

CHARITY COMMISSION

Watchtree Nature Reserve Limited

(A company limited by guarantee)

Annual Report and Financial Statements

31 March 2018

Company registration number: 05214585

Charity registration number: 1127029



Watchtree
NATURE RESERVE

Watchtree Nature Reserve Limited

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Watchtree Nature Reserve Limited
Reference and Administrative Details

Charity name	Watchtree Nature Reserve Limited	
Charity registration number	1127029	
Company registration number	05214585	
Principal office	Watchtree Great Orton CARLISLE CA5 6NL	
Registered office	Watchtree Great Orton CARLISLE CA5 6NL	
Trustees	C M Tinker B Bowe R W Bushby W Little P MacDonald F J Mawby R W S Speirs R E Timmins S R Griffin (Resigned 15 June 2017) W J Knowles (Resigned 15 April 2018) E A Still (Resigned 11 November 2017)	
Bankers	The Co-Operative Bank PLC 1 Ballon Street MANCHESTER M60 4EP	
Accountant	Dodd & Co Limited FIFTEEN Rosehill Montgomery Way Rosehill Estate CARLISLE CA1 2RW	

Watchtree Nature Reserve Limited
Trustees' Report for the Year Ended 31 March 2018

Structure, governance and management

Governing document

The company was incorporated on 25 August 2004 as a company limited by guarantee and is governed by its Memorandum and Articles of Association. The company registered with the Charity Commission on 3 December 2008.

The Trustees are appointed by the members at the AGM. The Chair of the board is responsible for the induction of any new trustees.

Objectives and activities

The objectives of the charity are to:

- maintain, improve or provide public amenities,
- promote for the public benefit the Watchtree site in Cumbria and its environs, in particular by associating local community organisations in a common effort to advance education, to relieve poverty, need and hardship, to provide facilities for leisure time occupation in the interests of social welfare and to conserve and improve the environment.

The charity maintains Watchtree Nature Reserve for visitors, school parties and groups and continues to develop the wheelers facility providing cycles for use by disabled groups and individuals.

In setting the objects of the charity, the trustees have paid due regard to the Charity Commission guidance on public benefit.

Risk Management

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Reserves

The Trustees have established a policy to maintain reserves at a level that is sufficient to meet its expenditure and commitments for 12 months. Free reserves at the year end are £185,550 (excluding fixed asset investments) and are therefore sufficient to meet these costs.

Reserve Manager's report - Ryan Dobson

Introduction

On behalf of all our team I am pleased to present our thirteenth annual report on the progress of Watchtree Nature Reserve Ltd. This report covers all areas of our work including wildlife, education, The Watchtree Wheelers, membership, events and more. However the focus of the report will be areas of development in 2017/18 as well as future projects which we will be looking to fund in 2018/19. We hope this report makes interesting reading, if you require further information or would like this report in a different format such as large print - please contact us directly.

Watchtree Nature Reserve Limited
Trustees' Report for the Year Ended 31 March 2018

The Volunteers

We have moved this title to the top of the list as it is the well-deserved position of our volunteer team. Without them the rest of this report would make very bland reading, if it existed at all.

We now have active volunteer teams in all areas, including visitors centre, café, reserve maintenance and all cycle services. There are 35+ individuals carrying volunteer work at the reserve on a weekly basis equating to a staggering 6043 hours worked in 2017/18.

Direct advertising and a number of special 'volunteer open day' events led to increase in café and reserve maintenance volunteers. Our Watchtree Wheelers project has benefited greatly from the recruitment of a small number of individuals with particular experience in cycle mechanics, engineering and coaching.

Watchtree has benefitted from a surge in young volunteers completing Duke of Edinburgh awards. Each individual completing the award must log 1 hour volunteering per week for 3, 6 or 12 months depending on the level of award. These young people help out at the reserve on weekends and tackle a variety of tasks; however some organisational work is needed to get the most out of the opportunity.

Volunteer/staff Training and Recognition

17 Volunteers completed a one day first aid qualification

5 volunteers completed a one day Hygiene course for work in the café

One staff member completed a level one Cytech online qualification

Ian Ludlum was awarded 'volunteer of the year' at the Allerdale Sports Award. The award was a fitting end to his time volunteering with us as he had decided to retire.

As ever, we would like to extend our thanks to all of our volunteers. We are indebted to their commitment and hope that they continue to get as much out of volunteering with us as we gain from them.

The Reserve

In just 16 years Watchtree has developed into a very significant multi-habitat nature reserve and equals many of the nearby Nature Reserves for wildlife interest. It is regularly home for more than 45 species of breeding birds. The most notable species of 2017 was a Gadwall which bred for the first time, rearing two ducklings. The total bird list is now 120 species. As the habitats develop Dr Liz Still, who has done the annual Defra monitoring since 2004, has recorded 423 species of moth with 27 new species in 2017 most of which were micro-moths and two macro-moths (Dingy Shell and Marsh Pug, both scarce species for the area). Watchtree remains an important site for Brown Hare, Great Crested Newt and the Dingy Skipper Butterfly.

The grasslands and woodlands are the principal habitats but the Wetlands and areas of old concrete runway add significant diversity to Watchtree. The grasslands are managed principally to encourage and develop as pasture and hay meadow. As usual the grazing and hay-making was licenced to three neighbouring farmers. Areas of rough grassland were left for small mammals; food for Barn Owls and Kestrels. The Meadows support a healthy Skylark population (24 territories in 2017) and remain one of the last havens for breeding Curlew, now a nationally threatened breeding bird. Our volunteers completed the laying of another 200m of hedgerows, which are becoming an important habitat and landscape feature.

The new plantations are developing into young woodland and the bird species are changing as we might expect. The scrub habitats are now important for species moving out, Willow Warbler (71 territories in 2017) is one species moving into the scrub and fringe habitats. We carried out the second year of a 5 year thinning programme in the plantations, removing about 25% of the trees to improve the growing space for the remainder but more importantly to let the light in to enhance the ground flora.

Watchtree Nature Reserve Limited

Trustees' Report for the Year Ended 31 March 2018

Most of the water bodies are for site water management and treatment but we manage the reeds to maintain lake views from the hide and the trees round the margins of the wetland lagoons are coppiced in rotation.

The Directors also recognised that areas of old concrete runways are valuable habitats for plants and insects, in particular the locally rare Dingy Skipper butterfly and a management statement is now in place.

The fences are becoming our most pressing estate management job with some 200 posts a year and a few straining posts need to be replaced.

Watchtree Ringing Group attracted a number of new people as trainees and some of our experienced ringers are coming more often to ringing sessions. A summary report for 2017 has not been produced yet because a new BTO on-line reporting system is now in operation and the reporting function has not yet been developed.

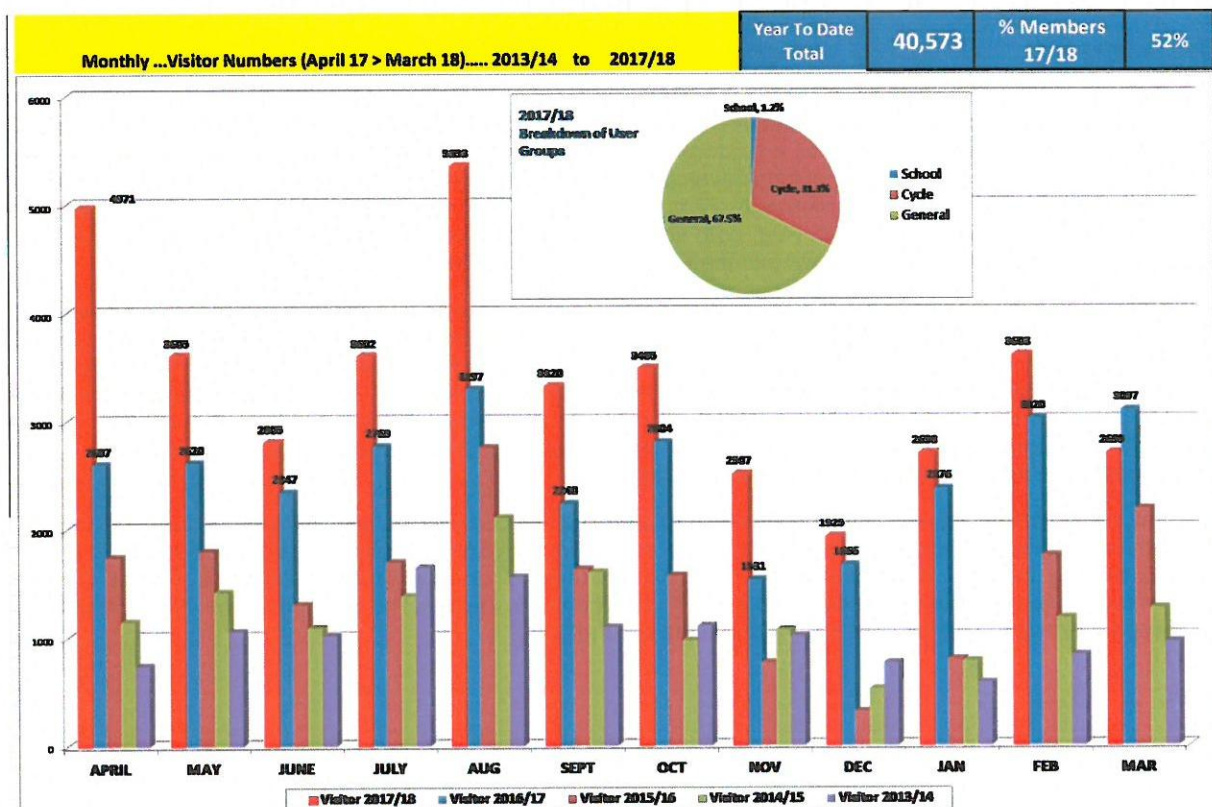
The wildlife surveys remain a Defra function with birds, butterflies, moths, Great Crested Newt and vegetation being monitored providing Watchtree with an invaluable record of development.

Reserve Recognition and Achievements

- RHS 'It's your neighbourhood' Outstanding Award 2017
- Carlisle Living Awards 'Best place to visit' finalists 2017
- TripAdvisor Certificate of Excellence

Visitors

Once again we recorded considerable growth in annual visitor numbers. We finished the financial year at 40,573 visitors, an increase of more than 10,000 on the previous year. This increase is a result of consistent, high level reviews through various media, a varied events calendar and a high percentage of repeat visitors – many of our visitors could be considered 'regulars'. In previous years we have aimed to increase visitor numbers; however we are now reaching the reserve facilities capacity and are aiming to manage growth within our own means.



Watchtree Nature Reserve Limited
Trustees' Report for the Year Ended 31 March 2018

Visitor Contributions

Visitor support is essential as we aim to maintain sustainability, and we are pleased that such support is given gladly as detailed below:

Visitors Centre Donation Box

Throughout 2017/18 all donations received at the visitors centre have been allocated to our track resurfacing project. Full details of which are available in this report.

Watchtree Café

We continue to develop the café and intend to make considerable changes in 2018. As our visitor numbers have increased the café has become a major source of income for the reserve as well as being an attraction itself.

The café turnover this financial year was £37,931, which is a £10,000 increase on the previous year. Our range of products has remained similar to previous years and the only major development was upgrading the coffee machine in March and changing to a local supplier for coffee beans.

In 2018/19 we intend to refit the café and kitchen to better suit the reserve needs. This will be a funded project allowing us to create a sustainable and increasing income for the future of the reserve.

Membership

On the 31st March 2018 the total number of members was 942 and the membership scheme has a value of over £24,000. Membership numbers continue to rise which is expected in line with increasing visitor numbers, the revenue generated through membership now far surpasses the cost of running the scheme and has become a major contributor to our sustainability.

Membership administration has been improved through the use of Membership Mojo only database system.

Membership benefits remain the same; discount on cycle hire, out of hours access, and regular newsletters. As we have increased the number and variety of events we host, we have maintained a membership discount in all areas.

Fundraising

Our fundraising in 2017/18 has been intensely focused on trail resurfacing and has dominated much of our staff time and efforts. This input has been rewarded with many successful grants and public support for the project, which is now almost complete.

Grants

- Allerdale Fund £2000
- United Utilities Legacies Fund £5000
- CHOC Social Enterprise Award £200
- Cumbria Community Foundation, Cumbria Fund £10000
- EDF Community Fund £10000
- Hadfield Trust £3500
- Direct Rail Services £200
- Big Lottery Fund £10000
- Red Socks Charitable Trust £2500
- Sellafield Community Choices £50,000 (2016/17)
- Story Construction £2200 (2016/17)

Watchtree Nature Reserve Limited
Trustees' Report for the Year Ended 31 March 2018

Donations and Sponsors

- In memory of Mikey Wolfe £200
- Saint and Co £150
- Alan Gillespie C2C tandem Ride £1700
- NHS 24 hour run/walk £1000
- Lime House School Sponsored Ride £200

All donations given here at the reserve were put towards the project. Throughout the year our main donation box raised a total of £10,347.

Crowdfunding

We set up a crowdfunding campaign to generate funds for the trails resurfacing project and promoted it through social media, email and in house at the reserve. As a result 132 people made a donation totalling £2,109.

We used a platform called Chuffed.org which appeared favourable at the time due to low fees however usability has been an issue so a different platform will be used in the future.

Watchtree Wheelers

The Watchtree Wheelers continues to be an important part of our work on many levels –

- it is one of the best outdoor facilities for disabled people in the Northwest
- it provides local families with a great value, healthy activity in the outdoors
- It provides a financial backbone to the reserve.

Our fleet has remained similar to previous years as our focus is now on maintaining the adapted fleet we have as opposed to growth. Many of the well-used bikes have had full strip downs and rebuilds to ensure they continue to serve us well in the future. Our standard hire bikes are sold off after a period time in order to generate income and keep our own fleet up to date. This has been very successful and many bikes don't reach 6 months old in our fleet before sale.

Wheelers Statistics:

- 7512 hired bikes
- 483 attended Little Wheelers
- £3048.30 was raised through cycle fleet sales
- £1270 was raised through sale of donated bikes

Day to day operations of the Watchtree Wheelers is now the responsibility of Dan Richards, who joined our team here in February 2017.

Events

In 2017/18 we continued to fine tune the events we offered, which resulted in a higher attendance to almost all events than in previous years. We dropped a number of the craft sessions which were proving difficult to fulfil including photography, glass fusion, crochet etc. However we increased our outdoor theatre and sporting event all of which ran successfully with good attendance.

We decided not to run the walking theatre events in 2018 as ticket sales were becoming difficult, this is believed to be related to ticket price and the high cost of bringing a whole family. In the future we may look into part funding events like this in order to reduce attendance barriers.

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Trustees' Report for the Year Ended 31 March 2018

Nature Sessions and Guided Walks

As part of the organised and promoted events programme we have included nature sessions and guided walks, such as pond dipping days, bird watching walks, and astronomy evenings. These events have been running regularly for many years but have benefitted from listings in our annual calendar.

Regular Events

In 2016/17 we launched three new regular events, which are organised and run by volunteers. These include Ready Steady Mums, run by Emma Porter, Watchtree Walkfit, run by Ruth Harland, and Wool at Watchtree, run by Claire Hoe. Each of these events was devised by the volunteer and was a result of them coming forward and offering to create and lead the groups. Sessions are free of charge or levied a small donation fee, all are very well attended, and each of these events has now become an integral part of our events programme.

Education

Education remains an area of development for us. Whilst the schools who use the reserve are giving fantastic reviews we all feel there is more could be and should be done. In 2016 we stopped using Watchtree staff to lead school groups due to time and financial pressures. Instead we offered schools all the documentation and resources they needed to lead sessions themselves.

This method was a success and many people have used the new system; which we called our Education Portal, to lead great visits. However more recently schools have asked more and more for session leaders and they have expressed a willingness to pay for the services.

In response to these requests we have used a third party instructor on a freelance basis and charged schools for visits on either a price per head or hourly rate basis - depending on the type of session they required.

This has worked well and the school children certainly enjoy their trips. We now intend to define the offering into pre-set packages most of which will be a mix of self-led and instructed session to meet the schools requirements.

Staff

Throughout 2017/18 we have had 3 members of staff:

Ryan Dobson, Reserve Manager, FT

Daniel Richards, Access and Recreation Officer, FT

Edward Willis, General Assistant, PT

In 2018 we intend to take our part time staff up to 3 individuals in response to growing visitor numbers and income. Increased staffing should also allow senior staff more time to concentrate on strategic development as opposed to front of house roles.

Looking forward

Watchtree has grown continuously since its creation. Growth has been a key aim throughout and we have achieved more in all areas than some thought possible. We are in many ways victims of our own success as the strains of constant growth are now beginning to show. Despite many of our visitors being new, our facilities are 10 to 15 years old and most were not designed to handle 40 + thousand people per year. Particularly when such a high percentage of those visitors have additional needs i.e. children, vulnerable adults and elderly.

These are wonderful problems to have and offer up challenges which we are eager to overcome. The development of our trails through a program of resurfacing has vastly improved suitability around the reserve our focus in the near future will be the visitors centre, toilets, café and cycle storage areas.

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Trustees' Report for the Year Ended 31 March 2018

We are already working on plans to bring in some additional office space in the form of a timber building, which will be situated close to the main visitor centre and provide a private, secure working space for the management team. This will clear space in the café room and kitchen where we intend to undergo a complete refit with up to date catering equipment, refrigeration and furnishings so that we can prepare meals ourselves for sale in the café. We aim to introduce a basic, healthy menu of sandwiches, Paninis and soup etc. alongside our current range of hot drinks and home-made cakes. The café would be run by a combination of Watchtree staff and volunteers as well as additional help from supported adults with learning difficulties.

We have identified some funding which may help us achieve these goals, but as ever our biggest challenge is finding the time and space to carry out the development work whilst running the reserve.
Other items on our future agenda include:

- Finishing the trails resurfacing project and having a high profile opening event
- An overhaul of the pond dipping platform in pond wood which is now desperately in need of replacement
- Creation of a private education/forest schools/kids club area in pond wood in a underused area

Certainly enough to keep us busy through 2018 and into 2019! As always it's an exciting list of developments for the reserve and for the community who use of its facilities.

We look forward to putting these plans into action.

Thank you, from all of the Watchtree Team


Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 19 July 2018 and signed on its behalf by:



C M Tinker
Trustee



R W S Speirs
Trustee

Watchtree Nature Reserve Limited

Trustees' Responsibilities in relation to the Financial Statements

The trustees (who are also directors of Watchtree Nature Reserve Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and the 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 charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable 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 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 charitable company will continue in business.

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

**Independent Examiner's Report to the Trustees of
Watchtree Nature Reserve Limited**

I report on the accounts of the company for the year ended 31 March 2018, which are set out on pages 11 to 22.

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 Part 16 of the Companies Act 2006 and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the General Directions given by the Charity Commission under section 145 (5) (b) of the 2011 Act; and
- 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 Charitieshave 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.


Faye Armstrong FCA
Dodd & Co Limited
Chartered Accountants

19 July 2018

FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW

Watchtree Nature Reserve Limited

Statement of Financial Activities (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses) for the Year Ended 31 March 2018

		Unrestricted Funds	Restricted Funds	Total Funds 2018	Total Funds 2017 <i>as restated</i>
	Note	£	£	£	£
Income and endowments from:					
Donations and legacies	2	11,778	95,989	107,767	40,135
Other trading activities	3	7,046	-	7,046	1,982
Investment income	4	3,781	-	3,781	1,315
Income from charitable activities	5	100,222	-	100,222	74,385
Total income and endowments		<u>122,827</u>	<u>95,989</u>	<u>218,816</u>	<u>117,817</u>
Expenditure on:					
Nature reserve activities		121,798	41,951	163,749	111,275
Total expenditure		<u>121,798</u>	<u>41,951</u>	<u>163,749</u>	<u>111,275</u>
Net income before other recognised gains and losses		1,029	54,038	55,067	6,542
Other recognised gains/losses					
Gains/(losses) on investment assets		<u>8,642</u>	<u>-</u>	<u>8,642</u>	<u>(526)</u>
Net movements in funds		9,671	54,038	63,709	6,016
Reconciliation of funds					
Total funds brought forward		<u>398,117</u>	<u>3,200</u>	<u>401,317</u>	<u>395,301</u>
Total funds carried forward		<u><u>407,788</u></u>	<u><u>57,238</u></u>	<u><u>465,026</u></u>	<u><u>401,317</u></u>

All of the Charity's activities derive from continuing operations during the above periods.

The notes on pages 13 to 22 form an integral part of these financial statements.

Watchtree Nature Reserve Limited
Company registration number: 05214585
Balance Sheet as at 31 March 2018

		2018		2017 <i>as restated</i>	
	Note	£	£	£	£
Fixed assets					
Tangible assets	11		14,151		18,117
Investments	12		210,029		101,538
			<u>224,180</u>		<u>119,655</u>
Current assets					
Debtors	13	5,682		1,084	
Cash at bank and in hand		<u>237,064</u>		<u>283,388</u>	
		242,746		284,472	
Creditors: Amounts falling due within one year	14	<u>(1,900)</u>		<u>(2,810)</u>	
Net current assets			<u>240,846</u>		<u>281,662</u>
Net assets			<u>465,026</u>		<u>401,317</u>
The funds of the charity:					
Restricted funds			57,238		3,200
Unrestricted funds					
Unrestricted income funds			<u>407,788</u>		<u>398,117</u>
Total charity funds			<u>465,026</u>		<u>401,317</u>

For the financial year ended 31 March 2018, the charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

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

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

Approved by the Board on 19 July 2018 and signed on its behalf by:



R W S Speirs
Trustee

The notes on pages 13 to 22 form an integral part of these financial statements.

Watchtree Nature Reserve Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Prior period restatement

The comparative figures have been restated to better reflect the income streams of the charity. There has been no effect on the deficit stated or reserves balance.

Going concern

These financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Fund accounting policy

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Further details of each fund are disclosed in note 18.

Watchtree Nature Reserve Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

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Income and endowments

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the Charity before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measured with a degree of reasonable accuracy and the title to the asset having been transferred to the Charity.

Shop income and income derived from events is recognised as earned (that is, as the related goods or services are provided).

Investment income is recognised on a receivable basis.

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Taxation

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

Fixed assets

Individual fixed assets costing £100 or more are initially recorded at cost.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Plant and machinery	25% reducing balance basis
Fixtures and fittings	25% reducing balance basis
Computer equipment	25% reducing balance basis

Watchtree Nature Reserve Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

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Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of the financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end.

Trade Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Liabilities

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Operating leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Pensions

The charity operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

Watchtree Nature Reserve Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

..... continued

Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Charity after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

2 Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 as restated £
Donations and legacies				
Appeals and donations	10,144	17,001	27,145	9,160
Calendar donations	1,634	-	1,634	356
	<u>11,778</u>	<u>17,001</u>	<u>28,779</u>	<u>9,516</u>
Grants				
Cumbria Community Foundation	-	11,888	11,888	4,639
Tesco	-	2,000	2,000	6,000
Cumbria Waste Environmental Trust	-	-	-	18,000
Other agencies	-	6,100	6,100	1,980
Sellafield	-	49,000	49,000	-
Big Lottery Fund	-	10,000	10,000	-
	<u>-</u>	<u>78,988</u>	<u>78,988</u>	<u>30,619</u>
	<u>11,778</u>	<u>95,989</u>	<u>107,767</u>	<u>40,135</u>

Of the donations and legacies income in 2017, £36,935 related to unrestricted funds and £3,200 related to restricted funds.

Watchtree Nature Reserve Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

..... continued

3 Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 as restated £
Sale of bikes and parts	6,980	-	6,980	1,709
Other income	66	-	66	273
	<u>7,046</u>	<u>-</u>	<u>7,046</u>	<u>1,982</u>

Of the other trading activities income in 2017, all related to unrestricted funds.

4 Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 £ as restated
Dividends and interest received	2,973	-	2,973	-
Bank interest	808	-	808	1,315
	<u>3,781</u>	<u>-</u>	<u>3,781</u>	<u>1,315</u>

Of the investment income in 2017, all related to unrestricted funds.

5 Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £	Total Funds 2017 as restated £
Membership	19,346	-	19,346	13,959
Cycle income	32,743	-	32,743	23,506
Cafe Sales	31,451	-	31,451	21,635
Grazing income	1,579	-	1,579	1,525
Education and events income	5,181	-	5,181	3,357
Other income	9,922	-	9,922	10,403
	<u>100,222</u>	<u>-</u>	<u>100,222</u>	<u>74,385</u>

Of the income from charitable activities in 2017, all related to unrestricted funds.

Watchtree Nature Reserve Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

..... continued

6 Expenditure

	Nature reserve activities	Investment managem - ent	Total 2018	Total 2017 <i>as restated</i>
	£	£	£	£
Direct costs				
Purchases	31,497	-	31,497	12,405
Wages and salaries	49,332	-	49,332	37,775
Staff NIC (Employers)	957	-	957	-
Staff pensions	2,252	-	2,252	-
Land maintenance	6,058	-	6,058	2,455
Portfolio management costs	-	3,093	3,093	-
Trustee expenses and training	523	-	523	2,422
Insurance	1,843	-	1,843	1,777
Repairs and maintenance	46,017	-	46,017	34,155
Hire of plant and machinery	90	-	90	1,730
Depreciation of plant and machinery	4,581	-	4,581	6,039
	<u>143,150</u>	<u>3,093</u>	<u>146,243</u>	<u>98,758</u>
Support costs				
Volunteer expenses	1,666	-	1,666	2,057
Telephone and fax	1,245	-	1,245	1,083
Computer software and maintenance costs	2,619	-	2,619	-
Printing, postage and stationery	112	-	112	3,108
Sundry expenses	132	-	132	-
Advertising	6,345	-	6,345	3,011
Accountancy fees	1,500	-	1,500	900
Independent examiner's fee	500	-	500	-
Legal and professional fees	2,885	-	2,885	1,821
Bank charges	502	-	502	537
	<u>17,506</u>	<u>-</u>	<u>17,506</u>	<u>12,517</u>
	<u>160,656</u>	<u>3,093</u>	<u>163,749</u>	<u>111,275</u>

Of the expenditure in 2017, all related to unrestricted funds.

7 Governance costs

	2018	2017
	£	<i>as restated</i> £
Accountancy fees	1,500	900
Independent examiner's fee	500	-
Legal and professional fees	4,485	1,821
Portfolio management fees	3,001	-
	<u>9,486</u>	<u>2,721</u>

Watchtree Nature Reserve Limited
Notes to the Financial Statements for the Year Ended 31 March 2018

..... *continued*

8 Trustees' remuneration and expenses

During the year a total of 2 trustees were reimbursed £160 in expenses. No trustees received any remuneration during the year.

9 Net income

Net income is stated after charging:

	2018 £	2017 <i>as restated</i> £
Depreciation of tangible fixed assets	<u>4,581</u>	<u>6,039</u>

10 Employees' remuneration

The aggregate payroll costs of these persons were as follows:

	2018 £	2017 <i>as restated</i> £
Wages and salaries	49,332	37,775
Social security	957	-
Other pension costs	2,252	-
	<u>52,541</u>	<u>37,775</u>

No employee received emoluments of more than £60,000 during the year (2017 - No. 0).

The key management personnel comprise of the Trustees and the manager. The total employee benefits of the key management personnel of the Charity were £nil (2017 - £nil).

Watchtree Nature Reserve Limited
Notes to the Financial Statements for the Year Ended 31 March 2018

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11 Tangible fixed assets

	Plant and machinery including motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost			
As at 1 April 2017	38,036	48,589	86,625
Additions	615	-	615
As at 31 March 2018	<u>38,651</u>	<u>48,589</u>	<u>87,240</u>
Depreciation			
As at 1 April 2017	23,998	44,510	68,508
Charge for the year	685	3,896	4,581
As at 31 March 2018	<u>24,683</u>	<u>48,406</u>	<u>73,089</u>
Net book value			
As at 31 March 2018	<u>13,968</u>	<u>183</u>	<u>14,151</u>
As at 31 March 2017	<u>14,038</u>	<u>4,079</u>	<u>18,117</u>

12 Investments held as fixed assets

	Listed investments £
Market value	
As at 1 April 2017	101,538
Revaluation	8,642
Additions	99,849
As at 31 March 2018	<u>210,029</u>
Net book value	
As at 31 March 2018	<u>210,029</u>
As at 31 March 2017	<u>101,538</u>

All investment assets were held in the UK.

Listed investments

Investments having a net book value of £210,029 (2017 - £101,538) are listed on a recognised stock exchange and had a market value of £nil at the end of the year (2017 - £nil).

Watchtree Nature Reserve Limited

Notes to the Financial Statements for the Year Ended 31 March 2018

..... continued

13 Debtors

	2018 £	2017 <i>as restated</i> £
Trade debtors	42	423
Other debtors	5,640	661
	<u>5,682</u>	<u>1,084</u>

14 Creditors: Amounts falling due within one year

	2018 £	2017 <i>as restated</i> £
Trade creditors	-	335
Other creditors	-	1,575
Accruals and deferred income	1,900	900
	<u>1,900</u>	<u>2,810</u>

15 Members' liability

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

16 Pension scheme

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £2,252 (2017 - £nil).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Watchtree Nature Reserve Limited
Notes to the Financial Statements for the Year Ended 31 March 2018

..... continued

17 Related parties

Controlling entity

The charity is controlled by the trustees who are all directors of the company.

18 Analysis of funds

	At 1 April 2017 as restated	Incoming resources	Resources expended	Other recognised gains/losses	At 31 March 2018
	£	£	£	£	£
General Funds					
General unrestricted funds	398,117	122,827	(121,798)	8,642	407,788
Restricted Funds					
Trail Project	3,200	93,989	(40,005)	-	57,184
Signage Project	-	2,000	(1,946)	-	54
	3,200	95,989	(41,951)	-	57,238
	<u>401,317</u>	<u>218,816</u>	<u>(163,749)</u>	<u>8,642</u>	<u>465,026</u>

Trail Project: The fund is being used to re-surface existing multi-use trails to improve the recreation Watchtree Nature Reserve offers to the community making it accessible to all.

Signage: This was a grant received to update the signage within the Nature Reserve.

19 Net assets by fund

	Unrestricted Funds	Restricted Funds	Total Funds 2018	Total Funds 2017 as restated
	£	£	£	£
Tangible assets	14,151	-	14,151	18,117
Investments	210,029	-	210,029	101,538
Current assets	185,508	57,238	242,746	284,472
Creditors: Amounts falling due within one year	(1,900)	-	(1,900)	(2,810)
Net assets	<u>407,788</u>	<u>57,238</u>	<u>465,026</u>	<u>401,317</u>