

Independent Examiner's Report to the Trustees of the South Downs Society

I report on the accounts of the company for the year ended 31 December 2019, which are set out on pages 1 to 7.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility:

- to examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the 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 you as 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 matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Name: Keith Rentall

Date: 12th March 2020

Relevant professional qualification or body: FCMA GCMA

Address: 15 Banstead Close, Goring by Sea, West Sussex, BN12 4HS

South Downs Society

Financial statements for the year ended 31 December 2019

Charity registration number: 230329

Company number: 319437

Balance sheet

As at 31 December 2019

	Notes	£	2019 £	£	2018 £
Fixed assets					
Tangible			-		-
Investments	9		712,132		657,744
Current assets					
Stock		131		255	
Debtors	11	4,963		8,000	
Cash at bank and in hand	10	50,031	55,125	19,489	27,744
Creditors: amounts falling due within one year	12		26,579		2,994
Net current assets			28,546		24,750
Net assets			<u>740,678</u>		<u>682,494</u>
Funds	13				
Restricted funds					
Unrestricted funds			740,678		682,494
Total funds			<u>740,678</u>		<u>682,494</u>

The company is exempt from the requirements relating to preparing audited accounts in accordance with section 477 of the Companies Act 2006.

The members have not 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/trustees have prepared accounts in accordance with the Companies Act 2006 and the Charities Act 2011.

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

Approved by the trustees/directors and authorised for issue on 3 March 2020 and signed on their behalf by

David Sawyer

Andrew Lovett

South Downs Society

Statement of Financial Activities
(including income and expenditure account)

For the year ended 31 December 2019

		£	2019 £	2018 £
	Notes	Unrestricted	Total	Total
Income from:	3			
Subscriptions, donations and legacies		58,673	58,673	32,473
Charitable activities		6,579	6,579	6,387
Other trading activities		3,562	3,562	3,768
Investments		29,568	29,568	30,038
Total		98,382	98,382	72,666
Expenditure on:	4			
Raising funds		25,544	25,544	33,162
Charitable activities		69,042	69,042	90,060
Total		94,586	94,586	123,222
Net income/(expenditure)		3,796	3,796	(50,556)
Other recognised gains/(losses)	9			
Gains/(Losses) on investment assets			54,388	(62,288)
Net movement in funds			58,184	(112,844)
Reconciliation of funds				
Total funds brought forward			682,494	795,338
Total funds carried forward			740,678	682,494

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derives from continuing activities.

South Downs Society

Notes to the financial statements

For the year ended 31 December 2019

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Preparation of the accounts on a going concern basis

The trustees are of the view that the Society is a going concern.

c) Income recognition policies

Items of income are recognised and included in the accounts when all of the following criteria are met:

- The Society has entitlement to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the Society;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of:

- the date on which the Society is aware that probate has been granted;
- the estate has been finalised and notification has been made by the executor(s) to the Society that a distribution will be made; or
- when a distribution is received from the estate.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Society has been notified of the executor's intention to make a distribution.

Income received in advance of the provision of specified service is deferred until the criteria for income recognition are met.

d) Donated services and facilities

Donated services or facilities are recognised as income when the Society has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Society of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the Society which is the amount the Society would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Society; this is normally upon notification of the interest paid or payable by the holding institution.

f) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Society. Designated funds are unrestricted funds of the Society which the Trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular purposes.

g) Expenditure and irrecoverable VAT

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. Expenditure is classified under the following activity headings:

- Costs of raising funds include membership services and purchasing merchandise.
- Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the Society and their associated support costs
- Other expenditure represents those items not falling into any other heading. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support costs

Support costs are those functions that assist the work of the Society but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Society's charitable purposes. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 7.

i) Operating leases

The Society classifies the five year lease of offices at 2 Swan Court Pulborough as an operating lease. Rental charges are charged on a straight line basis over the term of the lease.

j) Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis over their useful lives. Office equipment is depreciated over four years.

k) Investments

Investments are valued at market value at the year end.

l) Stock

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised on receipt at fair value which is the amount the Society would have been willing to pay for the items on the open market.

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

o) Creditors and provisions

Creditors and provisions are recognised where the Society has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p) Financial instruments

The Society only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

2 Legal status of charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to 50p. The authorised number of members is unlimited. All members of the Council are also directors of the company.

3 Analysis of income

		2019 £	2018 £
Donations and legacies	Subscriptions	25,936	27,550
	Donations	4,946	4,923
	Legacies	27,791	
	Total	58,673	32,473
Charitable activities	Grants	57	
	Events	6,522	6,387
	Total	6,579	6,387
Other trading activities		3,562	3,768
Investments and interest		29,568	30,038
Other			
Total		98,382	72,666

4 Analysis of expenditure

		2019 £	2018 £
Raising funds	Support costs (note 7)	22,907	30,622
	Merchandise and other marketing	592	309
	Investment Management Fees	2,045	2,231
	Total	25,544	33,162
Charitable activities	Activities and publications for members	14,504	13,220
	Planning and national park purposes	1,482	3,942
	Grant to SDNPA Trust in respect of footpath improvement and stile replacement		25,000
	South Downs Schools Living History project	2,069	
	Support costs (note 7)	50,987	47,898
	Total	69,042	90,060
Total		94,586	123,222

5 Details of certain items of expenditure

5.1 Payments to trustees

	2019	2018
Number of trustees who were paid expenses	2	2
Nature of the expenses	Primarily travel	Primarily travel
Total amount paid £	407	210

5.2 Fees for examination or audit of the accounts

	2019 £	2018 £
Independent examiner's or auditors' fees for reporting on the accounts	nil	nil
Other fees (for example: advice, consultancy, accountancy services) paid to the independent examiner or auditor	nil	nil

6 Paid employees

6.1 Staff Costs

	2019 £	2018 £
Gross salaries	37,129	46,376
National Insurance and Pension Costs	2,442	2,881
Total staff costs	39,571	49,257

6.2 Average number of full-time equivalent employees in the year

	2019 Number	2018 Number
The parts of the charity in which the employees work		
Fundraising	0.6	0.8
Charitable Activities	1.4	1.1
Total	2.0	1.9

No employees received emoluments of more than £60,000.

7 Analysis of support costs

	Raising funds £	Charitable activities £	Total £
Staff	12,267	27,304	39,571
Office costs	10,514	23,402	33,916
Governance	126	281	407
Total	22,907	50,987	73,894

Support costs are allocated to activities in the proportion that staff time is spent on those activities.

8 Grants made to institutions

In 2018 South Downs National Park Authority Trust, for the improvement of footpaths and stile replacement, £25,000

9 Investment assets

9.1 Fixed assets investments

	£
Carrying (market) value at beginning of year	657,744
Add: additions to investments at cost	0
Less: disposals at carrying value	
Add/(deduct): net gain/(loss) on revaluation	54,388
Carrying (market) value at end of year	<u>712,132</u>

Analysis of investments

	9.2 Market value at year end £	9.3 Income for the year £
Investments held in investment funds	712,132	
Dividend and interest		29,554
less management fee		<u>-2,045</u>
Total	<u>712,132</u>	<u>27,509</u>

9.4 Material investment holdings

Cazenove Charity Multi-Asset Fund	<u>712,132</u>
Total Market Value	<u>712,132</u>

9.5 Tangible Fixed Assets

	Library £	Office Equipment £	Total £
Cost or Valuation			
At beginning of year	5,050	5,000	10,050
Additions			
Disposals			<u>0</u>
At end of year	<u>5,050</u>	<u>5,000</u>	<u>10,050</u>
Depreciation			
At beginning of year	(5,050)	(5,000)	(10,050)
Charge for year			
On Disposals			<u>0</u>
At end of year	<u>(5,050)</u>	<u>(5,000)</u>	<u>(10,050)</u>
Net book value			
at 31 December 2019	-	-	-
at 31 December 2018	-	-	-

10 Movement in Cash at Bank and in Hand

	£
Opening Balance	19,489
Incoming resources	98,382
Outgoing resources	(94,586)
Withdrawal from investments	
Change in money owed to the Society	3,037
Decrease in Stock carried	124
Reduction in money owed by the Society	23,585
Closing Balance	50,031
Analysis of cash balance	£
CAF Cash	7,094
CAF Gold	40,423
Barclays Bank plc	7,326
Paypal	1,005
Petty Cash	77
	55,925
less amount owed to South Downs Network	<u>(5,894)</u>
South Downs Society cash	<u>50,031</u>

Debtors and prepayments

11

Analysis of debtors	Amounts falling due within one year		Amounts falling due after more than one year	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	463			
Other debtors	4,500	5,000	0	0
Prepayments and accrued income		3,000	0	0
Total	<u>4,963</u>	<u>8,000</u>	<u>0</u>	<u>0</u>

Other debtors represent an estimate of gift aid due for 2019 (£4,500).

Creditors and accruals

	Amounts falling due within one year		Amounts falling due after more than one year	
	2019	2018	2019	2018
	£	£	£	£
Loans and overdrafts	-	-	-	-
Trade creditors	1,266	572	-	-
Fund management fee	530	560	-	-
Other Creditors	240	720	-	-
Deferred grant income	24,543	1,142	-	-
Total	26,579	2,994	0	0

Other creditors represent an amount of £240 to equalise rent due over the five years of the lease for 2 Swan Court.
Deferred grant income of £24,543 in 2019 represents grant from the National Lottery Heritage Fund in respect of the South Downs Schools Living History project and £1,142 in 2018 from the Council for National Parks in respect of transport campaigns.

Endowment and restricted income funds

13

Endowment and restricted income funds

13.1 Funds held

Fund Name	Type	Purpose and Restrictions
General Fund	Unrestricted	In pursuance of the Society's Objects

13.2 Movements of funds

Fund names	Fund balances brought forward	Incoming resources	Outgoing resources	Transfers	Gains and losses	Fund balances carried forward
	£	£	£	£	£	£
General Fund	682,494	98,382	94,586		54,388	740,678

Grants received

- 14** The National Lottery Heritage Fund has agreed to pay a grant for 83% of the costs of the Society's South Downs Schools Living Heritage project. At the year end grant received amounted to £24,600. Expenditure on the grant-funded project was £69. The Society also spent £2,000 planning the project: that amount was not grant-funded.

South Downs Network

- 15** The Society and South Downs Network (SDN) have a mutual interest in the South Downs and have a co-operative arrangement whereby the Society has a role similar to a custodian trustee. This involves the management funds on behalf of SDN and at the 31 December 2019 an amount of £5,894 is being held in a CAFCash Account managed by the Society.

Related parties

- 16** In the opinion of the Trustees no external organisation has control or influence over the Society.

General volunteers

- 17** The Society relies on the contribution of general unpaid volunteers in carrying out its activities. The contribution of such volunteers is not included as income in the financial statements as the Society would not otherwise pay for the services provided and it is impracticable to measure reliably the value of the contribution.