

Porlock Recreation Ground CIO

Trustees' Annual Report and Accounts for the year
ended 31 December 2020

Registered Charity number 1176921

Porlock Recreation Ground CIO
Accounts for the year ended 31 December 2020

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Report of the Trustees

The trustees of the Porlock Recreation Ground registered charity number 1176921 ("the Charity") have pleasure in presenting their Annual report and Accounts for the year ended 31 December 2020. The financial statements comply with the Charities Act 2011, the Charity's Governing Document and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (updated 1 January 2019).

OBJECTIVES AND ACTIVITIES

The objectives of the Charity are set out in its Constitution. Paraphrasing, the Charity's objective is to retain, manage and promote Porlock Recreation Ground for the benefit of Porlock's inhabitants and visitors. In the interests of social welfare, the land is to be used for the provision of facilities for recreation or other leisure time occupation.

The charity achieves its objects by the following principal activities and in planning such activities the Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit.

The principal activity is the provision and upkeep of about nine acres of open space and facilities for recreational use by all the people of the village of Porlock and visitors to the village. To this end, the charity provides and maintains a pavilion, sports pitches (two football, one cricket), a tennis court, multi-sport court, children's playground, toddlers' playground and a memorial garden.

The facilities are made available for events such as an annual football festival and the Porlock Country Fair which raises funds for the charity and is well attended by local people, visitors, non-profit organisations and local businesses.

Public benefit is derived from use of the facilities, most of which are free of charge. Open spaces are regularly used for physical exercise by walkers as well as participants in organised and *ad hoc* sport. The children's play area is popular with children and parents who gain enjoyment and exercise from its use. The floodlit tennis court and multi-use games area also provide an opportunity for exercise and social interaction. The Pavilion is available to rent at low cost for events and use by local organisations and businesses.

Report of the Trustees continued

ACHIEVEMENTS AND PERFORMANCE

The year has been dominated by the worldwide Covid-19 pandemic and this has significantly affected the operations throughout 2020. Typical annual events that would normally have taken place, such as the Easter Football Festival or the Country Fair held during the summer holiday period, were all cancelled and this has impacted on the operational finances.

Events

One or two small events were hosted where possible, with suitable precautions taken to ensure safe and secure public participation, these included:

- Music in the Park (August)
- Porlock Hill Climb (September)

Youth Club

The Club continues to be funded from monies received from 2019's Samworth Brothers Charity Challenge. This covers the cost of professional youth workers from Minehead Eye. Activities have been severely affected by the Covid-19 restrictions but the team has endeavoured to provide some engagement for local young residents whenever possible.

Sports Clubs

The football, cricket and bowls clubs maintained some activities but each was severely affected by the Covid-19 restrictions throughout the year. The Trustees agreed to provide some relief from the normal annual rental payments where appropriate, and this meant that all payments due for ground rents etc were all paid in full.

Future plans and use of the Susan Taylor legacy

Decisions were made by the Trustees to allocate considerable monies for long term investment (see Investment Policy below). Trustees have continued to consider options and plans for one or two capital projects that have been enabled by the legacy monies.

The Pavilion

The Pavilion had some regular use throughout the year whenever Covid-19 restrictions would allow. These included the Toddlers group, CLOWNS children's play, and Exmoor Adventures.

Children's Play Area

The fence around the children's play area has been refitted with suitable panels following the incorrect initial installation. The Trustees have continued to investigate options for upgrading the current equipment and surrounding surfacing to ensure a safe and attractive environment.

Multi Use Games Area & Tennis Courts

These facilities have been used throughout the year by ad-hoc and organised groups whenever Covid-19 restrictions have allowed.

Report of the Trustees continued

Grounds maintenance, trees and hedges

The grounds continued to be maintained throughout the year. There was minimal work undertaken on our trees through the year. One large birch tree was lost due to high winds in the early autumn but there are no plans to replace this tree at the moment.

FINANCIAL REVIEW

The Covid-19 pandemic had a significant impact on the operations of the charity throughout the year and this is reflected in the finances.

Income

Income was reduced due to the closure of facilities for a significant part of the year and no events could be held due to the pandemic. However, £2,445 was generated through energy payments and £1,168 from an insurance claim to cover repairs following a water leak. Dividends from investments generated £4,161 which was reinvested.

Expenditure

The main items of expenditure were repairs to the ditches on the bowling green (£2,341) and grants totalling £3,756 for the Youth Club, covered by the Samworth Brothers funding received in 2019.

Operational expenditure associated with maintaining facilities, energy, insurance, accountancy fees, fundraising etc. amounted to £11,129, excluding £12,958 relating to the depreciation of equipment & facilities purchased in prior years.

Loss for the year

The wholly unexpected impact of the Covid-19 restrictions has meant that the Charity suffered an operational loss of £12,572. The Trustees consider that this reflects a highly unusual year and should not be replicated during 2021. However, the full implications of the continuing Covid-19 restrictions into 2021 are not yet known.

The investment performance (see below) of the invested funds offsets the operational loss and the overall assets of the charity at the end of the year stood at £797,272

Available Funds

At year end the Charity had £696,263 invested and £48,922 cash held at the bank.

Budget

A balanced budget has been agreed by the Trustees for 2021. Whilst ongoing operations and maintenance have been reduced to keep costs to a minimum, it is possible that another loss will be incurred in 2021 if income-generating activities are not allowed to be undertaken in any meaningful manner.

Report of the Trustees continued

Investment and Reserve Policy

The Trustees adopted an updated Investment Policy on 13th October 2020.

Specifically with respect to reserves, the policy states:

“6.1 Maintenance of reserves

At each General Meeting of the Management Committee, the Treasurer will report a summary of the Charity’s cash flow and reserves. Trustees will review the Treasurer’s report to ensure that the Charity has adequate reserves to meet its commitments.”

Reserves in this respect are adequate and comply with the policy. The Investment Policy also sets aside £100,000 in reserve to cover any potential operating losses in future years. These funds are included in the investments (see Investment Performance below).

Investment Performance

Following the approval of the updated Investment Policy, the Trustees requested a proposal from the Investment Manager for the investment of funds that had been allocated for both short-term and long-term investment. The short-term funds are monies that have been allocated for capital expenditure but remain available for investment until required. The long-term fund is invested to generate income to help underwrite the annual operational deficit. The trustees agreed the proposals during October and subsequently the relevant funds were transferred to the Investment Manager for investment purposes during November.

Whilst a large portion of the invested funds remains in the Church House Tenax Fund, the Investment Manager has allocated some monies to alternative securities to provide some diversification. Both short-term and long-term funds are invested in financial assets that have suitable liquidity to enable encashing as appropriate.

A summary of the changes to invested funds is as follows:

	£
• Market value at start of the year	572,419
• Additions	447,303
• Disposal proceeds	(406,500)
• Net gains on investments	19,691
• Market value at the end of the year	<u>696,263</u>

No cash was transferred out of the invested funds in the year.

Report of the Trustees continued

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Porlock Recreation Ground CIO was registered as a Charity on 31 January 2018 and is governed by its Constitution dated 31 January 2018.

Appointment of trustees

Trustees can be elected at the Charity's Annual Community Meeting (ACM), appointed by invitation to join the Committee as a co-opted trustee or are nominated by specific local organisations defined in the Constitution. Trustees agree to appointment on the basis that they have the necessary skills, experience and time to contribute to the Charity's activities and to be able to discharge their obligations as Trustees.

Annual Community Meeting (ACM)

In order to bring the holding of the ACM in line with the completion of the operational year and the corresponding accounts, and in recognition of the restricted activities of the charity during the year, the Trustees postponed the planned ACM during the year and rescheduled it to be held on 20th April 2021.

Trustees serving during the year

Chair – Robert Longley (appointed as Chair 21st January)

Secretary – Emma Child

Treasurer – Anna Toeman

Russell Vowles (Resigned 21st July)

Terry Gable (Porlock Parish Council representative)

Ivor Jones (Porlock Bowling Club representative, resigned 21st January)

Lee Hardick (Porlock Football Club representative, resigned 19th May)

Brian Binnie (Porlock Football Club representative, appointed 17th November)

Daniel Lynam (Resigned 21st January)

Nora Maw

Duncan McCanlis

Ian Fraser

Temporary Chair on 21st January

Under section 9(1)(c) of the Constitution, Russell Vowles was elected as temporary Chair for the meeting held on 21st January.

Trustee and volunteer recruitment

With a number of trustee vacancies, attempts to recruit new trustees from the community will be progressed prior to the ACM on 20th April.

The Representative Trustee position for Porlock Vale Tourist Association remains unfilled.

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Reference and Administrative Information

Charity Number: 1176921

Registered Office:

The Pavilion
Porlock Recreation Ground
Parsons Street
Porlock
Somerset
TA24 8QJ

Independent Examiner:

Karen Hanlan, ACA
Karen Hanlan Independent Examiner Limited
12 Waterloo Close
Wellesbourne
CV35 9JG

Bankers:

The Co-op Bank PLC
PO Box 101
1 Balloon Street
Manchester
M60 4EP

Investment Managers:

Church House Investment Management
York House
6 Coldharbour
Sherbourne
Dorset, DT9 4JW

Legal advisors:

Stone King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HR

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the accounts in accordance with applicable law, UK Accounting Standards and the Charities Act 2011.

The trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Charity and of the surplus or deficit incurred by the Charity for that year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to exist.

The trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011.

They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the Charity is operating efficiently and effectively;
- its assets are safeguarded against un-authorised use or disposition;
- proper records are maintained and financial information used within the Charity or for publication is reliable;
- the Charity complies with relevant laws and regulations.

Approved by the Board and signed on its behalf by:

Date: 19 March 2021



Robert Longley
Chairman

Independent Examiner's Report to the Trustees of Porlock Recreation Ground CIO ('the Charity')

I report to the charity trustees on my examination of the accounts of the Charity for the period ended 31 December 2020 which are set out on pages 11 to 18.

Responsibilities and basis of report

As the charity trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities act 2011 ('the Act').

I report in respect of my examination of the Charity's accounts carried out under section 145 of the Act 2011 and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent Examiner's statement

I have completed my examination. I confirm that no material 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 Charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.



Karen Hanlan
ACA, ACIE
Karen Hanlan Independent Examiner Ltd
12 Waterloo Close
Wellesbourne
CV35 9JG

Date: 19 March 2021

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Statement of Financial Activities

	Note	Un-restricted funds	Restricted funds	Total funds 2020	Total funds 2019
		£	£	£	£
Income:					
Donations and legacies	1	1,905	500	2,405	10,300
Charitable activities	2	6,117	-	6,117	11,066
Other trading activities	3	-	-	-	9,918
Investments – bank interest		512	-	512	670
Investments – dividends		4,161	-	4,161	4,001
Other income – insurance claim		1,167	-	1,167	-
Total income		13,864	500	14,364	35,955
Expenditure on:					
Raising funds	4	29	-	29	3,321
Charitable Activities	4	26,407	4,256	30,663	34,488
Total expenditure		26,436	4,256	30,692	37,809
Net gains on investments		19,691	-	19,691	16,436
Net income/(expenditure) and net movement in funds		7,119	(3,756)	3,363	14,582
Reconciliation of funds					
Total funds brought forward		783,909	10,000	793,909	779,327
Total funds carried forward		791,028	6,244	797,272	793,909

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

All income and expenditure derive from continuing activities.

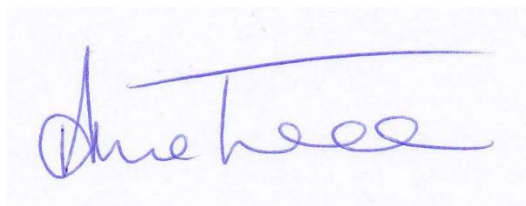
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Balance Sheet

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	6	52,979	65,937
Investments	7	696,263	572,419
		749,242	638,356
Current Assets			
Debtors	8	755	797
Cash at bank and in hand		48,922	156,544
Total current assets		49,677	157,341
Current Liabilities			
Creditors: amounts falling due within one year	9	(1,647)	(1,788)
Net current assets		48,030	155,553
Net assets		797,272	793,909
Funds of the Charity:			
Restricted Funds	10	6,244	10,000
Unrestricted Funds		791,028	783,909
Total funds of the Charity		797,272	793,909

The accompanying accounting policies and notes form part of these financial statements.

Approved by the Trustees and signed on their behalf by:



Anna Toeman
Treasurer



Robert Longley
Chairman

Date: 19 March 2021

Principal accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (updated 1 January 2019) – (Charities SORP FRS 102), and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Charity 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 note(s).

The financial statements have been prepared on a going concern basis which assumes that the charity will continue to operate. The validity of this assumption is dependent upon the continuance of support from its supporters. The charity's business plan shows that the charity will be able to operate in the foreseeable future. Based on this understanding the trustees believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments, which would result from the basis of preparation being inappropriate.

Funds

General accumulated funds are unrestricted funds available for general purposes and include funds designated for a particular purpose; the use of such funds remains at the discretion of the trustees.

Restricted funds are funds subject to conditions imposed by the donor or by specific terms of the appeal under which the funds are raised. The restrictive conditions are binding upon the Charity.

Income and expenditure

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

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

Irrecoverable VAT is allocated to the expense heading to which it relates in accordance with standard accounting practice.

Principal accounting policies (continued)

Investment income receivable

Dividends and bank interest are shown on the basis of amounts receivable in the year.

Tangible fixed assets

Depreciation is provided at a rate calculated to write off the cost on a straight line basis over a period of less than the estimated useful life of the assets as follows:

Buildings and facilities	-	10 years
Plant, machinery and equipment	-	5 years

Fixed assets are capitalised when their costs exceed £250.

Fixed Asset Investments

Fixed asset investments are included at market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors

Creditors are recognised when the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Taxation

As a registered charity no provision is considered necessary for taxation.

Notes to the financial statements

1. Income from donations and legacies

	2020	2019
	£	£
Donations & grants (£500 restricted)	2,405	300
Restricted grant from Samworth Brothers Charity	-	10,000
	2,405	10,300

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Notes to the financial statements (continued)

2. Income from charitable activities

	2020	2019
	£	£
Hire of facilities	1,205	6,665
Rents payable by clubs	2,467	2,233
Energy payments	2,445	2,168
	6,117	11,066

3. Income from other trading activities

	2020	2019
	£	£
Country fair	-	9,643
Other	-	275
	-	9,918

4. Analysis of expenditure

	2020	2019
	Total	Total
	£	£
Fundraising – costs of events	21	3,321
Investment managers fees	8	-
	29	3,321
Maintenance/cleaning	3,238	3,904
Utilities and fuel	1,709	802
Insurance	1,049	870
Print, postage & stationery	34	253
Repairs & equipment	3,446	1,640
Tree work	400	3,627
Tools & equipment	104	118
Equipment maintenance	339	641
Sundry expenditure	97	72
Grants given (all restricted – see note 10)	4,256	6,500
Depreciation	12,958	14,429
Professional fees	2,633	1,232
Independent Examiner's fee	400	400
Total	30,663	34,488

Notes to the financial statements (continued)

5. Staff costs, trustee remuneration and expenses

The charity employs no staff (2019: none).

The charity's Trustees were not paid nor received any other benefits from employment in the year (2019: £nil). Trustee expenses, relating to expenses and equipment paid for on behalf of the Committee, were reimbursed to three Trustees totalling £341.25 in the year (2019: one Trustee, £1,131)

Mrs Terry Gable, Trustee, received a total of £510 for cleaning services provided during the year (2019: £495).

6. Tangible fixed assets

	Buildings and facilities £	Plant, machinery and equipment £	Total £
Cost			
At beginning of year	49,181	39,604	88,785
Additions	-	-	-
	<hr/> 49,181	<hr/> 39,604	<hr/> 88,785
At end of year	<hr/> 49,181	<hr/> 39,604	<hr/> 88,785
Depreciation			
At beginning of year	6,511	16,337	22,848
Charge for the year	2,062	10,896	12,958
	<hr/> 8,573	<hr/> 27,233	<hr/> 35,806
At end of year	<hr/> 8,573	<hr/> 27,233	<hr/> 35,806
Net Book Value			
At 31 December 2020	<hr/> 40,608	<hr/> 12,371	<hr/> 52,979
At 31 December 2019	<hr/> 42,670	<hr/> 23,267	<hr/> 65,937

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Notes to the financial statements (continued)

7. Fixed asset investments

	2020	2019
	£	£
Listed Investments		
Market value at beginning of period	568,418	551,982
Disposal proceeds	(406,500)	-
Additions (including dividends reinvested)	447,304	4,001
Net gains in year	19,691	16,436
Market value at end of year	628,913	572,419
Historic cost at end of year	670,332	566,171
Church House Tenax Absolute Return Strategic Fund	177,713	568,418
Church House Investment Grade fixed interest	205,556	-
Church House Balanced Equity income	122,196	-
Church House UK Equity Growth	50,525	-
UK Equity investments	43,813	-
International Equity investments	29,110	-
Total investments	628,913	568,418
Cash awaiting investment	67,350	4,001
Total portfolio	696,263	572,419

8. Debtors

	2020	2019
	£	£
Prepayments	755	797
Income receivable	-	-
	755	797

9. Creditors: amounts falling due within one year

	2020	2019
	£	£
Accruals	400	400
Deferred income	1,247	1,388
	1,647	1,788

Movements in deferred income are as follows:

	£	£
At beginning of year	1,388	845
Released to income in year	(1,388)	(845)
Deferred in year	1,247	1,388
At end of year	1,247	1,388

Deferred income relates to rental income received in advance.

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Notes to the financial statements (continued)

10. Restricted funds

	Movement in Funds		
	Balance at beginning of year £	Income £	Expenditure £
Youth Worker Fund	10,000	-	(3,756)
Toddler Group	-	500	(500)
Total	10,000	500	(4,256)

In 2019 a charity fundraising event at the recreation ground raised funds for a number of charitable causes and £10,000 was granted by the Samworth Brothers Charity to fund the Youth Worker for a further 2 years.

11. Transactions with related parties

One Trustee made a donation of £1,800 to the charity during the year

Other than the above and that detailed in note 5, there were no transactions with related parties during the year that require disclosure in these financial statements (2019 none).

12. Controlling Interests

The Charity is controlled by the Trustees.