

Charity registration number 1123473

Company registration number 06460936 (England and Wales)

**HORSELL COMMON PRESERVATION SOCIETY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

HORSELL COMMON PRESERVATION SOCIETY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

J Bate
E Cuttle
P Downes
A Halstead
C Hughes
R Neale
P Robinson
M Scott

Secretary

J Dalglish

Charity number

1123473

Company number

06460936

Registered office

Heather Farm
Horsell Common
Woking
GU21 4XY

Auditor

Alliotts LLP
Friary Court
13-21 High Street
Guildford
Surrey
GU1 3DL

HORSELL COMMON PRESERVATION SOCIETY

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HORSELL COMMON PRESERVATION SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Companies Act 2006 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)" (effective 1 January 2019).

Objectives and activities

The objects of the Society are:-

1. The ownership provision and preservation of Horsell Common and other commons and open spaces for:-
 - (a) informal open air recreation and enjoyment by the public at large;
 - (b) the protection of the environment for future generations;
 - (c) the protection and management of habitats for all flora and fauna living on such commons and open spaces; and
2. Such other charitable activities or charitable undertakings as may in the opinion of the trustees promote and assist such objects.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Organisational management

The day to day work on the Common is managed by Jeremy Dalton and Rupert Millican. They are supported in all areas by the Trustees. As part of the budget process for 2023, a 5 year plan has been worked on by the Estates Management committee to ensure continued pro-active management of the Common.

Achievements and performance delivery of public benefit

Some of the works achieved during the year are

- The weekly volunteer working parties continue to go from strength to strength. "Tree poppers" have been purchased to help with the removal of invasive species and a mechanical chipper is being used to convert the material into something usable rather than burning it.
- Clearing of paths to maintain access
- Continuation of the agreed 10 year forestry plan to maintain and improve habitats on the common
- Track repairs to allow visitors to the Common to access our Sandy Track car park.
- New fences around the Monument Road car park and clearing of some vegetation.
- Strimming and general maintenance of footpaths.
- Commissioning and implementing recommendations of a tree safety inspection of all roadside and boundary trees.
- Hire of specialist cutting equipment to diversify the age structure of Heather plants in the heathland areas (tractor and topper/collector).
- Creation of bare ground areas within heathland sites to benefit a wide range of fauna.
- Wildflower meadow management at Mimbridge Meadows and Bourne Fields using agricultural contractors.
- Installation of new posts around the green at the Cricketer's to protect the Common.
- Management of various amenity grassland sites enjoyed by the local community (Black Patch, Cricketers, Peace Garden, Pegasus).

HORSELL COMMON PRESERVATION SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

- Clearing of some ditches which may have been contributing to local flooding issues.
- Replacing damaged dog faeces bins and adding more in key locations.
- Invasive species control to protect habitats using volunteers and contractors. Examples include Knotweed control and volunteers removing Rhododendron, Cherry Laurel and Himalayan Balsam.
- Participation in the Thames Basin Heath Week with a guided walk and lecture on heathland insects
- Insect surveys carried out in the Sand Pit and on Wheatsheaf Common
- Facilitated work by Surrey County Council contractors to create flood relief lagoons and pathways on Wheatsheaf Common

Much of this work could not be achieved without the ongoing dedication of our regular volunteers.

Wheatsheaf Common: The flood alleviation work was completed during 2022 by SCC and the work has now started in re-instating the land for continued habitat management.

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.

Financial review

Income for the Society mainly comes from grant funding and a gift aid payment from its subsidiary Heather Farm Limited, which operates as the Landlord for the site known as Heather Farm.

Unrestricted Reserves

The trustees are mindful of the large contingent risks and opportunities associated with its objectives. With that in mind unrestricted reserves, which are shown in the accounts each year, are maintained for the following:-

- To reserve an amount equal to the book value of the freehold land the charity holds, to show that these monies are not readily available general funds (£1,074,278)
- to hold the investment in Heather Farm Ltd as a separate reserve to show that these monies are not readily available general funds (£1,569,786)
- to reserve sufficient capital to meet the cost of land acquisition and acquiring access rights to protect the common and secure and enhance its charitable objectives (£120,000)
- to reserve a fund to meet legal costs arising when action is required to protect our charity and its land holdings (£50,000)

The balance of the unrestricted reserves held in the general fund was £751,128 at the year end. Of this balance, £442,116 was held in investments to generate long term income for the charity, and a further £47,602 represented by the book value of fixed asset equipment held at the year end. This leaves our 'free' reserves at £261,410 at the year end, which are held to provide working capital to meet the cost of ongoing operations.

HORSELL COMMON PRESERVATION SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Restricted Reserves

a) SANG 1 (Suitable Alternative Natural Greenspace)

This was the first SANG and 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, mainly of the Peace Garden with costs of work on the common being taken from unrestricted reserves as part of ongoing common management.

b) SANG 2

This represents the balance of funds used to maintain the 57 acres at Heather Farm and Mimbridge open for public access, which are to be maintained in perpetuity through the legal agreement with Woking Borough Council (WBC). The fund is in deficit as expenditure over the last few years has been in excess of the annual income received from WBC, but will be brought back into line in 2023 as less expenditure should take place.

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.

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.

In accordance with the Articles of Association of the charity, the trustees have wide powers to hold, apply or invest the charity's monies, stocks and shares and shall in their absolute discretion if thought fit, provided that the appropriate professional advice has been sought. Trustees have the power to delegate to professional investment managers within clear investment policy guidelines. The charity's objective is to maximise return over the long term without exceeding the level of risk appropriate for a charity.

The charity maintains a risk register which is regularly reviewed by trustees with practical precautions being implemented by officers and staff.

A key issue is the position of the charity 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.

Structure, governance and management

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

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

J Bate

E Cuttle

P Downes

A Halstead

C Hughes

Z Iqbal

(Appointed 12 October 2022 and resigned 30 May 2023)

H Lane

(Resigned 27 September 2022)

J Loeffler

(Resigned 19 July 2022)

R Neale

J Palk

(Appointed 12 October 2022 and resigned 7 July 2023)

P Robinson

M Scott

HORSELL COMMON PRESERVATION SOCIETY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees are appointed by the members of the company in accordance with its Articles of Association. New trustees are provided with extensive induction materials to familiarise them with the workings of the Society and their responsibilities as trustees.

Statement of trustees' responsibilities

The trustees, who are also the directors of Horsell Common Preservation Society for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with the company's articles, a resolution proposing that Alliotts LLP be reappointed as auditor of the company will be put at a General Meeting.

The trustees' report was approved by the Board of Trustees.

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P Downes
Trustee

Date:

HORSELL COMMON PRESERVATION SOCIETY

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF HORSELL COMMON PRESERVATION SOCIETY

Opinion

We have audited the financial statements of Horsell Common Preservation Society (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements for the year ended 31 December 2020, forming the corresponding figures of the financial statements for the year ended 31 December 2021, are unaudited.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

HORSELL COMMON PRESERVATION SOCIETY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF HORSELL COMMON PRESERVATION SOCIETY

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

HORSELL COMMON PRESERVATION SOCIETY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF HORSELL COMMON PRESERVATION SOCIETY

Extent to which the audit was considered capable of detecting irregularities, including fraud

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Companies Act 2006, the Charities Act 2011, the Charities SORP, data protection, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the charity's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Audit response to risks identified

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

HORSELL COMMON PRESERVATION SOCIETY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF HORSELL COMMON PRESERVATION SOCIETY

Alliotts LLP

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**Chartered Accountants
Statutory Auditor**

Friary Court
13-21 High Street
Guildford
Surrey
GU1 3DL

Alliotts LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

HORSELL COMMON PRESERVATION SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	152,920	-	152,920	119,506	-	119,506
Charitable activities	4	13,778	73,054	86,832	42,294	68,095	110,389
Other trading activities	5	26,477	-	26,477	42,780	-	42,780
Investments	6	10,826	-	10,826	3,957	17	3,974
Other income	7	29,250	-	29,250	-	-	-
Total income		<u>233,251</u>	<u>73,054</u>	<u>306,305</u>	<u>208,537</u>	<u>68,112</u>	<u>276,649</u>
<u>Expenditure on:</u>							
Charitable activities	8	<u>141,559</u>	<u>55,026</u>	<u>196,585</u>	<u>115,180</u>	<u>56,642</u>	<u>171,822</u>
Net gains/(losses) on investments	12	<u>(67,882)</u>	<u>-</u>	<u>(67,882)</u>	<u>49,316</u>	<u>-</u>	<u>49,316</u>
Net movement in funds		<u>23,810</u>	<u>18,028</u>	<u>41,838</u>	<u>142,673</u>	<u>11,470</u>	<u>154,143</u>
Fund balances at 1 January 2022		<u>3,541,382</u>	<u>141,285</u>	<u>3,682,667</u>	<u>3,398,709</u>	<u>129,815</u>	<u>3,528,524</u>
Fund balances at 31 December 2022		<u><u>3,565,192</u></u>	<u><u>159,313</u></u>	<u><u>3,724,505</u></u>	<u><u>3,541,382</u></u>	<u><u>141,285</u></u>	<u><u>3,682,667</u></u>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

HORSELL COMMON PRESERVATION SOCIETY

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	14		1,121,880		1,084,706
Investments	15		2,341,215		2,409,097
			<u>3,463,095</u>		<u>3,493,803</u>
Current assets					
Debtors	17	57,179		5,963	
Cash at bank and in hand		253,196		195,931	
		<u>310,375</u>		<u>201,894</u>	
Creditors: amounts falling due within one year	18	(48,965)		(13,030)	
Net current assets			<u>261,410</u>		<u>188,864</u>
Total assets less current liabilities			<u>3,724,505</u>		<u>3,682,667</u>
Income funds					
Restricted funds	19		159,313		141,285
<u>Unrestricted funds</u>					
Designated funds:					
Designated Land Reserve		1,074,278		1,074,278	
Designated Investment Reserve		1,569,786		1,569,786	
Land Acquisition Reserve		120,000		120,000	
Legal Contingencies Reserve		50,000		50,000	
	20	<u>2,814,064</u>		<u>2,814,064</u>	
General unrestricted funds		751,128		727,318	
			<u>3,565,192</u>		<u>3,541,382</u>
			<u>3,724,505</u>		<u>3,682,667</u>

HORSELL COMMON PRESERVATION SOCIETY

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

The charitable company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees, as directors, acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the charitable company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on

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P Downes

Trustee

Company registration number 06460936

HORSELL COMMON PRESERVATION SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

Horsell Common Preservation Society is a private company limited by guarantee incorporated in England and Wales. The registered office is Heather Farm, Horsell Common, Woking, GU21 4XY.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention, [modified to include to include certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

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. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

HORSELL COMMON PRESERVATION SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs, including irrecoverable VAT, and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land	Not depreciated
Plant and equipment	10% on cost
Motor vehicles	10% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

HORSELL COMMON PRESERVATION SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Taxation

The charity is exempt from taxation on its charitable activities.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

HORSELL COMMON PRESERVATION SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	152,920	119,506
	<u>152,920</u>	<u>119,506</u>
Donations and gifts		
Subscriptions & donations	25,199	24,433
Gift aided donation from subsidiary company	124,257	91,768
Gift Aid receipts	3,464	3,305
	<u>152,920</u>	<u>119,506</u>
	<u>152,920</u>	<u>119,506</u>

4 Charitable activities

	Other Charitable Income 2022	Other Charitable Income 2021
	£	£
Performance related grants	86,145	87,550
Other income	687	22,839
	<u>86,832</u>	<u>110,389</u>
	<u>86,832</u>	<u>110,389</u>
Analysis by fund		
Unrestricted funds	13,778	42,294
Restricted funds	73,054	68,095
	<u>86,832</u>	<u>110,389</u>
	<u>86,832</u>	<u>110,389</u>
Performance related grants		
RPA - Higher Countryside Stewardship	21,165	17,311
RPA - Single payments scheme	13,091	19,455
RPA - SANG project upkeep grant	51,889	50,784
	<u>86,145</u>	<u>87,550</u>
	<u>86,145</u>	<u>87,550</u>

HORSELL COMMON PRESERVATION SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
Payments under licence	26,477	42,780

6 Investments

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2022 £	2021 £	2021 £	2021 £
Investment income	10,826	3,957	-	3,957
Interest receivable	-	-	17	17
	<u>10,826</u>	<u>3,957</u>	<u>17</u>	<u>3,974</u>

7 Other income

	Unrestricted funds	Total
	2022 £	2021 £
Net gain on disposal of tangible fixed assets	29,250	-

HORSELL COMMON PRESERVATION SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Charitable activities

	Charitable Expenditure 2022 £	Charitable Expenditure 2021 £
Staff costs	28,929	39,936
Common maintenance	55,824	29,809
Tree work	10,989	996
Higher Countryside Stewardship	-	6,315
SANG 2	44,124	43,929
SANG 1	10,902	6,398
	<u>150,768</u>	<u>127,383</u>
Share of support costs (see note 9)	37,237	36,859
Share of governance costs (see note 9)	8,580	7,580
	<u>196,585</u>	<u>171,822</u>
Analysis by fund		
Unrestricted funds	141,559	115,180
Restricted funds	55,026	56,642
	<u>196,585</u>	<u>171,822</u>

9 Support costs

	Support costs £	Governance costs £	2022 Support costs £	Governance costs £	2021 £
Depreciation	7,426	-	7,426	2,966	2,966
Insurance, subscriptions & public relations	12,634	-	12,634	12,667	12,667
Office overheads	9,875	-	9,875	11,991	11,991
Other costs	204	-	204	2,413	2,413
Bookkeeping	7,098	-	7,098	6,822	6,822
Audit fees	-	8,580	8,580	-	7,580
	<u>37,237</u>	<u>8,580</u>	<u>45,817</u>	<u>36,859</u>	<u>44,439</u>
Analysed between Charitable activities	<u>37,237</u>	<u>8,580</u>	<u>45,817</u>	<u>36,859</u>	<u>44,439</u>

Governance costs includes payments to the auditors of £5,600 plus VAT (2021-£4,950 plus VAT) for audit fees.

HORSELL COMMON PRESERVATION SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

11 Employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
	1	1
	<u> </u>	<u> </u>
Employment costs	2022	2021
	£	£
Wages and salaries	24,532	33,955
Social security costs	1,247	2,627
Other pension costs	3,150	3,354
	<u> </u>	<u> </u>
	28,929	39,936
	<u> </u>	<u> </u>

There were no employees whose annual remuneration was more than £60,000.

12 Net gains/(losses) on investments

	Unrestricted	Unrestricted
	funds	funds
	2022	2021
	£	£
Revaluation of investments	(67,882)	49,316
	<u> </u>	<u> </u>

13 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

HORSELL COMMON PRESERVATION SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Tangible fixed assets

	Freehold land	Plant and Motor vehicles equipment		Total
	£	£	£	£
Cost				
At 1 January 2022	1,074,278	29,662	27,950	1,131,890
Additions	-	14,160	30,440	44,600
Disposals	-	-	(27,950)	(27,950)
At 31 December 2022	1,074,278	43,822	30,440	1,148,540
Depreciation and impairment				
At 1 January 2022	-	19,234	27,950	47,184
Depreciation charged in the year	-	4,382	3,044	7,426
Eliminated in respect of disposals	-	-	(27,950)	(27,950)
At 31 December 2022	-	23,616	3,044	26,660
Carrying amount				
At 31 December 2022	1,074,278	20,206	27,396	1,121,880
At 31 December 2021	1,074,278	10,428	-	1,084,706

15 Fixed asset investments

	Listed investments	Other investments	Total
	£		£
Cost or valuation			
At 1 January 2022	839,311	1,569,786	2,409,097
Valuation changes	(67,882)	-	(67,882)
At 31 December 2022	771,429	1,569,786	2,341,215
Carrying amount			
At 31 December 2022	771,429	1,569,786	2,341,215
At 31 December 2021	839,311	1,569,786	2,409,097

HORSELL COMMON PRESERVATION SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

15 Fixed asset investments		(Continued)	
	Notes	2022 £	2021 £
Other investments comprise:			
Investments in subsidiaries	23	1,569,786	1,569,786
		<u> </u>	<u> </u>
16 Financial instruments		2022 £	2021 £
Carrying amount of financial assets			
Instruments measured at fair value through Statement of Financial Activities		771,429	839,311
		<u> </u>	<u> </u>
17 Debtors		2022 £	2021 £
Amounts falling due within one year:			
Trade debtors		53,643	2,460
Other debtors		-	1,063
Prepayments and accrued income		3,536	2,440
		<u> </u>	<u> </u>
		57,179	5,963
		<u> </u>	<u> </u>
18 Creditors: amounts falling due within one year		2022 £	2021 £
Other taxation and social security		865	1,340
Trade creditors		21,802	4,435
Other creditors		18,988	105
Accruals and deferred income		7,310	7,150
		<u> </u>	<u> </u>
		48,965	13,030
		<u> </u>	<u> </u>

HORSELL COMMON PRESERVATION SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			Balance at 31 December 2022
	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at January 2022	Incoming resources	Resources expended	
	£	£	£	£	£	£	£
SANG 1	145,159	-	(6,399)	138,760	-	(10,902)	127,858
SANG 2	(32,352)	50,800	(43,928)	(25,480)	51,889	(44,124)	(17,715)
Higher Countryside Stewardship	17,008	17,312	(6,315)	28,005	21,165	-	49,170
	<u>129,815</u>	<u>68,112</u>	<u>(56,642)</u>	<u>141,285</u>	<u>73,054</u>	<u>(55,026)</u>	<u>159,313</u>

Sang 1 and Sang 2 funds represent monies received to enhance and protect access to the Common and are for future maintenance.

Higher Tier Countryside Steward Grants have been awarded by the Rural Payments Agency (RPA) to look after the environment; the agreement lasts until 2028.

20 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				Balance at 31 December 2022
	Balance at 1 January 2021	Transfers	Balance at 1 January 2022	Incoming resources	
	£	£	£	£	£
Designated Land Reserve	1,074,278	-	1,074,278	-	1,074,278
Designated Investment Fund	1,489,786	80,000	1,569,786	-	1,569,786
Land Acquisition Reserve	100,000	20,000	120,000	-	120,000
Legal Contingencies Reserve	50,000	-	50,000	-	50,000
	<u>2,714,064</u>	<u>100,000</u>	<u>2,814,064</u>	<u>-</u>	<u>2,814,064</u>

Designated Land Reserve - This fund represents reserves tied up in the freehold land held by the charity and are not readily available.

Designated Investment Fund - This fund represents the investment in the subsidiary company, Heather Farm Ltd, which is a long term investment and not readily available.

Land Acquisition Reserve - The Trustees have established this fund to acquire land and access rights to protect the Common.

Legal Contingencies Reserve - This fund has been set up to meet potential legal costs arising from action required to protect the charity and its land.

HORSELL COMMON PRESERVATION SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

21 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 December 2022 are represented by:						
Tangible assets	1,121,880	-	1,121,880	1,084,706	-	1,084,706
Investments	2,181,902	159,313	2,341,215	2,409,097	-	2,409,097
Current assets/(liabilities)	261,410	-	261,410	47,579	141,285	188,864
	<u>3,565,192</u>	<u>159,313</u>	<u>3,724,505</u>	<u>3,541,382</u>	<u>141,285</u>	<u>3,682,667</u>

22 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

23 Subsidiaries

In 2014 a wholly owned subsidiary was formed called 'Heather Farm Limited' (company number 9331836, registered in England & Wales) to develop and manage the remaining building at Heather Farm. At 31 December 2022 the profit for the year before the gift aided donation to the charity was £159,446 (2021: £150,104) and net assets were £1,767,676 (2021: £1,732,466).