Debtors	9	20,627		9,564	
Cash at bank and in hand		<u>58,204</u>		<u>41,715</u>	
			78,831		51,279
Creditors: Amounts falling due within one year	10		<u>(4,458)</u>		<u>(1,822)</u>
Net current assets			<u>74,373</u>		<u>49,457</u>
Net assets			<u><u>74,373</u></u>		<u><u>49,457</u></u>
The funds of the charity:					
Restricted funds			18,576		7,229
Unrestricted funds					
Unrestricted income funds			<u>55,797</u>		<u>42,228</u>
Total charity funds			<u><u>74,373</u></u>		<u><u>49,457</u></u>

For the financial year ended 30 June 2022, 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 10 January 2023 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 2022

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 2022

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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.

Operating leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

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 2022

..... continued

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 2022 £	Total Funds 2021 £
Donations and legacies				
Appeals and donations	36	-	36	101
Grants				
Esmee Fairbairn	-	87,000	87,000	87,000
Garfield Weston	-	-	-	50,000
The Lake District Foundation	-	10,000	10,000	-
Exeter University	-	3,600	3,600	-
	-	100,600	100,600	137,000
	36	100,600	100,636	137,101

Of the donations and legacies income in 2021, £101 related to unrestricted funds and £137,000 related to restricted funds.

Foundation For Common Land
Notes to the Financial Statements for the Year Ended 30 June 2022

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3 Charitable Activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Provision of training courses	484	-	484	800
Provision of project management for Our Uplands Common	-	16,534	16,534	8,400
Defra T&T	91,708	-	91,708	56,577
Defra Lowlands T&T	16,697	-	16,697	-
Other	628	-	628	406
	<u>109,517</u>	<u>16,534</u>	<u>126,051</u>	<u>66,183</u>

Of the other trading activities income in 2021, £57,783 related to unrestricted funds and £8,400 related to restricted funds.

4 Expenditure

	Charitable activity £	Total 2022 £	Total 2021 £
Direct costs			
Provision of Charitable Activities	8,525	8,525	10,458
Our Uplands Commons	85,787	85,787	123,451
Defra T&T	55,486	55,486	33,827
Lowlands T&T	13,126	13,126	-
Wages and salaries	31,582	31,582	23,634
Staff NIC (Employers)	639	639	1,038
Staff pensions	518	518	359
	<u>195,663</u>	<u>195,663</u>	<u>192,767</u>
Support costs			
Rent	2,086	2,086	-
Insurance	483	483	-
Sundry expenses	2,075	2,075	1,120
Accountancy fees	928	928	745
Independent examiner's fee	500	500	500
Bank charges	36	36	42
	<u>6,108</u>	<u>6,108</u>	<u>2,407</u>
	<u>201,771</u>	<u>201,771</u>	<u>195,174</u>

Of the expenditure in 2021, £36,712 related to unrestricted funds and £158,462 related to restricted funds.

Foundation For Common Land
Notes to the Financial Statements for the Year Ended 30 June 2022

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5 Governance costs

	2022	2021
	£	£
Accountancy fees	928	745
Independent examiner's fee	500	500
	<u>1,428</u>	<u>1,245</u>

6 Trustees' remuneration and expenses

No trustees received any remuneration or expenses (2021: £nil) 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:

	2022	2021
	No.	No.
Charitable activities	<u>2</u>	<u>2</u>

The aggregate payroll costs of these persons were as follows:

	2022	2021
	£	£
Wages and salaries	31,582	23,634
Social security	639	1,038
Other pension costs	518	359
	<u>32,739</u>	<u>25,031</u>

No employee received emoluments of more than £60,000 during the year (2021 - No. 0).

Foundation For Common Land
Notes to the Financial Statements for the Year Ended 30 June 2022

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8 Tangible fixed assets

	Fixtures, fittings and equipment £
Cost	
As at 1 July 2021 and 30 June 2022	634
Depreciation	
As at 1 July 2021 and 30 June 2022	634
Net book value	
As at 30 June 2022	-
As at 30 June 2021	-

9 Debtors

	2022 £	2021 £
Trade debtors	20,627	9,564

10 Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	580	45
Taxation and social security	2,516	577
Other creditors	162	-
Accruals and deferred income	1,200	1,200
	4,458	1,822

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 £518 (2021 - £359).

Foundation For Common Land
Notes to the Financial Statements for the Year Ended 30 June 2022

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Contributions totalling £162 (2021 - £nil) were payable to the scheme at the end of the period and are included in creditors.

13 Related parties

Controlling entity

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

Related party transactions

During the year L Stride stood down as a trustee and took up a role as a project manager within the charity.

14 Analysis of funds

	At 1 July 2021	Incoming resources	Resources expended	At 30 June 2022
	£	£	£	£
General Funds				
Unrestricted income fund	42,228	109,553	(95,984)	55,797
Restricted Funds				
Restricted income fund	1,947	-	-	1,947
Esmee Fairbairn	3,333	20,000	(20,000)	3,333
Our Uplands Common	1,949	93,534	(85,787)	9,696
Exeter University	-	3,600	-	3,600
	<u>7,229</u>	<u>117,134</u>	<u>(105,787)</u>	<u>18,576</u>
	<u>49,457</u>	<u>226,687</u>	<u>(201,771)</u>	<u>74,373</u>

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 Uplands Commons - these funds are held to enable vulnerable communities to enhance iconic places.

Exeter University - funds held for NERC Discipline Scoping Grant.

Foundation For Common Land
Notes to the Financial Statements for the Year Ended 30 June 2022

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Prior period

	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 funds	20,291	-	(29,759)	20,291
Esmee Fairbairn	-	20,000	(16,667)	3,333
Our Uplands Commons	-	125,400	(123,451)	1,949
	20,291	145,400	(158,462)	7,229
	41,347	203,284	(195,174)	49,457

15 Net assets by fund

	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£
Tangible assets	-	-	-	-
Current assets	60,255	18,576	78,831	51,279
Creditors: Amounts falling due within one year	(4,458)	-	(4,458)	(1,822)
Net assets	55,797	18,576	74,373	49,457

Prior period

	Unrestricted Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
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	42,228	7,229	49,457	41,347