

Porlock Recreation Ground CIO

Trustees' Annual Report and Accounts for the year
ended 31 December 2023

Registered Charity number 1176921

Porlock Recreation Ground CIO
Accounts for the year ended 31 December 2023

Index

	Page
Report of the Trustees	3-7
Reference and Administrative Information	8
Statement of Trustees' Responsibilities	9
Report of the Independent Examiner	10
Statement of Financial Activities	11
Balance sheet	12
Principal Accounting Policies	13-14
Notes to the financial statements	15-17

Porlock Recreation Ground CIO
Accounts for the year ended 31 December 2023

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 2023. 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.

ACHIEVEMENTS AND PERFORMANCE

Use during 2023 increased from previous years and income was higher than 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
- Coronation Celebration (PPC)

Sports Clubs

In 2023 the committee agreed to stop charging the affiliated Clubs rent in an effort to support their activities and encourage membership.

The Porlock Football Club reports that referee prices have gone up and fuel prices have risen so not paying rent this season has allowed them to not put the fees up much for the players which helps a lot as a lot of the players are quite young. Porlock FC has done quite a lot of fundraising this season as they will require a new bus soon so every little bit helps, and again, not paying rent has helped Porlock FC a lot this season.

Porlock Recreation Ground CIO
Accounts for the year ended 31 December 2023

Report of the Trustees continued

The Porlock Bowls Club had a membership of 64 in 2023, a mixture of playing and social members, which started to drop slightly, going into 2024. The Bowls Club are always looking for new members, especially ladies. Their matches, of which there were 40 in 2023, are mainly friendly mixed triples. The men play a weekly local league.

They report that their finances are in good order, helped by the reduction to a peppercorn rent that they are now charged by the Recreation Ground Committee. They hold an annual Open Fours Competition which is attended by 24 teams who play 4 matches and receive a two-course lunch and tea. Their green, which they prepare themselves, is one of the best in Somerset and north Devon, and is sited in such a beautiful setting.

The Porlock Cricket Club, established in 1865 for the enjoyment of local residents and to encourage youth involvement in the club, is run by volunteers, the pitch being maintained by two members.

They report that the cricket team is not part of a league but plays local teams during the summer from Dunster, Exford and other villages in West Somerset on friendly basis. They also host touring teams from around the Country for friendly matches. Unfortunately, due to poor weather, the team only managed to play 5 matches in 2023. They further report that they could not survive without the support of the Porlock Recreation Ground Committee and other local businesses and organisations who provide financial support.

Future plans and use of the Susan Taylor legacy

The Pavilion Project sub-committee has taken forward the plans for the Pavilion refurbishment with the agreed primary function of the pavilion being for sport and recreation. An architect was appointed to provide some initial drawings based on the feedback collated by the sub-committee.

In October trustees approved the design drawings and a planning application was submitted to Exmoor National Park Authority. In December a Bat Survey was undertaken and revealed that the pavilion has been housing bats. This situation demands that further surveys are needed, commencing May 2024 at the earliest, so trustees decided to plan for the redevelopment work to take place in 2025.

In addition to the improvement of its major asset, the pavilion, the charity is also planning a refurbishment of the Memorial Garden and, funds permitting, will consider further works.

The invested funds continue to provide an income to support the annual expenditure without the need to charge rents to the affiliated sports clubs.

The Pavilion

The Pavilion had some regular users throughout the year which include the Toddlers group, Youth Club and a twice a week Yoga class. The pavilion was repeat booked for meetings, private parties, groups like Exmoor adventures, bike events, football festival weekend and for school use by children doing projects and sports on a Friday afternoon in the playground. There was also a significant one-off user for the coronation celebrations, attended by many.

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. These funds were exhausted by end 2023 however, so other funding will be required.

Report of the Trustees continued

Children's Play Area

The Trustees have upgraded the current equipment to ensure a safe and attractive environment. Around £40,000 was spent on replacing much of the old wooden equipment and greatly improving the surfaces around the pieces of equipment.

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.

Country Fair

The Country Fair is the Recreation Ground's main fund-raising event, and it provides a strong community focus, as well as attracting many visitors to Porlock and bringing increased trade to local businesses.

FINANCIAL REVIEW

Following concerns regarding the fairly poor performance of the Investment Fund over the years and in particular in 2022, a formal investment Committee was formed to meet and liaise with the managers, Church House Investment Managers, on a regular basis. These concerns were discussed with Church House at a formal meeting in January 2023, two trustees comprising the Investment Committee, attended.

A plan to improve the overall performance of the long term fund was discussed with some adjustments to the portfolio to be made. The greater concern was with the ever poorer performance of the short term funds and various options were considered to improve that performance. These were to be monitored during the year.

The performance of both funds did improve as, detailed below, and has benefited greatly from the closer management attention to the funds as well as taking advantage of an improving market.

Income

Operational income was slightly higher than budgeted. The main sources being the now annual injection of funds from the Investment Fund, hire of the Pavilion and facilities, the Country Fair and FIT income from the solar panels. All investment income was reinvested up until April in the year when funds were withdrawn to fund the playground renewal. Since then, some investment income has been held to fund other fairly small amounts of capital and revenue expenditure.

Expenditure

Operational expenditure was less than budgeted overall. The anticipated tree work reported was not carried out in 2023, repairs, renewals and equipment repair expenditure was lower than anticipated, and the costs of the Country Fair were halved in 2023 compared to previous years.

Surplus for the year

The charity made a small operational surplus in the year, before and after, investment gains. The performance of the invested funds generated a surplus this year and was much improved over the prior year. Overall, the funds of the charity at the end of the year stood at £782,832 up by £23,174 compared to the previous year's figure of £759,658.

Porlock Recreation Ground CIO
Accounts for the year ended 31 December 2023

Report of the Trustees continued

Capital expenditure

As mentioned above new playground equipment was installed during the year at a cost of £40,461 and the old equipment scrapped (see note 6).

Available Funds

At year end the Charity had £692,949 invested and £6,744 cash held at the bank.

Budget

A cautious budget was agreed by the Trustees for 2023, 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 2024 reflects the increased operational costs expected due to inflationary pressures, increased maintenance costs and fuel costs. An injection of funds drawn down from the investments introduced in 2023, has been included to offset the reduced income as rents from affiliated clubs are no longer charged.

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	675,569
• Dividends & interest	22,799
• Funds transferred out during year	(24,000)
• Management fees	(2,120)
• Net gains on investments	20,701
Market value at the end of the year	692,949

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.

Trustees are undertaking a review of the constitution and will propose a number of minor changes at the 2024 Annual Community Meeting.

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 18th April 2023.

Porlock Recreation Ground CIO
Accounts for the year ended 31 December 2023

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees serving during the year

Chair – Duncan McCanlis

Secretary – Nora Maw

Treasurer – Lesley Thornton

Sue McCanlis

Terry Gable

Richard Maw

Ian Fraser (Cricket Club representative)

Jay Horne (Porlock Football Club representative)

Phil Kenward (Porlock Bowling Club representative)

Denys Lyons (Co-opted 16th January 2024)

Trustee and volunteer recruitment

Following a continued concerted effort to recruit new trustees from the community, there were 10 trustees on the Committee until the 2024 ACM on 16th April 2024.

The Representative Trustee position for Porlock Vale Tourist Association and Porlock Parish Council remained unfilled. Regarding the latter, three trustees are also members of PPC, so it was deemed unreasonable to appoint a further councillor to the trustee body.

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

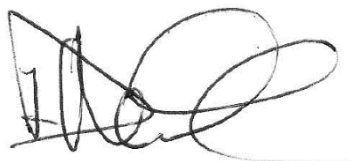
Legal advisors:

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

Approved by the Board and signed on its behalf by:

Date: 16th April 2024

Duncan McCanlis
Chair



Porlock Recreation Ground CIO
Accounts for the year ended 31 December 2023

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.

Porlock Recreation Ground CIO
Accounts for the year ended 31 December 2023

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 2023 which are set out on pages 11 to 17.

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: 16 April 2024

Porlock Recreation Ground CIO
Accounts for the year ended 31 December 2023

Statement of Financial Activities

	Note	Un- restricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Income:					
Donations and legacies	1	-	-	-	2,667
Charitable activities	2	3,822	-	3,822	6,863
Other trading activities	3	7,947	-	7,947	6,877
Investments – bank interest		412	-	412	140
Investments – dividends		22,504	-	22,504	14,596
Total income		34,685	-	34,685	31,143
Expenditure on:					
Raising funds	4	3,793	-	3,793	3,754
Charitable Activities	4	28,419	-	28,419	26,732
Total expenditure		32,212	-	32,212	30,486
Net gains/(losses) on investments		20,701	-	20,701	(78,211)
Net income/(expenditure) and net movement in funds		23,174	-	23,174	(77,554)
Reconciliation of funds					
Total funds brought forward		759,658	-	759,658	837,212
Transfer of funds		-	-	-	-
Total funds carried forward		782,832	-	782,832	759,658

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

All income and expenditure derive from continuing activities.

Porlock Recreation Ground CIO
Accounts for the year ended 31 December 2023

Balance Sheet

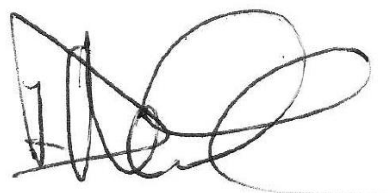
	Notes	2023 £	2022 £
Fixed assets			
Tangible assets	6	82,748	54,081
Investments	7	692,949	675,569
		775,697	729,650
Current Assets			
Debtors	8	1,066	13,192
Cash at bank and in hand		6,744	17,466
Total current assets		7,810	30,658
Current Liabilities			
Creditors: amounts falling due within one year	9	(675)	(650)
Net current assets		7,135	30,008
Net assets		782,832	759,658
Funds of the Charity:			
Restricted Funds		-	-
Unrestricted Funds - general		780,338	753,414
Unrestricted Funds - designated	10	2,494	6,244
Unrestricted Funds - total		782,832	759,658
Total funds of the Charity		782,832	759,658

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: 16th April 2024

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.

Porlock Recreation Ground CIO
Accounts for the year ended 31 December 2023

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.

Porlock Recreation Ground CIO
Accounts for the year ended 31 December 2023

Notes to the financial statements

1. Income from donations and legacies

	2023	2022
	£	£
Donations	-	-
Grants – Covid support from Somerset West & Taunton Council	-	2,667
	<u>-</u>	<u>2,667</u>

2. Income from charitable activities

	2023	2022
	£	£
Hire of facilities	1,320	1,513
Rents payable by clubs	-	3,261
Energy payments/wayleaves	2,502	2,089
	<u>3,822</u>	<u>6,863</u>

3. Income from other trading activities

	2023	2022
	£	£
Village Fete	5,919	6,132
Other events	2,028	745
	<u>7,947</u>	<u>6,877</u>

4. Analysis of expenditure

	2023	2022
	Total	Total
	£	£
Fundraising – costs of events	1,672	1,528
Investment managers fees	2,121	2,226
	<u>3,793</u>	<u>3,754</u>
Maintenance/cleaning	4,584	4,406
Utilities and fuel	2,335	766
Insurance	1,319	1,081
Print, postage & stationery	-	9
Repairs & equipment	261	1,742
Tree work	-	295
Tools & equipment	393	1,142
Equipment maintenance	164	180
Sundry expenditure	337	342
Grant for Youth Worker –(2022: £2,500 restricted)	3,750	2,500
Depreciation	13,710	13,213
Professional fees	891	406
Independent Examiner's fee	675	650
Total	<u>28,419</u>	<u>26,732</u>

Porlock Recreation Ground CIO
Accounts for the year ended 31 December 2023

Notes to the financial statements (continued)

5. Staff costs, trustee remuneration and expenses

The charity employs no staff (2022: none).

The charity's Trustees were not paid nor received any other benefits from employment in the year (2022: £nil). Trustee expenses, relating to expenses and equipment paid for on behalf of the Committee, were reimbursed to five Trustees totalling £799.29 in the year (2022: One Trustee, £189.63)

Mrs Terry Gable, Trustee, received a total of £1,145 for cleaning services provided during the year (2022: £1,180).

6. Tangible fixed assets

	Buildings and facilities £	Plant, machinery and equipment £	Total £
Cost			
At beginning of year	49,181	69,820	119,001
Additions	1,916	40,461	42,377
Disposals	-	(21,040)	(21,040)
	<hr/>	<hr/>	<hr/>
At end of year	51,097	89,241	140,338
	<hr/>	<hr/>	<hr/>
Depreciation			
At beginning of year	12,697	52,223	64,920
Disposals	-	(21,040)	(21,040)
Charge for the year	1,373	12,337	13,710
	<hr/>	<hr/>	<hr/>
At end of year	14,070	43,520	57,590
	<hr/>	<hr/>	<hr/>
Net Book Value			
At 31 December 2023	37,027	45,721	82,748
	<hr/>	<hr/>	<hr/>
At 31 December 2022	36,484	17,597	54,081
	<hr/>	<hr/>	<hr/>

Porlock Recreation Ground CIO
Accounts for the year ended 31 December 2023

Notes to the financial statements (continued)

7. Fixed asset investments

Listed Investments	2023	2022
	£	£
Market value at beginning of period	666,581	721,992
Disposal proceeds	(14,000)	-
Additions (including dividends reinvested)	-	22,800
Net gains/(losses) in year	20,701	(78,211)
Market value at end of year	673,282	666,581
Historic cost at end of year	680,090	694,620
Church House Tenax Absolute Return Strategic Fund	166,824	166,099
Church House Investment Grade fixed interest	194,229	192,987
Church House Balanced Equity income	146,249	148,480
Church House UK Equity Growth	69,570	63,522
UK Equity investments	41,446	43,215
International Equity investments	54,964	52,278
Total investments	673,282	666,581
Cash awaiting investment	19,667	8,988
Total portfolio	692,949	675,569

8. Debtors

	2023	2022
	£	£
Prepayments	1,066	914
Deposits	-	12,278
	1,066	13,192

9. Creditors: amounts falling due within one year

	2023	2022
	£	£
Accruals	675	650
	675	650

10. Designated funds

Funds totalling £2,494 (2022: £6,244) have been set aside by Trustees to support the Porlock Youth Club through to December 2023.

11. 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 (2022: none).

12. Controlling Interests

The Charity is controlled by the Trustees.