

**HORSELL COMMON
PRESERVATION SOCIETY**



(A COMPANY LIMITED BY GUARANTEE)

UNAUDITED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2018**

COMPANY NO: 06460936

REGISTERED CHARITY NUMBER: 1123473

**HORSELL COMMON PRESERVATION SOCIETY
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FOR THE YEAR ENDED 31ST DECEMBER 2018**

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HORSELL COMMON PRESERVATION SOCIETY

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31ST DECEMBER 2018

Registered Company Limited by Guarantee

Registration Number 06460936 (England and Wales)

Registered Charity number

1123473

Registered office

Concord House
Church House
165 Church Street East
Woking, Surrey
GU21 6HJ

Trustees

E M Cuttle
P Downes (Treasurer)
A J Halstead
R Hoyle (Chairman)
H P Lane
J Loeffler
D Ludlow
C M Taylor (Resigned 27th March 2019)
C Hughes (Appointed 4th June 2018)
RR Neale (Appointed 21st July 2018)

Company Secretary

D Ludlow

Trustee subcommittees:

Estates Management

A J Halstead (Chair)
E M Cuttle
C Hughes
R Hoyle
C M Taylor (Resigned 27th March 2019)

Public Relations

C Hughes (Chair)
R Hoyle
E M Cuttle
C M Taylor (Resigned 27th March 2019)

Main Board (Finance & Legal)

All Trustees

HORSELL COMMON PRESERVATION SOCIETY

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31ST DECEMBER 2018

Independent Examiner

John Speed FCA FCIE
JS2 Limited
One Crown Square
Woking, Surrey
GU21 6HR

Solicitors

Barlow Robbins LLP
Concord House
165 Church Street East
Woking, Surrey
GU21 6HJ

Main Banker

National Westminster Bank Plc
PO Box 358
1 High Street
Woking, Surrey
GU21 1ZS

Investment Advisors

McInroy & Wood Ltd
Easter Alderston
Haddington, East Lothian
EH41 3SF

HORSELL COMMON PRESERVATION SOCIETY

CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2018

In previous years' Reports I have set out the ways in which we were pursuing our charitable objectives and providing 'public benefit'. The comments in those reports still hold good and our strategies in 2018 underlined and supported those objectives. The significant happenings and achievements in 2018, most of which are covered in the reports from Public Relations, Estates Management and Finance and Legal sub-committees, were as follows:

1. Further attention has been paid to managing and conserving the heathland and other areas that make up the HCPS estate. The scraping of central areas of Horsell Common to control the dense gorse growth will allow heather seeds to germinate. This drastic looking action, along with the increased number of volunteer working parties, will help maintain the important conservation status of our heathland.
2. The management of the revenue-generating Heather Farm building and supporting infrastructure continues to place additional complexity on the workload imposed on our employees. This workload is supplemented by the directorial team of the charity's management company.
3. The licencing scheme for commercial dog walkers using Horsell and Pyrford Commons came into effect in February 2018. It has been well received and has reduced the number of people walking large numbers of dogs.
4. There is still considerable cause for concern over the proposed housing development on Fair Oaks Airport to the north of the Society's land. The status of this development proposal, which would impact on Horsell Common, remains uncertain.

With the width and complexity of these issues it is necessary for the Trustees to be more involved in the day to day management of the Society in order to share the workload imposed upon our employees.

Robin Hoyle, Chairman

HORSELL COMMON PRESERVATION SOCIETY

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2018

The trustees who are also directors of the charity for the purposes of the company law, present their report and the unaudited financial statements of the charity for the year ended 31 December 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Horsell Common Preservation Society, hereinafter known as "the Society", is a Company limited by guarantee, as defined by the Companies Act 2006, and all the assets of the former unincorporated charity were transferred to this new body on the 1st July 2008. The governing documents of the company are its Memorandum and Articles of Association.

The Charity is managed by a Board of Trustees, currently not exceeding 12 members, who are elected by the membership in general meeting. The members who are trustees normally also serve on one of the three sub committees which deal with finance and legal issues, estate management issues and public relations. Trustees are recruited from the membership and receive appropriate training when elected.

Risk management

The trustees have an active risk management policy and have taken steps to mitigate those risks to which the Society is exposed. The review of the Investment Policy is described in the Treasurer's report. The other major issue to be considered is the position of the Society as a substantial landowner. Insurance policies are in place offering significant Public and Employee Liability Insurance. The extent of the cover and the premiums paid are reviewed annually.

OBJECTIVES AND ACTIVITIES

Objectives and aims

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives in planning our future activities.

The objects of the Society are:-

a) the ownership provision and preservation of Horsell Common and other commons and open spaces in the local area for:-

- (i) informal open air recreation and enjoyment by the public at large;
- (ii) the protection of the environment for future generations;
- (iii) the protection of habitats for all flora and fauna living on such commons and open spaces; and

b) such other charitable activities, or charitable undertakings as may, in the opinion of the Committee, promote or assist such objects.

FINANCIAL REVIEW

Financial review

These accounts are for the year to 31st December 2018 and will be reviewed with the membership at the Annual General Meeting. The Society's financial health remains strong.

Reserves policy

The Committee has established reserve funds to recognise resources of the Society which are committed by virtue of agreements with third parties to be expended on specific projects. These are listed below as restricted reserves. Unrestricted reserves have been reviewed but only minor changes made.

Unrestricted Reserves

a) Designated Land Reserve: In order to be ready to make strategic land purchases which will protect and enhance the Common, a land acquisition reserve of £100,000 is held.

b) Legal Contingencies Reserve: At any one time a number of legal problems affecting the Society may exist which could require substantial resources if they proceed towards litigation. A legal contingency reserve of £50,000 is held for this purpose.

c) Designated Investment Fund: It has been decided to hold the investment in Heather Farm Ltd as a separate reserve to show that these monies are not readily available general funds

HORSELL COMMON PRESERVATION SOCIETY

TRUSTEES' ANNUAL REPORT (CONTINUED) FOR THE YEAR ENDED 31ST DECEMBER 2018

d) The balance of the unrestricted reserves of £489,032 at the year-end constitutes a general reserve and is the main funding for the management of the Common and the administration of the Society's affairs.

Maintenance of the reserves at this level will not only depend upon the level and value of current investments, but must also take into account the fact that a secure capital fund must remain in order to provide the necessary income to support the expenditure needed to maintain and protect the Common in the future.

Restricted Reserves

a) **SANG 1 (SANG – Suitable Alternative Natural Greenspace)**

All payments have now been received from property developers via Woking Borough Council for the purpose of enhancing designated areas of the Common to encourage their public use. The residue of the fund is being used for future maintenance.

b) **SANG 2**

57 acres at Heather Farm and Mimbridge open for public access and maintained in perpetuity through the legal agreement with Woking Borough Council

c) **Higher Tier Countryside Stewardship Grant**

Countryside Stewardship gives incentives for land managers to look after their environment. Higher Tier is for land that requires more complex management tailored to the individual site. The HCPS agreement provides a sum of £17,000 pa and runs for 10 years from 2018 plus a £10,000 one-off payment for capital expenditure. (Cattle fencing).

Countryside Stewardship is administered by the Rural Payments Agency (RPA) on behalf of the Department for Environment, Food and Rural Affairs (Defra). Natural England provides technical advice in support of the scheme.

d) **Freewheel Project**

Received from Surrey County Council for provision of cycle track.

Investment policy and objectives

The trustees have the power to make and hold investments using the general funds of the Society.

ESTATES MANAGEMENT REPORT

The weather last summer brought some significant challenges for Horsell and Pyrford Commons. Record temperatures and lack of rain caused wet areas to become extremely dry – even heather was showing signs of drought stress by late summer. Fires are a constant hazard under such conditions. Several wildfires did get started but prompt action by the Woking Fire and Rescue service and HCPS staff stopped the damage being too extensive.

Management work required under the Countryside Stewardship Agreement has been carried out over the winter months of 2018-9. This has included scrub removal from heather areas and scraping to create bare ground. The latter work may look unsightly but it creates favourable conditions for ground-nesting solitary bees and wasps, as well as encouraging regeneration of heather in areas that were formerly covered with purple moor grass, bracken and brambles.

Other events and work carried out during 2018 include:

- Paths through the water meadows alongside the Bourne through Mimbridge Meadow and Bourne Fields have been improved by building them up in places that become muddy in wet weather
- Some new scrapes have been made in Bourne Fields, which become shallow pools during the autumn-spring period
- Gaps have been made in some of the belts of mature pine trees on Horsell Common in order to create corridors between areas of heather. When suitably dry, the trunks will be chipped and used as fuel for the heating system at Heather Farm
- The electricity pylons alongside the Muslim Burial Ground/Peace Garden were removed during the summer, with the cables being buried underground. This helps to restore the original appearance of the

HORSELL COMMON PRESERVATION SOCIETY

TRUSTEES' ANNUAL REPORT (CONTINUED) FOR THE YEAR ENDED 31ST DECEMBER 2018

Grade II listed structure. Some of the heather in the Peace Garden suffered in the drought and will be replaced

- Rotten fence posts around Grasslands have been replaced, allowing the area to be grazed by Belted Galloway cattle. Sheep have been used to graze the Heather Farm wetland area
- The reed bed waste water treatment system at Heather Farm has been revamped and is now operating more effectively
- Bridges over the Bourne have been safety-inspected and repairs carried out where necessary
- Trees along public roads and by tracks on Horsell and Pyrford Commons have been inspected for safety and dealt with where necessary.
- A licencing scheme for commercial dog walkers using Horsell and Pyrford Commons came into effect in February 2018. It has been well received and has reduced the number of people walking large numbers of dogs
- Over the last five years Himalayan balsam, a non-native invasive plant, has been much reduced along the Bourne through Mimbridge Meadow and Bourne Fields to the Island by pulling up the plants in July-August before they shed seeds. Similar work has been carried out along the water courses at Deep Pool meadow and the Mucky Field near Mareswood.
- Fly-tipping continues to be a problem, with garden waste, builders' rubble and domestic goods frequently being dumped by the roads and tracks through the Common. Rough sleepers often take up residence on HCPS land and add to the litter problem.
- Volunteer parties from local businesses and other organisations, such as Lloyds Bank Finance, Neilsons International Pharmaceuticals, Eli Lilly, WWF, LinkAble, Thames Basin Heaths SPA wardens, The Challenge Group, York Road Project, St Andrew's School, Woking 7th Scouts, Duke of Edinburgh award students and Woking People of Faith have helped with scrub clearance and other tasks.
- Regular volunteer working parties are held on the second Sunday in the month during September to March. In addition, Tuesday morning volunteer sessions are now being held throughout the year. The work carried out is mainly removal of pine and birch saplings from the open heather areas, removal of non-native plants, fence repairs and litter picking. More volunteers are always welcome - see <http://www.horsellcommon.org.uk/volunteer/>

In addition to the above, there is all the usual work of removing litter, car park and track maintenance and dog bin emptying. Management of Horsell and Pyrford Commons requires liaison with organisations and services, such as the police, Surrey Fire and Rescue service, Woking Borough Council, local residents' associations, Surrey Wildlife Trust, Natural England, McLaren, English Heritage, the Forestry Commission, Surrey Heathland Project and the Thames Basin Heaths Partnership.

FINANCE

- 2018 has been a year of some turbulence and cost for the Society and its subsidiary Heather Farm Limited.
- The performance and behaviour of the company running the Café, Waters Edge Holdings Limited required swift action to curtail its abuses of the lease and its rapidly sinking reputation. The Café had its lease forfeited in August but the cost of this together with lost revenue exceeded £40,000. In addition over six months after this event the company has sought, through the Courts, restitution of its lease. This is being robustly defended and in the opinion of the Trustees will not succeed. This is however continuing to incur costs.
- In addition a former resident of the Common is taking action against the Society for an injury she allegedly sustained some three years ago tripping in a pothole. Once again this is being robustly defended and in the opinion of the Trustees will not succeed, however there is a cost to this.
- Notwithstanding the above the Society and its subsidiary, Heather Farm Limited, remain in a solid financial position.

HORSELL COMMON PRESERVATION SOCIETY

TRUSTEES' ANNUAL REPORT (CONTINUED) FOR THE YEAR ENDED 31ST DECEMBER 2018

PUBLIC RELATIONS

During 2018 the Society has provided talks, attended events and produced written content in various media to increase public understanding and appreciation of the HCPS Estate.

Our Estate Manager, Paul Rimmer and Senior Ranger, Rachel Jones have publicised the work of HCPS through our website and very popular Facebook page. Talks have been provided to a wide range of local interest groups, including the Newark Group in Pyrford, Horsell Residents Association, Surrey Gardens Trust, The Ottershaw Society and Elmbridge History Society.

The annual Commemoration Service was held on 15th July at the Peace Garden at the Muslim Burial Ground, attended by Elizabeth Cuttle and Robin Hoyle on behalf of the Society, and was a great success. The Peace Garden was also part of the Heritage Open Days programme during the second and third weekends of September, with Elizabeth, Robin and Hannah Lane in attendance.

Canines on the Common was a special event in 2018 hosted by the Society to support fund raising for the Woking & Sam Beare Hospices last summer. Local dog walkers and families came to Heather Farm to participate in a 1 or 3 km sponsored dog walk, quiz trail, dog agility competitions, arts and crafts and pop up stands with dog related goodies, expert talks and support from qualified experienced trainers and vets. The Society also provided support to the Thames Basin Heaths Partnership team for Heath Week in late July.

An HCPS volunteer work party was filmed and RJ was interviewed for a Woking Borough Council-sponsored film as part of the #WEAREWOKING publicity campaign associated with development in the town centre.

New information boards have been installed in the main car parks across the HCPS estate, which have received positive feedback from visitors.

HORSELL COMMON PRESERVATION SOCIETY

**TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2018**

Responsibility Statement

The Trustees (who are also directors of Horsell Common Preservation Society for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and regulations.

Company law required the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the income and expenditure of the company for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principals in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE BOARD:

.....
R Hoyle – Trustee

Date:

HORSELL COMMON PRESERVATION SOCIETY

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31ST DECEMBER 2018

I report on the financial statements for the year to 31 December 2018 as set out on pages 10 to 18. This report is made solely to the charity's trustees, as a body. My work has been undertaken so that I might state to the charity's trustees those matters which I am required to state to them in an independent examiners report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to any party other than the charity and charity's trustees as a body, for my examination, for this report, or for the statement I have given below.

Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this period under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did 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 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.

JOHN SPEED FCA FCIE

JS2 Limited
One Crown Square
Woking
Surrey
GU21 6HR

HORSELL COMMON PRESERVATION SOCIETY

**STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account)
FOR THE YEAR ENDED 31ST DECEMBER 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 restated £
INCOME from:					
Voluntary income	4	83,474	-	83,474	21,302
Charitable activities					
Grants receivable	6	17,203	60,691	77,894	197,434
Other charitable income		2,473		2,473	6,877
Other trading activities					
Payments under licence		45,947	-	45,947	44,302
Management fee		25,000	-	25,000	25,000
Investment income	5	10,586	792	11,378	9,781
Total income		184,683	61,483	246,166	304,696
EXPENDITURE on:					
Charitable Activities					
Common maintenance & project work	7	116,249	87,771	204,020	394,266
Total expenditure		116,249	87,771	204,020	394,266
NET INCOME/ (EXPENDITURE)		68,434	(26,288)	42,146	(89,570)
Other recognised gains					
(Loss)/ gain on investment assets	13	(27,548)	-	(27,548)	3,578
Net (decrease) in funds	16	40,886	(26,288)	14,598	(85,992)
RECONCILIATION OF FUNDS					
Funds at beginning of the year		3,162,210	161,998	3,324,208	3,410,200
FUNDS AT END OF YEAR		3,203,096	135,710	3,338,806	3,324,208

All of the above amounts relate to continuing activities.

HORSELL COMMON PRESERVATION SOCIETY (a company registered by guarantee 06460936)

**BALANCE SHEET
AS AT 31ST DECEMBER 2018**

	Notes	2018 £	2017 <i>restated</i> £
FIXED ASSETS			
Tangible assets	12	1,093,604	1,100,072
Investments	13	1,834,393	1,861,941
		2,927,997	2,962,013
CURRENT ASSETS			
Debtors	14	37,898	73,243
Cash at bank and in hand		381,076	296,500
		418,974	369,743
CREDITORS			
Amounts falling due within one year	15	(8,165)	(7,548)
NET CURRENT ASSETS		410,809	362,195
NET ASSETS		3,338,806	3,324,208
FUNDS			
Unrestricted funds:			
General		489,032	1,937,932
Designated Investment Fund		1,489,786	-
Designated Land Reserve		1,074,278	1,074,278
Land Acquisition Reserve		100,000	100,000
Legal Contingencies Reserve		50,000	50,000
TOTAL UNRESTRICTED FUNDS		3,203,096	3,162,210
Restricted funds:			
SANG 1		156,046	165,351
SANG 2		(30,406)	(13,423)
Higher Countryside Stewardship		-	-
Freewheel Project		10,070	10,070
TOTAL RESTRICTED FUNDS		135,710	161,998
TOTAL FUNDS		3,338,806	3,324,208

For the year ending 31 December 2018 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

No members have required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. They were approved and authorised for issue by the directors on 30 April 2019 and signed on their behalf by:-

R Hoyle – Trustee

P Downes - Trustee

HORSELL COMMON PRESERVATION SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2018

1. GENERAL INFORMATION

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Concord House, Church House, 165 Church Street East, Woking, Surrey, GU2 6HJ, United Kingdom.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Charities SORP FRS102) and the Charities Act 2011.

3. ACCOUNTING POLICIES

Basis of preparation

The accounts present information about the charity as an individual undertaking and not about its group. In the opinion of the Trustees, the charitable company and its subsidiary undertaking comprise of a small group.

The charity has therefore taken advantage of the exemption provided by section 398 of the Companies Act 2006 not to prepare group accounts.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments which are included at market value.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Change in accounting policy and restatement of prior year comparatives

Following the update to FRS 102 issued in December 2017, a restatement of comparative items was required. FRS 102 now requires the gift aid payments from the Subsidiary undertaking (see Note 20) to the parent charity to be accounted for as a distribution to the parent charity. As a distribution, the previously accrued gift aid payments from the subsidiary undertaking have been removed as under the definition of FRS 102, no legal obligation existed at the year end. The impact of this adjustment to prior year figures is shown below.

Impact on funds	2017	2016
	£	£
Total funds as previously stated	3,385,567	3,410,200
Accrued donation from subsidiary undertaking removed from general fund	(61,359)	-
Total funds as restated	<u>3,324,208</u>	<u>3,410,200</u>
Impact on Statement of Financial Activities	2017	2016
	£	£
Net decrease in funds as previously stated	(24,633)	3,390,486
Accrued donation from subsidiary undertaking removed from general fund	(61,359)	-
Net decrease in funds as restated	<u>(85,992)</u>	<u>3,390,486</u>

Going concern

There are no material uncertainties about the charity's ability to continue.

Income

Income is accounted for when the Charity has entitlement to the income, it is probable that the income will be received and the amount of income received can be measured reliably.

HORSELL COMMON PRESERVATION SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31ST DECEMBER 2018

Entitlement expenditure

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.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Tangible fixed assets

The freeholds of the Common and other acquired land are shown at original cost with no depreciation. The cost of smaller fixed assets, improvements, or capital expenditure has been written off in the year in which the expense was incurred.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Tractor & Trailer -	10% on cost
Motor vehicle -	25% on cost

Investments and Investment Income

Investments are stated at market value. All dividends and interest are included in the Statement of Financial Activities on an accruals basis.

Taxation

The charity is exempt from corporation tax on its charitable activities.

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 for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Statement of Financial Activities.

Value Added Tax

The Society is not registered for VAT and therefore all costs are stated inclusive of VAT where applicable.

Gift Aid tax recovered

This is calculated on a company year basis to 31 December each year and brought into the accounts on a received basis. The Gift Aid tax in the accounts for this accounting year represents the repayment due for the year ended 31 December 2017.

HORSELL COMMON PRESERVATION SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31ST DECEMBER 2018

4. VOLUNTARY INCOME

	2018 Unrestricted Funds £	2018 Restricted Funds £	2018 Total Funds £	2017 Total Funds £
Subscriptions & donations	20,089	-	20,089	19,967
Donation received from Heather Farm	61,359	-	61,359	-
Gift aid	2,026	-	2,026	1,335
	<u>83,474</u>	<u>-</u>	<u>83,474</u>	<u>21,302</u>

In the prior year, all other voluntary income was unrestricted.

5. INVESTMENT INCOME

	2018 Unrestricted Funds £	2018 Restricted Funds £	2018 Total Funds £	2017 Total Funds £
Investment income	10,468	-	10,468	9,353
Deposit account interest	118	792	910	428
	<u>10,586</u>	<u>792</u>	<u>11,378</u>	<u>9,781</u>

In the prior year, deposit account interest of £406 was restricted. All other investment income was unrestricted.

6. GRANTS RECEIVABLE

	2018 Unrestricted Funds £	2018 Restricted Funds £	2018 Total Funds £	2017 Total Funds £
Rural Payments Agency:				
Higher Level Stewardship	-	-	-	30,526
Higher Countryside Stewardship	-	9,194	9,194	-
Single payments scheme	17,203	-	17,203	90,416
SANG project upkeep grant	-	51,497	51,497	76,492
	<u>17,203</u>	<u>60,691</u>	<u>77,894</u>	<u>197,434</u>

In the prior year, the Stewardship income was restricted, with the single payments scheme income being unrestricted.

7. CHARITABLE ACTIVITIES

	2018 Direct Costs (note 8) £	2018 Staff Costs (note 9) £	2018 Support & Governance (note 11) £	2018 Total Funds £	2017 Total Funds £
Common maintenance and other project work	104,692	66,776	32,552	204,020	394,266
	<u>104,692</u>	<u>66,776</u>	<u>32,552</u>	<u>204,020</u>	<u>394,266</u>

HORSELL COMMON PRESERVATION SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2018**

8. COMMON MAINTENANCE & PROJECT WORK DIRECT COSTS

	2018 Unrestricted Funds £	2018 Restricted Funds £	2018 Total Funds £	2017 Total Funds £
General common maintenance	23,682	-	23,682	61,347
Tree work	13,680	-	13,680	9,344
Waste & litter	-	-	-	3,755
Higher level stewardship	-	-	-	47,421
Higher Countryside Stewardship	-	9,194	9,194	-
SANG 2	-	45,320	45,320	150,198
SANG 1	-	10,097	10,097	7,495
Special Projects	-	-	-	12,326
Other common maintenance	2,719	-	2,719	5,733
	<u>40,081</u>	<u>64,611</u>	<u>104,692</u>	<u>297,619</u>

In the prior year, the Higher Level Stewardship, Sang and Sang 2 expenditure was restricted. All other costs above were unrestricted.

9. SUPPORT & GOVERNANCE COSTS

	2018 Unrestricted Funds £	2018 Restricted Funds £	2018 Total Funds £	2017 Total Funds £
Support				
Insurance, subscriptions & public relations	9,762	-	9,762	9,873
Office overheads	6,013	-	6,013	2,463
Travel expenses	51	-	51	104
Other costs	3,834	-	3,834	3,249
Depreciation	6,468	-	6,468	9,953
Book-keeping	3,999	-	3,999	4,113
Governance				
Independent Examiner's fee	2,150	-	2,150	2,460
Legal fees	-	-	-	2,739
Professional fees	275	-	275	900
	<u>32,552</u>	<u>-</u>	<u>32,552</u>	<u>35,854</u>

In the prior year, all governance costs were unrestricted.

10. TRUSTEES' REMUNERATION AND BENEFITS

Trustees are entitled to charge a flat £5 fee per meeting to cover the costs of attending meetings, in 2018 this was less than £500 (2017: < £500).

HORSELL COMMON PRESERVATION SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2018**

11. STAFF COSTS

	2018 Unrestricted Funds £	2018 Restricted Funds (SANG 1&2) £	2018 Total Funds £	2017 Total Funds £
Wages and salaries	36,064	19,150	55,214	53,795
Social security costs	3,702	1,965.75	5,668	3,067
Pension costs	3,850	2,044	5,894	3,788
Recruitment fees	-	-	-	143
	<u>43,616</u>	<u>23,160</u>	<u>66,776</u>	<u>60,793</u>
	<u>41,080</u>	<u>19,713</u>	<u>60,793</u>	
2017				

No employee received remuneration of more than £60,000 during the year (2017 - none).

An allocation of the time expended by Mr P Rimmer and volunteers for managing the operation of the SANG 1 & 2 Projects has been included in the project costs shown above in order to allow for the additional overheads involved with the project. This sum has been used to reduce the overhead and support costs as shown in note 8.

12. TANGIBLE FIXED ASSETS

	Tractor and Trailer £	Motor Vehicle £	Freehold Land £	Total £
COST				
At 1 January 2018	29,662	27,950	1,074,278	1,131,890
Additions	-	-	-	-
At 31 December 2018	<u>29,662</u>	<u>27,950</u>	<u>1,074,278</u>	<u>1,131,890</u>
DEPRECIATION				
At 1 January 2018	7,370	24,448	-	31,818
Charge for the year	2,966	3,502	-	6,468
At 31 December 2018	<u>10,336</u>	<u>27,950</u>	<u>-</u>	<u>38,286</u>
NET BOOK VALUE				
At 31 December 2018	<u>19,326</u>	<u>-</u>	<u>1,074,278</u>	<u>1,093,604</u>
<i>At 31 December 2017</i>	<u>22,292</u>	<u>3,502</u>	<u>1,074,278</u>	<u>1,100,072</u>

The Society has a policy of writing off the cost of equipment as at the date of purchase. Equipment currently held by the Society consists of minor items of agricultural plant and office equipment. The motor vehicle is being written off on a straight line basis over 4 years, with the tractor and trailer being written off over 10 years.

HORSELL COMMON PRESERVATION SOCIETY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2018

13. FIXED ASSET INVESTMENTS

	Listed Investments £
MARKET VALUE	
Market value at 1 January 2018	372,155
(Loss)/ gain on investment assets	<u>(27,548)</u>
At 31 December 2018	344,607
COST	
Heather Farm Limited (100% Shareholding)	
At 31 December 2017 and 31 December 2018	1,489,786
NET BOOK VALUE	
At 31 December 2018	<u>1,834,393</u>
At 31 December 2017	<u>1,861,941</u>

14. DEBTORS

	2018 £	2017 £
		<i>restated</i>
Trade debtors	2,150	48,243
Prepayments & accrued income	10,748	-
Amounts due from subsidiary	<u>25,000</u>	<u>25,000</u>
	<u>37,898</u>	<u>73,243</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Social security and other taxes	1,681	1,471
Other creditors	2,594	2,477
Accrued expenses	<u>3,890</u>	<u>3,600</u>
	<u>8,165</u>	<u>7,548</u>

HORSELL COMMON PRESERVATION SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2018**

16. MOVEMENT IN FUNDS - CURRENT YEAR

	Brought Forward 1 Jan 2018 £	Income £	Expenditure & Transfers £	Gains/ (Losses) £	Carried Forward 31 Dec 2018 £
RESTRICTED FUNDS					
SANG 1	165,351	792	(10,097)	-	156,046
SANG 2	(13,423)	51,497	(68,480)	-	(30,406)
Higher Countryside Stewardship	-	9,194	(9,194)	-	-
Freewheel Project	10,070	-	-	-	10,070
	<u>161,998</u>	<u>61,483</u>	<u>(87,771)</u>	<u>-</u>	<u>135,710</u>
DESIGNATED FUNDS					
Designated Land Reserve	1,074,278	-	-	-	1,074,278
Designated Investment Fund	-	-	1,489,786	-	1,489,786
Land Acquisition Reserve	100,000	-	-	-	100,000
Legal Contingencies Reserve	50,000	-	-	-	50,000
	<u>1,224,278</u>	<u>-</u>	<u>1,489,786</u>	<u>-</u>	<u>2,714,064</u>
GENERAL FUNDS					
General Fund	1,937,932	184,683	(1,606,035)	(27,548)	489,032
	<u>1,937,932</u>	<u>184,683</u>	<u>(1,606,035)</u>	<u>(27,548)</u>	<u>489,032</u>
SUMMARY OF FUNDS - CURRENT YEAR					
	Brought Forward 1 Jan 2018 £	Income £	Expenditure & Transfers £	Gains/ (Losses) £	Carried Forward 31 Dec 2018 £
Designated funds	1,224,278	-	1,489,786	-	2,714,064
General	1,937,932	184,683	(1,606,035)	(27,548)	489,032
Total unrestricted funds	<u>3,162,210</u>	<u>184,683</u>	<u>(116,249)</u>	<u>(27,548)</u>	<u>3,203,096</u>
Restricted funds	161,998	61,483	(87,771)	-	135,710
	<u>3,324,208</u>	<u>246,166</u>	<u>(204,020)</u>	<u>(27,548)</u>	<u>3,338,806</u>

HORSELL COMMON PRESERVATION SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2018**

17. MOVEMENT IN FUNDS - PRIOR YEAR

	<i>Brought Forward</i> 1 Jan 2017 £	<i>Income</i> £	<i>Expenditure</i> £	<i>Gains/ (Losses)</i> £	<i>Carried Forward</i> 31 Dec 2017 £
RESTRICTED FUNDS					
SANG 1	172,440	406	(7,495)	-	165,351
SANG 2	79,995	-	(93,418)	-	(13,423)
Higher Level Stewardship	16,896	30,526	(47,422)	-	-
Freewheel Project	10,070	-	-	-	10,070
	<u>279,401</u>	<u>30,932</u>	<u>(148,335)</u>	<u>-</u>	<u>161,998</u>

	<i>Brought Forward</i> 1 Jan 2017 £	<i>Income</i> £	<i>Expenditure</i> £	<i>Gains/ (Losses)</i> £	<i>Carried Forward</i> 31 Dec 2017 £
DESIGNATED FUNDS					
Designated Land Reserve	1,074,278	-	-	-	1,074,278
Land Acquisition Reserve	100,000	-	-	-	100,000
Legal Contingencies Reserve	50,000	-	-	-	50,000
	<u>1,224,278</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,224,278</u>

SUMMARY OF FUNDS - PRIOR YEAR

	<i>Brought Forward</i> 1 Jan 2017 £	<i>Income restated</i> £	<i>Expenditure</i> £	<i>Gains/ (Losses)</i> £	<i>Carried Forward</i> 31 Dec 2017 restated £
<i>Designated funds</i>	1,224,278	-	-	-	1,224,278
<i>General</i>	1,906,521	176,171	(148,338)	3,578	1,937,932
<i>Total unrestricted funds</i>	<u>3,130,799</u>	<u>176,171</u>	<u>(148,338)</u>	<u>3,578</u>	<u>3,162,210</u>
<i>Restricted funds</i>	<u>279,401</u>	<u>30,932</u>	<u>(148,335)</u>	<u>-</u>	<u>161,998</u>
	<u>3,410,200</u>	<u>207,103</u>	<u>(296,673)</u>	<u>3,578</u>	<u>3,324,208</u>

18. RELATED PARTY DISCLOSURES

During the year trustees paid subscriptions to the charity at the standard members rate.

There have been no other related party transactions with the exception of the payment of legal charges amounting to £4,134 in relation to the trading subsidiary, to Barlow Robins LLP. D Ludlow, a member of the Board of Trustees, is a partner in that firm. All transactions were arm's length.

During the year the charity received management charges of £25,000 (2017: £25,000) and charitable donations of £61,358 (2017: £Nil), from the subsidiary company, Heather Farm Limited.

At the balance sheet date the subsidiary owed the charity £25,000 and this is shown in debtors. (2017: £25,000).

HORSELL COMMON PRESERVATION SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31ST DECEMBER 2018

18. RELATED PARTY DISCLOSURES

During the year trustees paid subscriptions to the charity at the standard members rate.

There have been no other related party transactions with the exception of the payment of legal charges amounting to £4,134 in relation to the trading subsidiary, to Barlow Robins LLP. D Ludlow, a member of the Board of Trustees, is a partner in that firm. All transactions were arm's length.

During the year the charity received management charges of £25,000 (2017: £25,000) and charitable donations of £61,358 (2017: £Nil), from the subsidiary company, Heather Farm Limited.

At the balance sheet date the subsidiary owed the charity £25,000 and this is shown in debtors. (2017: £25,000).

19. ULTIMATE CONTROLLING PARTY

There were no ultimate controlling parties during the year ended 31 December 2018.

20. TRADING COMPANY

On 28th November 2014 a wholly owned subsidiary company was formed called "Heather Farm Limited", company number 9331836 Registered in England & Wales to develop and manage the remaining building at Heather Farm. At 31st December 2018 the Statement of Financial Position was £82,825.

21. POST BALANCE SHEET EVENT

Since the balance sheet date, no events had occurred which would have a material effect on these financial statements.