

REGISTERED COMPANY NUMBER: 11668136 (England and Wales)
REGISTERED CHARITY NUMBER: 1186090

REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021
FOR
SOUTHWOOD FOUNDATION

Chariot House Limited
Chartered Accountants
44 Grand Parade
Brighton
East Sussex
BN2 9QA

SOUTHWOOD FOUNDATION

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

	Page
Report of the Trustees	1 to 5
Independent Examiner's Report	6
Statement of Financial Activities	7
Balance Sheet	8 to 9
Notes to the Financial Statements	10 to 13

SOUTHWOOD FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST MARCH 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

11668136 (England and Wales)

Registered Charity number

1186090

Registered office

21 Perrymount Road
Haywards Heath
RH16 3TP

Trustees

N H Lomax
R M L Southwood
Ms R M Starling
J G Turzynski

Independent examiner

John Thacker
FCA DChA
Chariot House Limited
Chartered Accountants
44 Grand Parade
Brighton
East Sussex
BN2 9QA

Bankers

Cooperative Bank
PO Box 250
Delf House
Southway
Skelmersdale
WN8 6WT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The Southwood Foundation was set up to help deliver positive change on carbon reduction and restoring biodiversity through promoting better collaboration and understanding. It was particularly borne out of a desire to break through professional silos both within and across academia, practitioners (consultants), regulators and policy makers and facilitate joined up thinking to deliver the meaningful change we need for a sustainable future. Through the judicious use of limited funds to bring forward ideas, active partnerships and collaboration across professional boundaries and communities, the foundation was established as an open platform deploying expertise to enable good ideas to be shared and implemented as widely as possible.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The Southwood Foundation has high calibre trustees with extensive experience in the environment and sustainability sectors:

Mark Southwood - Founder

Mark has worked for nearly 40 years in the environmental field, sustainability and planning and has extensive experience of delivering large projects and programmes. He founded Temple in 1997, now Temple Group - one of the largest independent environmental and planning practices in the UK, and has worked as a Director of SECBE (South East Construction Built Environment), NERC (Natural Environment Research Council) Innovation Advisory Board and the Ceequal Board (CIRIA).

Rachel Starling MBE

Rachel is a Chartered Environmentalist with 40 years of experience working across government, consultancy and industry in the UK and overseas. As Client Representative for Environment, Rachel has played a key role in establishing the High Speed 1 railway as a benchmark for environmental performance. She received an MBE for services to the rail industry in 2014.

John Turzynski

John is a Chartered Civil and Structural Engineer. He served as a Director at Arup for 20 years and is now a senior consultant. He has worked on major national infrastructure projects including large stations in London. He is interested in how these major projects shape cities and communities, and how they can be delivered sustainably for long term benefit.

Nick Lomax

Nick is a chartered architect with 40+ years of experience at a senior level in the built environment sector. Having developed a broad portfolio of work with his practice LCE architects, founded 30 years ago, he has come to recognise that most ecological and social impacts are locked in at the design phase. As a result, he has set up a new practice, Lomax Design, committed to affect change in the design process and to promote the true values of collaboration, community and legacy to suggest solutions for the problems that humanity faces today.

Induction and training of new trustees

The Southwood Foundation trustees' induction was delivered by the TSF founder, Mark Southwood, who was ideally placed to provide trustees with his vision for the foundation's purpose, finances and roles which they then helped to shape. Led by Mark Southwood, the trustees were responsible from the outset for overseeing its legal establishment, governance and strategic direction.

The trustees have gone through a learning process as the foundation has developed from those early stages of establishment into an organisation with a public face interacting with the wider community to start to deliver on its core purpose of promoting sustainability and greater joined up thinking/collaboration.

Foundation Leads

TSF continued to work with Foundation Lead Gary Kass who was appointed in March 2019. Gary has more than 30 years' experience as a knowledge broker and advisor in the public, private and professional sectors including serving as Deputy Chief Scientist in Natural England & various roles in Defra. His particular specialism is in foresight and futures analysis, applied in the development of environment and sustainability strategies, focussing his scientific work in particular on knowledge systems for sustainability and global megatrends.

Foundation Partners and Collaborators

The Southwood Foundation partners are the Centre for Environment Sustainability at the University of Surrey, and Rothamsted Research, a non-profit research centre focussing on strategic agricultural science. We have also built relationships with a range of organisations, including the Aldersgate Group, The Sussex Wildlife Trust, the Ecological Continuity Trust, the British Ecological Society, the Environmental Funders Network and the Association of Charitable Foundations. We continue to extend our collaboration network across the foundation and charitable sectors.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the charity are:

1.1 To promote for the benefit of the public in the united kingdom of Great Britain and Northern Ireland but not exclusively, the conservation, protection and improvement of the built environment and natural environment (as defined at article 1.3) in particular, but without prejudice to the generality of the foregoing, by:

- (1) promoting the adoption of sustainability;
- (2) developing and/or promoting new approaches, technology, products, behaviours and policies that support sustainability;
- (3) promoting good practice in sustainability in furtherance of improved and accelerated decarbonisation and working positively with nature and natural systems including, but not limited to, the preservation of biodiversity; and
- (4) developing and/or promoting a better understanding of how nature and natural systems can be emulated and/or applied in the built environment including, but not limited to, biomimicry (as also defined at article 1.3);

1.2 To advance the education of the public in the conservation, protection and improvement of the built environment and natural environment.

1.3 In this article:

'built environment' means places and spaces created or modified by people including, but not limited to, buildings, public realm, transportation systems, energy and water systems and food production systems;

'natural environment' means all living and non-living things occurring naturally including, but not limited to, living species, climate, weather and natural resources; and

'biomimicry' means the design and production of materials, structures and systems that are modelled on biological entities and processes.

OBJECTIVES AND ACTIVITIES

Significant activities

After focussing on the foundation's strategy and putting the organisational structures, legal and financial arrangements in place, the Foundation's work and influence was growing when the Covid 19 crisis became a pandemic in early 2020. The effects were felt globally, impacting lives of millions of individuals, communities, and the economy. The pandemic deeply affected the charitable sector and had consequences for both TSF funding and opportunities to connect and engage with new partners and networks. Given the magnitude of the crisis, the Foundation's trustees took the decision to temporarily pause activities until such time as it was possible to make a greater impact.

Further work was done after the first lockdown to review strategy and priorities in the light of the new reality. TSF played an active part in funding community networks, working together to keeping the philanthropy community and funder networks connected, in the spirit of joint working and partnership to provide mutual support and promote accelerated action.

A noticeable development over these months was the increase in activity on the environment, as people and organisations recognised the urgency of the climate and nature emergencies. In the voluntary sector, charities and individuals were increasingly vocal in calling for action and eager to be part of the change. In our own funding community, foundations unrelated to the environment looked at their operations and funding to analyse their impact on the environment. In the public sector, local authorities, district, town, and city councils started declaring a climate emergency and signing up to net zero commitments.

Within the private sector, action on the environmental also increased. From within corporate networks come calls to action from a growing number of CEOs seeking systemic change. Correspondingly there has been greater acceptance of ESG and its important role in driving change and new behaviours in the market. Innovations around the circular economy, the triple bottom line and corporates aiming to influence their environmental impact from supply chain to consumer became increasingly common. There was an increase in large investors including global equity funds demanding change as shareholders and they are becoming increasingly effective actors for change.

As a Foundation with networks that reach across private, academic and charitable sectors, we have a foot in several communities. We concluded our purpose had never been more valid, and the potential opportunity enormous. We reassessed our options and took some key decisions to be able to have maximum impact in the light of changing circumstances.

Public benefit

The trustees have paid due regard to the Charity Commission guidance on public benefit in deciding what activities the charity should undertake. This they believe is demonstrated in this report.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The economic impact of the pandemic and related consequences for the economy had significant consequences for TSF finances. The foundation's budget was consequently significantly reduced during this period. The TSF Operations Manager was placed on furlough in April, returning to one day a week in September 2020.

Responding to budgetary pressures and the changing landscape of increased community action on the environment at the local level, the TSF trustees pivoted away from grant giving and in autumn 2020 refocussed the foundation's activity on mobilising the expertise that underpins the organisation and constitutes our most unique and valuable asset. TSF therefore took the initiative to open discussions with the Sussex Wildlife Trust to create a platform or "hub" for environmental experts wanting to volunteer much needed guidance to communities on their environmental initiatives, particularly on actions to promote biodiversity. The second half of the financial period was therefore spent researching equivalent facilities in other sectors, building relationships with possible partners, and exploring the viability of such a plan and designing a pilot.

TSF became a signatory of the Association of Charitable Foundations' Funder Commitment on Climate Change. Developed by a group of leading foundations wanting to take joint action on the climate crisis, the declaration is both a tool to galvanise the funding community into action on the environment and a lever for directing finance and action to address one of the most urgent challenges of our time.

TSF continued to be an active member of the Environmental Funders Network, a group of leading foundations on the environment, which has been an invaluable community for establishing contacts with key players in the environment arena, identifying where the Foundation can make most impact and developing partnerships to fulfil its purpose.

External activity and network building grew from autumn 2020 onwards, with TSF representation at a range of national level seminars and meetings. TSF has also acted as broker in various areas, connecting people and organisations to potential partners, experts, and funders, adding value, and signposting various charities to sources of help and finance.

TSF has continued dialogue with its strategic partner Rothamsted Research on biodiversity and climate challenges linked to agriculture, including sharing insights on the many current developments including the Agriculture Bill, Trade Bill and Environment Bill as they relate to sustainability, biodiversity and climate change.

FINANCIAL REVIEW

Reserves policy

The Southwood Foundation holds the equivalent of three months' running costs in reserve to cover liabilities. Based on 2020 - 2021 expenditure, the amount currently in reserve is £6,000.

There was unrestricted income received in the period of £34,677 (2020: £25,340). After expenditure of £24,482 (2020: £28,256), there was a surplus carried forward of £7,279 (2020: deficit £2,916).

Approved by order of the board of trustees on 20th October 2021 and signed on its behalf by:

R M L Southwood - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
SOUTHWOOD FOUNDATION

I report on the accounts of the company for the year ended 31st March 2021, which are set out on pages seven to thirteen.

Responsibilities and basis of report

As the charity's trustees (and also the 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.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, I have examined your charity's accounts as required under section 145 of the Charities Act 2011 ('the 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.

My role is to state whether any material matters have come to my attention giving me cause to believe:

1. that accounting records were not kept as required by section 386 of the Companies Act 2006; or
2. that the accounts do not accord with those records; or
3. that the accounts do not comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the 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; or
4. that there is further information needed for a proper understanding of the accounts.

Independent examiner's statement

I have completed my examination and have no concerns in respect of the matters (1) to (4) listed above and, in connection with following the Directions of the Charity Commission I have found no matters that require drawing to your attention.

John Thacker
FCA DChA
Chariot House Limited
Chartered Accountants
44 Grand Parade
Brighton
East Sussex
BN2 9QA

9th November 2021

SOUTHWOOD FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2021

	Notes	Year Ended 31/3/21 Unrestricted fund £	Period 8/11/18 to 31/3/20 Total funds £
INCOMING RESOURCES			
Incoming resources from generated funds			
Voluntary income		24,000	25,340
Other incoming resources		10,677	-
RESOURCES EXPENDED			
Charitable activities			
Charitable activities		24,482	28,256
NET INCOMING/(OUTGOING) RESOURCES		10,195	(2,916)
RECONCILIATION OF FUNDS			
Total funds brought forward		(2,916)	-
TOTAL FUNDS CARRIED FORWARD		7,279	(2,916)

The notes form part of these financial statements

SOUTHWOOD FOUNDATION

BALANCE SHEET
AT 31ST MARCH 2021

	Notes	2021 Unrestricted fund £	2020 Total funds £
CURRENT ASSETS			
Cash at bank		10,292	1,515
CREDITORS			
Amounts falling due within one year	5	(3,013)	(4,431)
NET CURRENT ASSETS/(LIABILITIES)		<u>7,279</u>	<u>(2,916)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,279	(2,916)
NET ASSETS/(LIABILITIES)		<u>7,279</u>	<u>(2,916)</u>
FUNDS			
Unrestricted funds	6	<u>7,279</u>	<u>(2,916)</u>
TOTAL FUNDS		<u>7,279</u>	<u>(2,916)</u>

The notes form part of these financial statements

SOUTHWOOD FOUNDATION

BALANCE SHEET - CONTINUED

AT 31ST MARCH 2021

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st March 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that 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 charitable company as at the end of each financial year and of its surplus or deficit 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 the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Trustees on 20th October 2021 and were signed on its behalf by:

R M L Southwood -Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and on that basis the charity is considered to be a going concern.

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes. Accordingly the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2021

2. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	Year Ended 31/3/21 £	Period 8/11/18 to 31/3/20 £
Other pension costs	543	240
Independent examination	1,800	1,800
	<u> </u>	<u> </u>

3. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2021 nor for the period ended 31st March 2020 .

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st March 2021 nor for the period ended 31st March 2020 .

4. STAFF COSTS

	Year Ended 31/3/21 £	Period 8/11/18 to 31/3/20 £
Wages and salaries	18,115	12,429
Other pension costs	543	240
	<u> </u>	<u> </u>
	18,658	12,669
	<u> </u>	<u> </u>

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

Year Ended 31/3/21	Period 8/11/18 to 31/3/20
1	1
<u> </u>	<u> </u>

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST MARCH 2021

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	1,025	1,020
Taxation and social security	87	69
Other creditors	1,901	3,342
	<u>3,013</u>	<u>4,431</u>

6. MOVEMENT IN FUNDS

	At 1/4/20	Net movement in funds	At 31/3/21
	£	£	£
Unrestricted funds			
General fund	(2,916)	10,195	7,279
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>(2,916)</u>	<u>10,195</u>	<u>7,279</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	34,677	(24,482)	10,195
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>34,677</u>	<u>(24,482)</u>	<u>10,195</u>

Comparatives for movement in funds

	Net movement in funds	At 31/3/20
	£	£
Unrestricted Funds		
General fund	(2,916)	(2,916)
	<u> </u>	<u> </u>
TOTAL FUNDS	<u>(2,916)</u>	<u>(2,916)</u>

6. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	25,340	(28,256)	(2,916)
TOTAL FUNDS	<u>25,340</u>	<u>(28,256)</u>	<u>(2,916)</u>