



Porlock Recreation Ground CIO

Trustees' Annual Report and Accounts for the year
ended 31 December 2022

Registered Charity number 1176921

Porlock Recreation Ground CIO
Accounts for the year ended 31 December 2022

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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 2022. 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, a dog walking field and a memorial garden.

The facilities are made available for events such as an annual football festival and the Porlock Country Fair which raise 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 organisations and businesses.

Report of the Trustees continued

ACHIEVEMENTS AND PERFORMANCE

Following the impact of the Covid-19 pandemic in 2020 and 2021, use increased during 2022 and income was as forecast.

Events

All of the events planned for the year were able to take place and these included

- ESF Football Festival
- Porlock Country Fair
- Fun Run
- Porlock Hill Climb
- Jubilee Celebration

Youth Club

The Club continues to be funded from monies received from 2019's Samworth Brothers Charity Challenge and business support grants from Council and Trustees' allocated funds to cover the cost of professional youth workers from Minehead Eye until December 2023.

Sports Clubs

All clubs were able to resume their normal seasonal activities in 2022 following the Covid-19 pandemic and had a full programme of training sessions and matches. Rents had been raised in 2021 but were then waived, so it was agreed to charge those rents for 2022 with no further increases being applied. Both the Cricket Club and the Football Club reported financial issues due to lack of funds and decreased membership. It was agreed to discuss future rents to see what could be done to help. New goal posts were purchased for the Football Club.

Future plans and use of the Susan Taylor legacy

Trustees have continued to consider options and plans for one or two capital projects that have been enabled by the legacy monies. Plans were put in place for the Children's Play Area to replace much of the wooden play equipment and the zip wire which were beyond repair. The new equipment will be funded from the Investment Fund. In October, a sub-committee was formed to take forward the plans for the Pavilion refurbishment with the agreed primary function of the pavilion being for sport and recreation. It was agreed in December 2022 to appoint an architect to provide some initial drawings based on the feedback collated by the sub-committee.

The Pavilion

The Pavilion had some regular users throughout the year which include the Toddlers group, a Yoga class, a belly-dancing class, a drumming circle and dog grooming. There was also a significant one-off user for a function in connection with the funeral of a well-known local, attended by many.

Children's Play Area

The Trustees have continued to investigate options for upgrading the current equipment to ensure a safe and attractive environment. The piece of equipment dismantled from the main area in 2021 was replaced in 2022. Quotes had been received and accepted and the work to replace much of the wooden equipment was scheduled for early 2023. A 50% deposit for the equipment ordered was paid in November funded from the Investment Fund.

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Report of the Trustees continued

Multi Use Games Area & Tennis Courts

These facilities have been used throughout the year by ad-hoc and organised groups. The new timers fitted to the floodlights ensure they are used within the terms of the planning permission that was granted for their installation.

Grounds maintenance, trees and hedges

The grounds continued to be maintained throughout the year. The contractor increased their hourly rate by 30% during the year which had an impact on the budgeted expenditure. There was minimal extra work undertaken. The Recreation Ground was allocated trees by a joint project between the National Trust and Porlock Parish Council and these were planted in May/June 2022.

FINANCIAL REVIEW

Following concerns regarding the performance of the Investment Fund, it was agreed that two trustees should meet with Church House to review the investments and the risk levels. Whilst the investments had recovered over the year, concern was raised as to why the short-term investment had not performed as well as the long-term investment. A meeting with Church House was arranged for early January 2023 to discuss these issues.

Income

Operational income was as budgeted and was understandably considerably higher than in 2020 and 2021, the main sources being hire of the Pavilion and facilities, rents, the Country Fair and FIT income from the solar panels. All investment income has been reinvested.

Expenditure

Operational expenditure was slightly less than budgeted overall. There were increased maintenance costs due to a rise of 30% charged by the contractor. The increased cost of electricity was offset by government payments and less oil was purchased than anticipated. Tree work, equipment maintenance and training were all less than budgeted whilst tools and equipment purchased included the goal posts purchased as a one-off. For future note, the tree survey has raised concerns about a number of trees which may require costly remedial work in future, perhaps as soon as 2024.

Surplus for the year

The charity made a small operational surplus in the year, before investment losses. The performance of the invested funds was disappointing and the overall funds of the charity at the end of the year stood at £759,658 down by £76,310 compared to the previous year's figure of £835,968.

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Report of the Trustees continued

Available Funds

At year end the Charity had £675,569 invested and £17,466 cash held at the bank.

Budget

A cautious budget had been agreed by the Trustees for 2022, having anticipated that use and therefore income would return to pre-pandemic levels but some operational costs have increased significantly so a slight loss was forecast. The budget for 2023 reflects the increased operational costs expected due to inflationary pressures, increased maintenance costs and fuel costs, plus reduced income from the affiliated club rents having agreed to waive them in 2023. An injection of funds drawn down from the investments, planned for 2023, has been included to offset what would otherwise be an expected deficit.

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

Whilst a large portion of the invested funds remains in the Church House Funds, 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	741,302
• Dividends & interest	14,704
• Management fees	(2,226)
• Net losses on investments	(78,211)
• Market value at the end of the year	675,569

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

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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)

The ACM was held on 19th April 2022.

Trustees serving during the year

Chair – Duncan McCanlis (appointed as trustee 19th April 2022 and Chair 25th October 2022)

Secretary – Nora Maw (elected 17th May 2022)

Treasurer – Lesley Thornton (appointed as trustee 19th April 2022 and formally elected as Treasurer 17th May 2022)

Sue McCanlis (resigned as Chair 19th April 2022, but remained a trustee)

Terry Gable (Porlock Parish Council representative)

Richard Maw (co-opted 25th October 2022)

Ian Fraser (re-elected Porlock Cricket Club representative 19th April 2022)

Andy Briggs (resigned 18th April 2023)

Jay Horne (Porlock Football Club representative, co-opted 25th October 2022)

Phil Kenward (Porlock Bowling Club representative, co-opted 25th October 2022)

Kim Ely (appointed as trustee 19th April 2022. Resigned 18th April 2023)

Emma Child and Anna Toeman retired from office as Secretary and Treasurer respectively at the ACM 19th April 2022

Trustee and volunteer recruitment

Following a concerted effort to recruit new trustees from the community, there were 11 trustees on the Committee until the 2023 ACM on 18th April 2023.

Only the Representative Trustee position for Porlock Vale Tourist Association remained 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
1 Saracen Close
Ettington
CV37 7SZ

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

Approved by the Board and signed on its behalf by:

Date: 17th October 2023

Duncan McCanlis
Chair

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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.

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 2022 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
1 Saracen Close
Ettington
CV37 7SZ

Date: 17 October 2023

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Statement of Financial Activities

	Note	Un-restricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Income:					
Donations and legacies	1	2,667	-	2,667	19,967
Charitable activities	2	6,863	-	6,863	7,778
Other trading activities	3	6,877	-	6,877	2,171
Investments – bank interest		140	-	140	18
Investments – dividends		14,596	-	14,596	13,845
Total income		31,143	-	31,143	43,779
Expenditure on:					
Raising funds	4	3,754	-	3,754	2,925
Charitable Activities	4	24,232	2,500	26,732	34,348
Total expenditure		27,986	2,500	30,486	37,273
Net (losses)/gains on investments		(78,211)	-	(78,211)	33,434
Net (expenditure)/income and net movement in funds		(75,054)	(2,500)	(77,554)	39,940
Reconciliation of funds					
Total funds brought forward		835,968	1,244	837,212	797,272
Transfer of funds		(1,256)	1,256	-	-
Total funds carried forward		759,658	-	759,658	837,212

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	2022 £	2021 £
Fixed assets			
Tangible assets	6	54,081	67,294
Investments	7	675,569	741,302
		729,650	808,596
Current Assets			
Debtors	8	13,192	776
Cash at bank and in hand		17,466	28,340
Total current assets		30,658	29,116
Current Liabilities			
Creditors: amounts falling due within one year	9	(650)	(500)
Net current assets		30,008	28,616
Net assets		759,658	837,212
Funds of the Charity:			
Restricted Funds	10	-	1,244
Unrestricted Funds - general		753,414	828,468
Unrestricted Funds - designated	11	6,244	7,500
Unrestricted Funds - total		759,658	835,968
Total funds of the Charity		759,658	837,212

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

Approved by the Trustees and signed on their behalf by:

Lesley Thornton
Treasurer

Duncan McCanlis
Chair

Date: 17th October 2023

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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.

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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

	2022	2021
	£	£
Donations	-	75
Grants – Covid support from Somerset West & Taunton Council	2,667	19,892
	<u>2,667</u>	<u>19,967</u>

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Notes to the financial statements (continued)

2. Income from charitable activities

	2022	2021
	£	£
Hire of facilities	1,513	1,518
Rents payable by clubs	3,261	3,958
Energy payments	2,089	2,302
	6,863	7,778

3. Income from other trading activities

	2022	2021
	£	£
Village Fete	6,132	1,971
Other	745	200
	6,877	2,171

4. Analysis of expenditure

	2022	2021
	Total	Total
	£	£
Fundraising – costs of events	1,528	686
Investment managers fees	2,226	2,239
	3,754	2,925
Maintenance/cleaning	4,406	3,865
Utilities and fuel	766	433
Insurance	1,081	1,013
Print, postage & stationery	9	6
Repairs & equipment	1,742	4,130
Tree work	295	-
Tools & equipment	1,142	51
Equipment maintenance	180	239
Sundry expenditure	342	114
Grants given - £2,500 restricted (2021: £5,000)	2,500	7,711
Depreciation	13,213	15,901
Professional fees	406	385
Independent Examiner's fee	650	500
Total	26,732	34,348

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Notes to the financial statements (continued)

5. Staff costs, trustee remuneration and expenses

The charity employs no staff (2021: none).

The charity's Trustees were not paid nor received any other benefits from employment in the year (2021: £nil). Trustee expenses, relating to expenses and equipment paid for on behalf of the Committee, were reimbursed to one Trustee totalling £189.63 in the year (2021: 3 Trustees, £401.96)

Mrs Terry Gable, Trustee, received a total of £1,180 for cleaning services provided during the year (2021: £1,070).

6. Tangible fixed assets

	Buildings and facilities £	Plant, machinery and equipment £	Total £
Cost			
At beginning of year	49,181	69,820	119,001
Additions	-	-	-
	<hr/> 49,181	<hr/> 69,820	<hr/> 119,001
At end of year	<hr/> 49,181	<hr/> 69,820	<hr/> 119,001
Depreciation			
At beginning of year	10,635	41,072	51,707
Charge for the year	2,062	11,151	13,213
	<hr/> 12,697	<hr/> 52,223	<hr/> 64,920
At end of year	<hr/> 12,697	<hr/> 52,223	<hr/> 64,920
Net Book Value			
At 31 December 2022	<hr/> 36,484	<hr/> 17,597	<hr/> 54,081
 At 31 December 2021	 <hr/> 38,546	 <hr/> 28,748	 <hr/> 67,294

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Notes to the financial statements (continued)

7. Fixed asset investments

	2022	2021
	£	£
Listed Investments		
Market value at beginning of period	721,992	628,913
Disposal proceeds	-	-
Additions (including dividends reinvested)	22,800	59,645
Net gains in year	(78,211)	33,434
	<hr/>	<hr/>
Market value at end of year	666,581	721,992
	<hr/>	<hr/>
Historic cost at end of year	694,620	671,911
	<hr/>	<hr/>
Church House Tenax Absolute Return Strategic Fund	166,099	179,071
Church House Investment Grade fixed interest	192,987	198,057
Church House Balanced Equity income	148,480	166,706
Church House UK Equity Growth	63,522	78,164
UK Equity investments	43,215	64,617
International Equity investments	52,279	35,377
Total investments	666,581	721,992
Cash awaiting investment	8,988	19,310
Total portfolio	675,569	741,302

8. Debtors

	2022	2021
	£	£
Prepayments	914	776
Deposits	12,278	-
	<hr/>	<hr/>
	13,192	776

9. Creditors: amounts falling due within one year

	2022	2021
	£	£
Accruals	650	500
Deferred income	-	-
	<hr/>	<hr/>
	650	500

Movements in deferred income are as follows:

	£	£
At beginning of year	-	1,247
Released to income in year	-	(1,247)
Deferred in year	-	-
At end of year	<hr/>	<hr/>

Deferred income relates to rental income received in advance.

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Notes to the financial statements (continued)

10. Restricted funds

2022

	Balance at beginning of year £	Movement in Funds			Balance at end of year £
		Income £	Expenditure £	Transfers	
Youth Worker Fund	1,244	-	(2,500)	1,256	-

2021

	£	£	£		£
Youth Worker Fund	6,244	-	(5,000)	-	1,244

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. Designated funds

Funds totalling £6,244 have been set aside by Trustees to support the Porlock Youth Club through to December 2023.

12. Transactions with related parties

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 (2021 none).

13. Controlling Interests

The Charity is controlled by the Trustees.