

Company Registration No. 08025757 (England and Wales)

Charity Registration No. 1150641

**NORTHWOOD HOUSE CHARITABLE TRUST
COMPANY LIMITED**

A COMPANY LIMITED BY GUARANTEE

**TRUSTEES ANNUAL REPORT AND
UNAUDITED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2021

NORTHWOOD HOUSE CHARITABLE TRUST COMPANY LIMITED
A COMPANY LIMITED BY GUARANTEE

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NORTHWOOD HOUSE CHARITABLE TRUST COMPANY LIMITED
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REFERENCE AND ADMINISTRATIVE INFORMATION

Registered Company No. 08025757 (England and Wales)

Registered Charity No. 1150641

Registered Office Northwood House
Ward Avenue
Cowes
Isle of Wight
PO31 8AZ

Trustees Mrs JL Allan
Mrs SE Collinge
Mrs RA Cullen
Mr S Dabell
Ms D Deacon
Mr BD Hicks
Dr JA Pollard
Mr T Wander (appointed 10 January 2022)

**Accountants &
Independent Examiners** Moore (South) LLP
9 St Johns Place
Newport
Isle of Wight
PO30 1LH

Bankers CAF Bank Ltd
25 Kings Hill Avenue
West Malling
Kent
ME19 4JQ

Lloyds Bank Plc
21 St Thomas Square
Newport
Isle of Wight

Barclays Bank Plc
St James' Square
Newport
Isle of Wight

NORTHWOOD HOUSE CHARITABLE TRUST COMPANY LIMITED
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TRUSTEES ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is a limited company, limited by guarantee, as defined by the Companies Act 2006. Under its Memorandum of Association, local people and organisations can become members of the charitable company for an annual subscription. The charitable company is governed by its Memorandum of Association.

The Charity also acts as Trustee for a separate charity Northwood House Charitable Trust which is registered under charity Number 276153. The Charity is governed by a scheme issued by the Charity Commission for England and Wales and effective 1.11.2012 (ref 534/1213).

Objectives and Aims

Under the Memorandum and Scheme issued by the Charity Commission for England and Wales, the objects of the Charity are for the public benefit,

- (1) The provision, maintenance and support of a public pleasure garden or park (including the provision of facilities for playing games, sports and other recreational or leisure facilities and amenities) in the area of benefit.
- (2) The provision, maintenance and support of public amenities for such charitable purposes as the trustees from time to time think fit, including the provision of public car parks.
- (3) The restoration, preservation and maintenance of the property of the Charity which are of historic or architectural merit or importance.
- (4) If and in so far as income is not required for the above purposes, for any charitable purpose for the benefit of the inhabitants of the area of benefit.

Recruitment and Appointment of Trustees

The Trustees are also Directors of the charitable company for company law purposes.

The Charity has sub-committees from where it can identify potential trustees with specific skill sets. Trustees can be recruited from subcommittees within the Charity. By working within the Charity before taking on the role of trustee, the person has a better understanding of and dedication to the Charity.

Once a trustee is appointed or elected, he or she is given an induction pack of documents that includes the scheme issued by the Charity Commission of England and Wales, the memorandum of association, a member's handbook, relevant paperwork and the latest accounts. A newly appointed trustee is given and encouraged to seek information about the responsibilities of being a trustee from the Charity Commission's website. Trustees join the various sub-committees or projects and work with volunteers. Trustees are encouraged to attend seminars and workshops that will make them more effective trustees.

Under the memorandum of association, the minimum number of trustees is three and the maximum is eleven. The Charity may by ordinary resolution appoint a person who is willing to act as a trustee. No person may be appointed a trustee other than in accordance with the procedures set out in the Memorandum.

Organisational Structure

The Charity had seven volunteer directors during 2021. There were also five paid operational staff - an administrator, a general manager, an assistant manager, a front of house and functions supervisor, as well as a house and estate maintenance supervisor. The general manager reports to the Chair of the Board.

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The Charity, in accordance with Government legislation, had to cease all events and trading with the imposition of the third national lockdown from 6th January 2021, until 17th May 2021, when indoor venues were allowed to re-open under step three of the government roadmap for lifting the lockdown. By June 14th all restrictions on weddings and funerals were abolished, which meant that we could re-start some of our core trading business such as weddings. By 19th July, when the final lockdown restrictions were lifted, we could trade as normal. However, the lockdown measures from January meant that for the second consecutive year the Charity lost almost six months of trading, in events, weddings and other revenue generating activities.

The Charity had 232 members at the start of the period who support the aims and the objectives of the Charity and contribute to and influence the future direction of the Charity. As well as voting rights on any resolution proposed at the AGM, members get regular invitations to take part in social events throughout the year. However, during 2021 and due in part to Covid-19 lockdowns the number of members declined, through non renewals by 8% to 213 by 31 December 2021.

The Charity has approximately 60 volunteers who work in the park, raise funds by catering at events and act as administrative assistants. However, volunteering opportunities were restricted during the third national lockdown.

Cleaning, bookkeeping, accountancy and website hosting services continued to be outsourced during the period.

The trading company for the Charity - Northwood House Trading Company Limited (NHTCL), is a company limited by guarantee and its articles require (subject to retention for working capital/accounting requirement) that it donates all its profits to the Charity. Simon Dabell, Roseleen Cullen, Janet Allan and Ben Hicks are the directors of the trading company. Mirror provisions to those of the charitable company are inserted in its articles to prevent any director gaining benefits.

Both the Charity and the Trading Company operate under a single group VAT registration.

Risk Management

Covid-19 - The Trustees have evaluated the effects of Covid-19 on the activities of the Charity and its subsidiary trading company. Budgets and forecasts have been amended, and will continue to be amended as the period continues. As well as monitoring costs, the charity has taken advantage of the Government Job Retention Scheme, and received hospitality grants from the local authority. The level of reserves brought forward combined with the above measures have provided the Trustees with the reasonable expectation that the Charity can continue to manage these operational risks. As a consequence, the Trustees believe that it is appropriate to apply the going concern basis of accounting in preparing these accounts.

Throughout the period, the trustees and staff have continued to seek to identify ways in which risks to the House and Park can be reduced, managed or, ideally, eliminated in their entirety. During 2021, for a second consecutive year, risk management focussed on Covid-19 compliance, updating risk assessments to reflect changes in legislation or guidance. This obviously impacted work activities during the period we were able to trade during the year.

Staff policies, which are also applicable to all volunteers, have also been continually under review. These policies include Covid-19 compliance, safeguarding, health and safety, equality and diversity, safer recruitment, and child protection. During the year new volunteers have undertaken in-house training to ensure compliance with all environmental health requirements, including record keeping. Gas safety testing and fire alarm testing are regularly undertaken, as well as any remedial work required.

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Throughout the pandemic the Charity continued to ensure that the commercial and financial activities of the Charity and its associated entities were carried out in compliance with all applicable regulations whilst protecting and promoting the Charity's interests as far as possible. Professional advice continued to be sought and the recommendations implemented where appropriate to achieve these ends. Business continuity planning has also been undertaken to reinforce the Charity's organisational resilience in the face of such adverse events.

As in previous years the trustees remain committed to identifying and implementing best practice in relation to the management and governance of the Charity and will continue to do so in the coming year.

Public Benefit

The trustees are aware of and have regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

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TRUSTEES ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

SIGNIFICANT ACTIVITIES AND ACHIEVEMENTS

During the year, the trustees continued with their work implementing the 10-year strategy for the Charity, which was agreed in 2019. To deliver the agreed strategy, the trustees held a series of workshops in May, June and October to consider the priorities for the park, the built environment and how to fund these priorities.

During 2021 the Trustees also agreed to fund a Condition Survey of the House, both external and internal, to identify critical structural issues in the main fabric of the building. This Condition Survey will allow the development of a Conservation Management Plan, which will further define the priorities for investment in the built environment.

The Charity continued to maintain the park for the benefit of the public. The Charity is grateful to Cowes Town Council for their continued financial support in the park with mowing the lawns, cutting the hedges, emptying dog waste and litter bins, and cleaning the park toilets.

Tennis courts were available to the public at no charge and were well used, when permitted under Covid-19 legislation and guidance.

Cowes Medina Bowling Club continued to operate and maintain the bowling facility on a licence with a peppercorn rent and at no cost to the charity.

The Charity continued to work with Cowes Town Council to operate a free parking scheme, in the Charity's main car park, for island patients who needed to travel to mainland hospitals for treatment.

For the second year the Charity had to cancel the Spring Art and Garden Show, the annual Big Lunch, many weddings and private events as well as community groups and activities in line with Covid-19 restrictions, during the third national lockdown.

The Lawn Bar operated very successfully, during the summer months, from a newly purchased, customised container bar.

Cowes Week activities and entertainment were held in August, although on a smaller scale than previously.

The Charity was delighted to host The Wight Proms in August after the 2020 concerts had to be cancelled and both this event and Cowes Week entertainment brought back many welcome visitors to the park.

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TRUSTEES ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

FINANCIAL REVIEW

The Charity reported a surplus for the year to 31 December 2021 of £97,546 (2020 surplus £35,171) on total funds. Of this £14,014 was in respect of restricted funds and the timing of project expenditure (2020 – deficit £16,689). The endowment funds grew by £7,170 (2020 - £3,673). The Trustees look to maintain reserves sufficient to provide six months operating expenses and retain £100,000 as a minimum working reserve. The net assets of the charity at the year-end were £663,136 (2020 - £565,590) with free reserves amounting to £550,285 (2020 - £465,686). Free reserves are defined as unrestricted funds, less those tied up in fixed assets.

Principal Funding Sources

The car park, which in previous years has provided the main revenue for the Charity, was severely impacted by the 'stay at home' directives from the government, bounced back to £134,348 (2020 - £84,246).

The Charity's trading arm, Northwood House Trading Company Limited, which normally raises money for the Charity through the hire of the house for a variety of events including weddings, birthdays, meetings, and conferences. This trade continued to be severely impacted by Covid-19 restrictions, but generated a surplus of £6,442 (2020 - £18,798).

However, the Charity retained its tenants in the leased office spaces, and this provided a constant source of income throughout the year.

The Charity took full advantage of the support available from the government during the pandemic. Some staff were necessarily furloughed again in January using HMRC's Coronavirus Job Retention Scheme. Grants administered by the Isle of Wight Council, on behalf of the government, for closed hospitality businesses, were again applied for successfully.

Following the lifting of the third national lockdown, the staff and volunteers operated a successful Lawn Bar and Tea Garden in the curtilage of the house, which again allowed socially distanced hospitality to flourish outdoors. These activities provided much needed trading turnover for an 11-week period from mid-July to the end of September.

Again, the staff and volunteers operated a successful, socially distanced House Lounge for three weekends in December.

PLAN FOR FUTURE PERIODS

Members and volunteers continue to be an asset to the Charity, and we look forward to being able to hold open days, members' events and provide opportunities once again for volunteering either in the house or park. These events as well as volunteer meetings and forums enable us to recruit and retain new members and volunteers.

The Charity will also continue to seek out sources of funding for major built environment projects.

The Charity will continue to work for the benefit of the community through partnership working on projects with Cowes Town Council and other local charities.

We also look forward to welcoming back events to be held in the house and park that will continue to bring visitors and income to the Charity. We look forward to once again being able to hold open days including tours of the house, car boot sales, art and garden shows, members' social evenings, The Big Lunch, Cowes Week, Wight Proms and The Isle of Wight Literary Festival.

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TRUSTEES ANNUAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

TRUSTEES RESPONSIBILITIES

The trustees (who are also directors of Northwood House Charitable Trust Company Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and Charity law require the Directors to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period.

In preparing those accounts, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- 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 accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for ensuring that the Charity keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and which enable them to ensure that the financial statements comply with the Companies Act 2006 and Charities Statement of Recommended Practice. They also have responsibility for ensuring that the Charity has appropriate systems and controls (financial and otherwise) and that reasonable steps are taken for safeguarding the assets of the Charity and for the prevention and detection of fraud and other irregularities.

This report, which also meets the requirements of the Directors' Report for company law purposes, has been prepared in accordance with the special provisions applicable to small companies.

Signed on behalf of the Board of Trustees



.....
Mrs R A Cullen— Trustee

Dated: 15 August 2022

NORTHWOOD HOUSE CHARITABLE TRUST COMPANY LIMITED
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INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF NORTHWOOD HOUSE CHARITABLE TRUST COMPANY LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2021

Independent Examiner's Report to the Trustees of Northwood House Charitable Trust Company Limited

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2020 which are set out on pages 9 to 25.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



K R Cooper BA FCA DCha
For and on behalf of
Moore (South) LLP
9 St Johns Place
Newport
Isle of Wight
PO30 1LH

Dated: 15 August 2022

NORTHWOOD HOUSE CHARITABLE TRUST COMPANY LIMITED
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021**

		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds Year to 31 December 2021 £	Total Funds Year to 31 December 2020 £
	Notes	£	£	£		
Income and endowments from:						
Donations and legacies	3	50,521	17,978	-	68,499	54,753
Charitable activities	7	267,104	-	-	267,104	163,128
Other trading activities (fundraising)	4	25,960	-	-	25,960	27,561
Other income	8	-	-	-	-	60,550
Investments	6	<u>36</u>	<u>-</u>	<u>-</u>	<u>36</u>	<u>90</u>
Total income		343,621	17,978	-	361,599	306,082
		=====	=====	=====	=====	=====
Expenditure on:						
Raising funds	9	25,603	-	-	25,603	19,114
Charitable activities	10	235,811	5,964	-	241,775	248,422
Other	12	<u>3,845</u>	<u>-</u>	<u>-</u>	<u>3,845</u>	<u>3,375</u>
Total expenditure		265,259	5,964	-	271,223	270,911
		=====	=====	=====	=====	=====
Net income/(expenditure)		78,362	12,014	-	90,376	35,171
Transfers between funds		(2,000)	2,000	-	-	-
Other recognised gains/(losses)						
Gains/(losses) on investment assets		<u>-</u>	<u>-</u>	<u>7,170</u>	<u>7,170</u>	<u>3,673</u>
Net movement in funds	20	76,362	14,014	7,170	97,546	38,844
Reconciliation of Funds						
Total funds brought forward at 1 January 2020		<u>503,693</u>	<u>20,807</u>	<u>41,090</u>	<u>565,590</u>	<u>526,746</u>
		=====	=====	=====	=====	=====
Total funds carried forward 31 December 2021		580,055	34,821	48,260	663,136	565,590
		=====	=====	=====	=====	=====

All income and expenditure derive from continuing activities.

The statement of financial activities include all gains and losses recognised during the year

The notes on pages 12 to 25 form part of these accounts

NORTHWOOD CHARITABLE TRUST COMPANY LIMITED
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BALANCE SHEET
AS AT 31 DECEMBER 2021

		Unrestricted Funds	Restricted Funds	Endowment Fund	Total funds 31 December 2021 £	Total funds 31 December 2020 £
	Notes	£	£	£		
Fixed assets						
Tangible assets	16	29,770	-	-	29,770	38,007
Fixed asset investments	17	-	-	48,260	48,260	41,090
		29,770	-	48,260	78,030	79,097
		=====	=====	=====	=====	=====
Current assets						
Stock		402	-	-	402	402
Debtors	18	141,886	-	-	141,886	53,099
Cash at bank in hand		447,020	34,821	-	481,841	461,624
		589,308	34,821	-	624,129	515,125
Current liabilities						
Creditors: Amounts falling due within one year	19	(39,023)	-	-	(39,023)	(28,632)
Net current assets		550,285	34,821	-	585,106	486,493
		=====	=====	=====	=====	=====
Total assets less current Liabilities		580,055	34,821	48,260	663,136	565,590
Net assets		580,055	34,821	48,260	663,136	565,590
		=====	=====	=====	=====	=====
Charity funds						
Unrestricted	20	580,055	-	-	577,805	503,693
Restricted funds	20	-	34,821	-	37,071	20,807
Endowment funds	20	-	-	48,260	48,260	41,090
Total Funds		580,055	34,821	48,260	663,136	565,590
		=====	=====	=====	=====	=====

Of the comparative balances £20,807 cash at bank represented restricted funds and the fixed asset investments of £41,090 represented endowment funds.

The notes on pages 12 to 25 form part of these accounts

NORTHWOOD HOUSE CHARITABLE TRUST COMPANY LIMITED
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BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 December 2021.

The members have not required the company to obtain an audit of its financial statements for the period ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and,
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit and loss for each financial year in accordance with the requirements of Sections 394 and 395, and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to company.

Approved by the Board of Trustees on 15 August 2022 and signed on its behalf by:



.....
Mrs R A Cullen – Trustee



.....
Mr S Dabell – Trustee

Company registration number: **08025757**

The notes on pages 13 to 26 form part of these accounts

NORTHWOOD HOUSE CHARITABLE TRUST COMPANY LIMITED

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Summary of significant accounting policies

(a) General information and basis of preparation

Northwood House Charitable Trust Company Limited is a charitable company limited by guarantee registered in England. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are described on page 2 under the heading "objectives and aims".

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

The charity also manages the assets held within an unincorporated charity (registered number 276153), the assets of which were the subject of a scheme of management by the Charity Commission. The assets of that charity were amalgamated in 2013 with the assets of this Charitable company, and are reported as one entity in these accounts.

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

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally income from previous land sales. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Other income includes the conversion of endowment funds into income which arises when capital funds are released to an income fund from expendable endowments or when a charity has authority to adopt a total return approach to its permanent endowment fund. It also includes other income such as gains on disposals of tangible fixed assets.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes events;
- Expenditure on charitable activities includes lettings and functions, car parking, grounds costs, house preservation, and grants; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative, and payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises and other overheads have been allocated in a similar basis.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 9 to these accounts.

(f) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Land and property	5% straight line
Plant & machinery	20% straight line

The charity's assets consist of land and property originally conveyed by gift to the Local Authority in 1929 and were passed to this charity by a scheme of management. The Grounds are managed in permanent endowment, and these assets are held at nil cost.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

(g) Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA.

(h) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

(i) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

(j) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(k) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

(l) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

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(m) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010.

(n) Going concern

The Trustees have considered the impact of Covid-19 on income forecasts for 2020 and 2021 and its effect on activities at the House and in the grounds. With the stated free reserves at the year end of £204k, and the support of programmes to mitigate the financial effects of the pandemic, the Charity's forecasts and budgets have been amended. The Trustees are confident that it remains appropriate to prepare financial activities on a going concern basis.

(p) Trading subsidiary

The accounts are not consolidated but a summary of the trading company figures are shown in note 4.

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2. Comparative Statement of Financial Activities

In line with the charities statement of recommended practice, presented below is the full comparative SOFA

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds Year to 31 December 2020	Total Funds Year to 31 December 2019
	£	£	£	£	£
Income and endowments from:					
Donations and legacies	49,616	5,137	-	54,753	159,759
Charitable activities	163,128	-	-	163,128	314,319
Other trading activities (fundraising)	27,561	-	-	27,561	51,035
Other income	60,550	-	-	60,550	
Investments	90	-	-	90	120
Total income	300,945	5,137	-	306,082	525,233
	=====	=====	=====	=====	=====
Expenditure on:					
Raising funds	19,114	-	-	19,114	35,212
Charitable activities	226,596	21,826	-	248,422	446,318
Other	3,375	-	-	3,375	3,615
Total expenditure	249,085	21,826	-	270,911	485,145
	=====	=====	=====	=====	=====
Net income/(expenditure)	51,860	(16,689)	-	35,171	40,088
Other recognised gains/(losses)					
Gains/(losses) on investment assets	-	-	3,673	3,673	5,586
Net movement in funds	51,860	(16,689)	6,673	38,844	45,674
Reconciliation of Funds					
Total funds brought forward at 1 January 2019	451,833	37,496	37,417	526,746	481,072
	=====	=====	=====	=====	=====
Total funds carried forward 31 December 2020	503,693	20,807	41,090	565,590	526,746
	=====	=====	=====	=====	=====

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3. Donations and legacies

	Total Funds Year to 31 December 2021 £	Total Funds Year to 31 December 2020 £
Gifts and donations	1,706	1,636
Distribution from trading company	18,798	-
Grants	13,928	33,239
Park services in kind – Cowes Town Council	13,009	11,503
Membership fees	<u>3,080</u>	<u>3,238</u>
Total Unrestricted Funds	<u>50,521</u>	<u>49,616</u>
Gifts and donations included restricted fund income on		
Grants	15,000	-
Tennis court income	<u>2,978</u>	<u>5,137</u>
Total Restricted Funds	<u>17,978</u>	<u>5,137</u>
Total Donations and Legacies	68,499 =====	54,753 =====

4. Activities for generating funds

Fundraising events	<u>25,960</u>	<u>27,561</u>
	25,960 =====	27,561 =====

5. Subsidiary Trading Company

The Charity also has a trading subsidiary company, which is itself limited by guarantee, but which operates functions within the House for the Charity. The accounts are not consolidated, but reflect the monies due from the profits of the trading company. A summary of the trading results of the company is set out below:

	Year to 31 December 2021 £	Year to 31 December 2020 £
Summary Profit and loss		
Turnover	191,751	90,406
Costs	<u>(185,309)</u>	<u>(71,608)</u>
Surplus for the year	6,442 =====	18,798 =====
Net assets	6,443 =====	18,799 =====

A distribution was made of £18,798 to the Trust.

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6. Investment income

	Total Funds Year to 31 December 2021 £	Total Funds Year to 31 December 2020 £
Deposit account interest	36 ==	90 ==

7. Income from charitable activities

	Total Funds Year to 31 December 2021 £	Total Funds Year to 31 December 2020 £
Income from car parking facilities	134,348	84,246
Income from lettings	<u>132,756</u>	<u>78,882</u>
	267,104 =====	163,128 =====

8. Other income

	Total Funds Year to 31 December 2021 £	Total Funds Year to 31 December 2020 £
Profit on disposal of fixed assets	- ===	60,550 =====

9. Raising funds expenditure

	Total Funds Year to 31 December 2021 £	Total Funds Year to 31 December 2020 £
Fundraising event costs	17,185	9,885
Fundraising support costs	8,418	9,229
Grants and donations	<u>-</u>	<u>-</u>
	25,603 =====	19,114 =====

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10. Charitable activities expenditure

	Direct Costs £	Support Costs (see note 11) £	Year to 31/12/2021 Total £
Lettings and functions	-	9,350	9,350
Grounds maintenance park upkeep	28,849	25,395	54,244
House preservation and restoration	53,386	114,877	168,263
Car parking costs	<u>2,617</u>	<u>7,301</u>	<u>9,918</u>
	84,852	156,923	241,775
	=====	=====	=====

Comparative charitable activities expenditure

	Direct Costs £	Support Costs (see note 11) £	Year to 31/12/2020 Total £
Lettings and functions	7,044	9,927	16,971
Grounds maintenance park upkeep	17,150	27,870	45,020
House preservation and restoration	48,701	122,931	171,632
Car parking costs	<u>5,825</u>	<u>8,974</u>	<u>14,799</u>
	78,720	169,702	248,422
	=====	=====	=====

Grounds maintenance includes £13,009 (2020 - £11,521) of services in kind, provided by Cowes Town Council in grass cutting, hedge trimming, toilet cleaning, as well as litter and dog waste bin emptying in the Park.

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11. Support costs

		Year to 31/12/2021 £	Year to 31/12/2020 £
Wages and NI		83,883	95,806
Subscription and licenses		1,907	1,567
Cleaning		9,266	6,810
Light and heat		21,894	19,848
Insurance		19,665	22,839
Water		3,839	2,892
Telephone		1,994	2,445
Printing, postage and stationery		1,671	1,238
Computer costs		2,942	3,040
Sundries		347	204
Subcontractor costs		-	6,215
Bookkeeping		11,166	9,077
Accountancy		845	700
Professional services		35	395
Security		2,987	3,211
Bank charges		<u>2,899</u>	<u>2,644</u>
		165,341	178,931
	Notes	=====	=====
Allocated to fundraising events	7	8,418	9,229
Allocated to Charitable Activities	8	<u>156,923</u>	<u>169,702</u>
		165,341	178,931
		=====	=====

12. Other costs

		Year to 31/12/2021 £	Year to 31/12/2020 £
Trustees indemnity insurance		1,095	1,025
Independent examiners remuneration		<u>2,750</u>	<u>2,350</u>
		3,845	3,375
		=====	=====

Other costs are in relation to Governance of the Charity.

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13. Net incoming/(outgoing) resources

Net resources are stated after charging/(crediting):

	Year to 31/12/2021 £	Year to 31/12/2020 £
Depreciation – owned assets	11,087 =====	10,100 =====

14. Trustees' remuneration, benefits and expenses – Related party transactions

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 (year to 31 December 2020 £nil). There were no trustees' expenses paid for the year ended 31 December 2021 (year end 31 December 2020 £nil).

The Trustees have provided services in their professional capacity at no cost to the Trust, and it is not practicable to value that work.

15. Staff costs

	Year to 31/12/2021 £	Year to 31/12/2020 £
Wages and salaries	75,983	86,774
Social security costs	<u>7,900</u>	<u>9,032</u>
	83,883 =====	95,806 =====

The average monthly number of employees during the year was as follows:-

	Year to 31/12/2021 £	Year to 31/12/2020 £
House	4	4
Administration	<u>1</u>	<u>1</u>
	5 ==	5 ==

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

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FOR THE YEAR ENDED 31 DECEMBER 2021

16. Tangible fixed assets

	Land and Property £	Plant & Machinery £	Total £
Cost at 1 January 2021	28,343	61,676	90,019
Additions	-	2,850	2,850
Disposals	-	-	-
At 31 December 2021	28,343 =====	64,526 =====	92,869 =====
Depreciation at 1 January 2021	10,542	41,470	52,012
Charge for the period	1,417	9,670	11,087
Depreciation eliminated on disposal	-	-	-
At 31 December 2021	11,959 =====	51,140 =====	63,099 =====
Net Book Value at 31 December 2021	16,384 =====	13,386 =====	29,770 =====
Net Book Value at 31 December 2020	17,801 =====	20,206 =====	38,007 =====

17. Fixed asset investments

	31/12/2021 £	31/12/2020 £
Market value at 1 January 2021	41,090	37,417
Change in value of investments	<u>7,170</u>	<u>3,673</u>
Market value at 31 December 2020	48,260 =====	41,090 =====

There were no investments held outside the UK. The Charitable company holds 199 COIF (Charities Official Investment Fund) units, which form part of the endowment fund arising from previous sales of land.

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18. Debtors: amounts falling due within one year

	31/12/2021 £	31/12/2020 £
Trade debtors	2,345	1,397
Amounts due from trading subsidiary company	134,296	41,908
Other debtors and prepayments	<u>5,245</u>	<u>9,794</u>
	141,886	53,099
	=====	=====

19. Creditors: amounts falling due within one year

	31/12/2021 £	31/12/2020 £
Trade creditors	7,998	3,597
Taxation and social security	11,817	14,347
Amounts owing to trading subsidiary company	-	-
Other creditors and accruals	<u>19,208</u>	<u>10,688</u>
	39,023	28,632
	=====	=====

20. Movement in funds

	At 1/01/2021 £	Net movement in funds £	Transfers £	At 31/12/20 £
<u>Endowment fund</u>	<u>41,090</u>	<u>7,170</u>	-	<u>48,260</u>
<u>Restricted funds</u>				
Tennis courts (1)	16,557	1,264	-	17,821
Stables – Community Centre (2)	4,250	(4,250)	-	-
Outdoor sports equipment (3)	-	-	2,000	2,000
Donation – restoration (4)	-	<u>15,000</u>	-	<u>15,000</u>
Total Restricted Funds	<u>20,807</u>	<u>12,014</u>	<u>2,000</u>	<u>34,821</u>
<u>Unrestricted funds</u>	453,693	78,362	48,000	580,055
Designated renovation fund (5)	<u>50,000</u>	-	<u>(50,000)</u>	-
	565,590	97,546	-	663,136
	=====	=====	===	=====

(1) The restricted fund donations for Tennis courts, will be spent on improvements to the Tennis Courts.

(2) The Charity received a National Lottery grant towards the renovation of the stables, spent in 2021.

(3) A grant received in 2019 was restricted for outdoor sports equipment, and this has been transferred.

(4) During the year a restricted donation was received for house restoration work.

(5) The Trustees released the designation of funds from 2018 towards house renovations of £50,000.

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20. Comparative Movement in funds

	At 1/01/2020 £	Net movement in funds £	Transfers £	At 31/12/20 £
<u>Endowment fund</u>	<u>37,417</u>	<u>3,673</u>	-	<u>41,090</u>
<u>Restricted funds</u>				
Tennis courts (1)	33,246	(16,689)	-	16,557
Stables – Community Centre (2)	<u>4,250</u>	<u>-</u>	<u>-</u>	<u>4,250</u>
Total Restricted Funds	<u>37,496</u>	<u>(16,689)</u>	-	<u>20,807</u>
<u>Unrestricted funds</u>				
Designated renovation fund(3)	401,833	51,860	-	453,693
	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
	526,746	38,844	-	565,590
	=====	=====	===	=====

- (1) The restricted fund donations including the Beaverbrook Foundation grant for "Tennis in the Park", will be spent on improvements to the Tennis Courts in 2020.
(2) The Charity received a National Lottery grant towards the renovation of the stables.
(3) During 2018, the Trustees resolved to designate funds towards house renovations of £50,000.

21. Control

The charity is under the control of the Trustees.