

**East Devon Pebblebed Heaths Conservation Trust
Company Limited by Guarantee**

Annual Report

Year Ended 31 March 2019

**Company Registration Number 5413877
Charity Number 1109514**

East Devon Pebblebed Heaths Conservation Trust Company Limited by Guarantee

Financial Statements

Year Ended 31 March 2019

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East Devon Pebblebed Heaths Conservation Trust Company Limited by Guarantee

Trustees Annual Report (Incorporating the Directors' Report for the Purposes of S415 Companies Act 2006)

Year Ended 31 March 2019

The Trustees present their Report and Financial Statements for the year ended 31 March 2019. They are satisfied that the Financial Statements comply with the requirements of the Charities Act 2011, the governing document as described below 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 2015) – (Charities SORP (FRS 102)).

Objectives and Activities

The objects of the charitable company are to promote, for the benefit of the public, the conservation, protection and improvement of the physical and natural environment within the area of the East Devon Pebblebed Heaths and the Otter Estuary. Our vision is for the Pebblebed Heaths and the Otter Estuary to be places whose special qualities and rich history are understood by all, places where rare species can flourish, and where society's ever changing needs for recreation, health and learning can be fulfilled.

In planning our activity, the Trustees kept in mind the Charity Commission guidance on public benefit.

The East Devon Pebblebed Heaths and the site of special scientific interest along the River Otter Estuary are managed by the charitable company to provide public access for walking, rambling and other controlled purposes, public education, and conservation of the land for the benefit of future generations. As part of this work, the charitable company arranges:

- Public education through website content, books, information boards and leaflets about the area, the Countryside Learning Project and public meetings with the heathland wardens, the conservation manager and the education officer.
- Protection, monitoring and enhancement of wildlife habitats on the heathlands and estuary.

The primary aim of practical conservation work at both sites is to deliver 'Favourable Condition Status' (as defined by Natural England), with each site quinquennially assessed against key conservation criteria including habitat quality and population numbers of key wildlife groups. On the East Devon Pebblebed Heaths, practical conservation work is guided by a ten-year management plan approved by Natural England, with visitor management guided by a visitor management plan.

Achievements and Performance

The principal activity of the Charitable Trust for the year ended 31st March 2019 was the day to day maintenance, conservation and improvement of the East Devon Pebblebed Heaths Site of Special Scientific Interest (SSSI) and the River Otter Estuary SSSI. The work was contracted out to the charitable company's wholly owned subsidiary, East Devon Heaths Land Management Company Limited, which received partial funding from the Natural England Higher Level Environmental Scheme (HLS).

Works of particular note during the year included:

Conservation, Management and Grazing

As in previous years, our conservation work during the reporting period has focused on addressing outstanding issues related to those areas not yet viewed as being in a favourable condition. Unfavourable status largely relates to the significant size of even-aged heathland and the presence of too much scrub.

During February 2019, the weather allowed swailing to be undertaken on two days. The team made the most of the opportunity to focus on breaking up even aged stands of heath and creating pioneer habitats on East Budleigh common, in some cases adjacent to sections burnt five years ago. Five small swails (less than 0.5ha each) totalling 1.8ha were undertaken in this area with an additional small burn on Woodbury common.

Scrub management during the winter period targeted Hawkerland west, Colaton Raleigh alongside

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the B3180 and at the castle, Woodbury, west of the B3180 and near Uphams, and on East Budleigh common. In total 4.5ha of scrub and trees were removed. This was a combination of birch encroachment and pine regeneration. During summer 2018 Bicton Common was grazed with up to 21 ponies and 26 cattle (110ha). In addition, the lower three grazing loops on Colaton Raleigh Common were grazed with 28 cattle (77ha). Dalditch Plantation was not grazed. The biggest change this year was the introduction of grazing to the entire area of Hawkerland common following the completion of the fencing and cattle grids with 33 cows including followers grazing this area (73ha) from July until October.

Firebreaks have been maintained across the Commons. This comprised the mowing of an estimated length of breaks in excess of 60 kilometres. A small number of minor wild fires occurred during the spring of 2018. These were addressed by the fire service. Due to the unusually dry and hot conditions we operated under high fire risk for extended periods during the summer, placing warning signs in the car parks and not allowing the licenced model aircraft club to fly during this time.

Management of Heritage Features

The Countryside Stewardship agreement provided funds for a project to remove Woodbury Castle hillfort scheduled monument off the Heritage at Risk Register. The main works were completed in 17/18 but additional tree management and grass seeding has taken place during 18/19. New interpretation boards have also now been installed.

In addition, scrub removal was carried out on the scheduled barrows at Four Firs and a new volunteer group has been set up to monitor the scheduled and non-scheduled heritage features across the heaths with support from Historic England and Devon County Council Historic Environment Team.

Invasive Species Control

During 2018, clearance activities of balsam and other invasive species have been undertaken across Clinton Devon Estate land, often in partnership with other groups including the Otter Valley Association. The strategy remains driving Himalayan balsam down from the tributaries before tackling the main river valley. Himalayan balsam is not found on the heaths but remains adjacent to them.

There are several scattered populations of *Crococsmia* on East Budleigh and Bicton Commons. These continue to be targeted in the spraying programme. Buddleia remains a problem on East Budleigh Common where disturbance during WW2 building Dalditch Camp and significant inputs of lime have created ideal conditions for its growth. Removal of rhododendron was carried out on Colaton Raleigh common near to the Warren but there are a small number of scattered plants still to remove. There is a patch of three-cornered leek at the roadside on Hawkerland that requires treatment.

Ecological Monitoring

Dartford Warbler - The cold wet winter and two heavy late falls of snow and freezing rain adversely affected the Dartford warbler population with a total within the SSSI of only 25 singing males recorded. This is down from last year's figure of 100 males, with a further five known from outside the SSSI boundary. The ringing study of this species undertaken by members of the British Trust for Ornithology (BTO) Ringing Group continues.

Nightjar - Monitoring encompassed the entire SSSI and surrounding suitable sites. Numbers remain stable on the SSSI, with 77 churring males recorded. This exceeds the favourable condition target of 62 pairs. This annual monitoring represents a significant citizen science and partnership programme with over 20 volunteers and three organisations involved.

Southern Damselfly - Maximum counts (three sites). Venn Ottery re-introduction 27; Aylesbeare 163 and Colaton Raleigh 6 (males). The numbers on Colaton Raleigh are still low enough to be a cause for concern. This site is being monitored closely. The chemistry parameters do not appear to be the problem. Adjustments to grazing were trialled during 2017 and 2018. Numbers across the site exceed the favourable condition target

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Year Ended 31 March 2019

which is that the total population must not fall below 80 - for four successive years, with evidence of breeding from all sites.

Silver Studded blue butterfly - A standout year with 738 recorded compared to only 367 in 2017. The long hot dry spell from June to August resulted in excellent numbers of Silver Studded blues being seen in the usual places, places where they haven't been seen for years and in new sites. A heavy rainstorm on 1st July probably shortened the flight season. An additional butterfly transect is carried out on Bicton common. The total number of butterflies seen this year was the highest recorded as were the total number of species since recording began in 2000.

Bats - Bats are monitored in the military buildings by the Devon Bat Group. Great and Lesser Horseshoe and Long eared are present. Populations remain stable. The Trust is planning to provide additional support for these populations through the creation of a new bat hibernaculum on the site of Blackhill Quarry.

Other species of interest - Hen harrier roosted at the traditional site on Colaton Raleigh over the winter 18/19. One individual (likely juvenile male) was recorded for a significant period. Curlew, none recorded. Stonechat, numbers adversely affected by cold weather. Reptile sheets monitored every 2 weeks from March – October. Numbers stable. Dragonfly transect on Bicton. The difference between the grazed and ungrazed M25 valley mire continues to be marked with more Keeled Skimmers in the grazed section. The grazed section has a wider shallower stream with many poached areas resulting in small pools alongside the main stream, whereas the un-grazed section is dominated by Molinia tussocks with very little open water. The total number of Odonata recorded has increased yet again, as had the number of species recorded.

Recreational Management

Visitor management remains a key challenge with the site already receiving in excess of 400,000 visits/year. Funding overseen by the South East Devon Habitat Regulations Partnership (SEDHRP) is available to implement the recommendations of the Visitor Management Plan for the Pebblebed Heaths that has been in place since 2016. This document identifies the risks to the Heaths from increased recreational pressure over the coming decade and identifies costs and provides funding to implement measures to mitigate these.

Two Mitigation Wardens employed by the SEDHRP have been working across the Pebblebed Heaths since November 2016. From April 2018 to February 2019 they had over 230 interactions with the public on site concerning dog fouling, dogs on leads and disturbance of wildlife. The partnership has also set up a scheme to engage with dog walkers, Devon Loves Dogs. The support provided by the SEDHRP team has increased opportunities to engage with visitors to the heaths, the aim being to increase awareness of the sites importance and to educate on responsible enjoyment of the commons. The approach is of positive engagement.

Visitor Infrastructure

A priority list of repairs required on trails to minimise the impact of visitors on designated features is being worked through following an audit in 2017. Funded by SEDHRP, the first phase of repairs on Colaton Raleigh next to the mire are already working well.

One additional dog bin was installed near to Frying pans car park following the closure of the car park on Lypstone. All planned bins are now in place across the site and being emptied three times per week. Over the last year approx. 40 tonnes of dog waste was collected from these bins.

We are currently pulling together a long-term strategy for car parks across the Pebblebed Heaths. This is tied in to a project focusing on mapping and trail creation. This will allow us to identify which car parks we should encourage people to use and those where use should be discouraged. We know that almost all visitors to the heath arrive by car so being more strategic about how we manage parking should allow us to influence where

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Year Ended 31 March 2019

people chose to go and provide us with points of contact to focus our work regarding behaviour change and education.

Updated interpretation boards are required across the site. These will form part of the car park strategy implementation.

The new trails and accompanying maps are being developed to encourage responsible access to the heaths. These will allow us to direct people away from the most sensitive areas. These have been on hold while we work on the car park strategy; they are due for completion during 2019. Maintenance has been on-going of all barriers across the SSSI. Tree safety management has been carried out as required, particularly at roadside, at Stowford and on Woodbury Castle.

Education

Between May 2018 and April 2019, Conservation Trust staff hosted educational visits to the heaths for 80 pupils from local primary schools. In addition 176 pupils studying A-levels at Kings School and Exeter College also came to undertake fieldwork and received a site introduction from our staff. We led a further four visits for Scout and Guide groups from the area (60 youngsters) who joined in with conservation tasks such as scrub management, seed planting and litter picks. In 2019 we will trial blocking heath visits together over one week to see if this model reduces staff workload.

Public Engagement

The Pebblebed Dog, Horse and Bike codes of conduct have been developed and are being promoted on and off site. Posters, postcards and promotional material have been created. We have been holding monthly guided dog walks with Devon Loves Dogs and held our Dog Code campaign week in March. We thanked people for walking their dog responsibly and asking them to pledge to follow the Code. During this week we engaged with over 200 people.

Heath Week and Other Festivals

In 2018 Heath Week festival was hosted at the end of July by the Conservation Trust, the RSPB, East Devon District Council and the Devon Wildlife Trust. The main Festival Day was unfortunately cancelled due to very high winds but the rest of the week enjoyed favourable weather and was very successful. Pebblebed staff gave talks and led walks about wildlife and heritage. We facilitated other partners to raise awareness such as the Jurassic Coast Trust, East Devon Ramblers and Otter Valley Association. We supported a number of joint events to promoting ecology, history and recreational importance of the heaths and how it is managed.

Friends of the Commons

In the early part of the period, GDPR had an impact on our Friends of the Commons mailing list when subscribers had to actively re-opt in. We lost nearly 600 contacts and our current subscribers total 437. Our annual forum was over-subscribed and the format of annual update followed by short presentations from Devon Loves Dogs, Royal Marines etc proved very popular with attendees.

The Friends of the Commons practical volunteer work parties meet on alternate Wednesdays with 10-12 volunteers attending regularly from a pool of 40+. We have been joined by students from Bickton College who add a youthful dimension to our all age workforce. Winter work mainly consisted of scrub clearance and the bulk of the summer work focussed on Himalayan balsam clearance on waterbodies and woodland close to the SSSI. Some volunteers took up additional opportunities to be involved with hedge-laying on the home farm and hedge planting on the Beer Estate. We also provided training for volunteers to help with bee and wasp surveying. We continue to extend this provision as well as include other opportunities linked to visitor engagement and archaeological monitoring.

Website Communications

We are putting time into building our online presence. We are regularly posting on Facebook and have over 440 followers. The new pebblebedheaths.org.uk website is now live and we continue to add content and promote its use.

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Year Ended 31 March 2019

Media

From April 2018 to March 2019, there were 35 local media mentions of the Pebblebed Heaths and five of the Otter Estuary. Pebblebed Heaths stories have included: The launch of the Pebblebed Horse, Dog and Bikes Codes; the reintroduction of the Ruby Red Devons; the anniversary of Devon Loves Dogs; Heath Week; University of Exeter's research into the health and wellbeing value of the Heaths; the restoration of Woodbury Castle.

Research

As part of our drive to ensure management is evidence-based, since the summer of 2014 data has been collected as part of a research project with Plymouth University to quantify grazing benefits.

Dr Carolyn Petersen has concluded her project funded by NERC 'Understanding and quantifying the health and wellbeing value of the East Devon Pebblebed Heaths: exploring the potential of partnerships involving private sector organisations'. The economic health value has been calculated as £446,000 per annum with the travel cost method indicating that visitors spend £1.9 million annually to visit the heaths.

Site Visits and Sharing Best Practice

During the year the Conservation Trust hosted the Countryside Management Association SW Ranger Forum, the Eastern Moors Partnership and a grazing workshop as part of the 'Graze the Moor' project in Molland. We are scheduled to host a visit as part of the European Heathland Network conference later this year.

External Events

There were 22 externally organised events which have requested permission to use the Pebblebed Heaths during the reporting period. Time is being put into publicising the fact that permission is required for all events as there is still a lack of awareness. We now have an events calendar on the website that shows external events as well as our own events.

Licensing Organised and Commercial Activities

Businesses and groups known to be operating on the heaths are licenced to ensure that they operate in line with our conservation objectives. A significant effort has been made to ensure all that require a licence are approached. A particular effort has gone in to talking to commercial dog walkers and building a positive relationship with them.

Ministry of Defence

All of the 750 recruits that pass through Lymington each year are given a lecture on the conservation and cultural significance of the Pebblebed Heaths SSSI prior to training.

Their live firing range on Colaton Raleigh Common is currently undergoing refurbishment to enable it to come back in to use in 2019. During 2018 they carried out repairs to the Endurance Course tunnels. The requested study regarding the impact of the endurance course on the mires is still outstanding.

Illegal Activity

Illegal activity has taken place throughout the reporting period on an irregular basis, with occasional motorbike and four-wheel drive issues and fly-tipping. As part of the car park strategy, measures will be identified to deter antisocial behaviour.

Otter Estuary

Work continued during the winter period to further improve the quality of habitats in the Otter Meadows grazing marsh by expanding existing scrapes to support waders. A video of this work has been produced. Research by members of the BTO continues through the reedbed netting and ringing programme.

Lower Otter Restoration Project

In partnership with the Environment Agency (EA), work has continued in developing the Lower Otter

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Year Ended 31 March 2019

Restoration Project (LORP) with work in the reporting period focusing on hydraulic modelling and environmental surveys.

The EA are supporting the project as LORP is the delivery vehicle for their Exe Estuary Habitat Delivery Project. Flood defence schemes in the Exe have been carried out at Dawlish Warren, Starcross and Cockwood, or are about to be constructed (Exmouth Tidal Defence Scheme) on the basis that the LORP can provide at least 18ha of compensatory mudflat habitat. Exmouth's Tidal Defence Scheme (TDS) will protect 1400 residential properties and 400 commercial properties, contributing to the national target to protect an additional 300,000 homes protected by 2021. The Exmouth TDS is part of the EA's National Priority Programme.

Based on modelling work almost all of the currently embanked hinterland in the Lower Otter would become flooded during the larger spring tides. This would restore up to around 53 ha of coastal wetland. The majority of this area (60%, or around 30 ha) would become low elevation saltmarsh habitat which would, depending on the detail of the design, include a range of creeks, channels, small tidal lagoons, scrapes and island features. Around 40% of this area (or around 23 ha, mainly to the south and east of the site) would be flooded on every tide (even the smaller neaps) and this would become mudflat. Small areas of infrequently inundated upper saltmarsh and terrestrial habitats would also be found in the project area.

The lower marsh and mudflat areas will provide suitable supporting habitats for target bird species such as Dark-bellied Brent Goose, Dunlin, Grey Plover and Black-tailed Godwit. It is likely that the site would also provide suitable conditions for a range of other waterbird species including Wigeon, Lapwing and Whimbrel, which are interest features of the Exe Estuary Ramsar Site, and other species from the Exe Estuary assemblage.

Between September and March 2019 the embankment was closed due to flood erosion. The flood defence was within one tidal cycle of being catastrophically breached. The Environment Agency have repaired the erosion. This incident further highlights the need for the project to adapt the lower Otter valley to climate change.

Financial Review

The charitable company raised £364,361 of income during the year (2018: £210,298). Income received during the year relating to restricted funds was £126,587, of which £60,000 related to Lower Otter Restoration Project. Unrestricted income received during the year was £237,774, of which £180,711 was a Gift Aid receipt from the charitable company's subsidiary.

Details of resources expended during the year can be found in note 6.

The statement of financial activities shows total net income of £154,201 for the year (2018: £18,079). This net income includes a net gain on investments of £39,200 (2018: net loss of £10,263).

The balance sheet shows total funds of £1,575,913 (2018: £1,421,712).

Reserves Policy

The Trustees and the officers responsible for day-to-day operations continually monitor the level of free reserves (unrestricted income funds including fixed asset investments which are held to provide on-going income) of the charitable company, and ensure that they are sufficient to meet the payment obligations of the charitable company as they fall due. At 31 March 2019, the charitable company had free reserves of £1,538,670 (unrestricted income funds per note 14 excluding tangible fixed assets).

The Trustees have plans to use these funds in pursuit of the charitable company's objects and are satisfied that they are sufficient to meet its financial obligations. Planned works over the coming decade include the delivery of the ten-year Ecological Management Plan of the East Devon Pebblebed Heaths, including delivery of a vehicle succession strategy, the implementation of the Visitor Management Plan of the East Devon

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Year Ended 31 March 2019

Pebblebed Heaths, and improving the extent and quality of the intertidal habitats and access facilities of the Otter Estuary, including through the delivery of the Lower Otter Restoration Project.

Investments

The investments held by the charity were acquired in accordance with the powers granted to the Trustees in the Settlement Deed and are managed on a discretionary basis by a firm of professional stockbrokers. The performance of investments is reviewed by the Trustees on an annual basis.

Principal Risks and Uncertainties

The Trustees identify and review from time to time the risks to which the Trust is materially exposed and the action to be taken to mitigate them. Presently, they are seen as:

- a lack of funds adequate to support the Trust's activities
- a lack of public support to enable the planned restoration and education projects to go ahead

In respect of the former, Trustees raise as much money as they are able and have in place safeguards to ensure they do not commit funds in excess of those available.

In respect of the latter the Trust operates a proactive policy of public engagement through its website, social media and consultation with community groups when considering new projects and ensures that relevant and appropriate surveys and applications for permission are received before a project is started. One of the greatest challenges the Trust faces is securing income streams post Brexit which will require diversifying income streams so there is less reliance on agri-environment schemes. To address this, the Trust is working on developing a Fund Raising Strategy, in addition to seeking to secure existing agri-environment scheme opportunities whilst such sources of income last. Public support is being specifically addressed through constant updating of the website, the creation of a Friends of the Commons group (now with 400+ members), and delivering annual education and engagement programmes.

Plans for Future Periods

The Trustees are committed to building on the achievements of the year in future periods.

Structure, Governance and Management

East Devon Pebblebed Heaths Conservation Trust was incorporated on 5 April 2005 as a charitable company limited by guarantee, registered in England and Wales, number 5413877, and governed under a Memorandum and Articles of Association. It has the registered charity number 1109514.

The Trustees confirm that the financial statements comply with current statutory requirements, with the requirements of the charitable company's governing document and the recommendations of the Statement of Recommended Practice issued in January 2015.

The principal address of the charitable company is Rolle Estate Office, Bicton Arena, East Budleigh, Budleigh Salterton, Devon, EX9 7BL.

Governance

The four subscribers to the Memorandum and Articles of Association were the initial Members and Trustees. Further Members are appointed at the discretion of the Trustees and further Trustees may be elected at Annual General Meetings of the Members. Further Trustees may also be co-opted by the Trustees at any time, but co-opted Trustees hold office only until the next Annual General Meeting. A minimum of 3 and a maximum of 10 Trustees are required.

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Year Ended 31 March 2019

A newly appointed Trustee will be asked to meet the Conservation Manager and operational staff of the Land Management Company and employees of Clinton Devon Estates finance and property departments responsible for the Conservation Trust's administration. The Trustee will also be given the following documents; Heaths Management Plan, Health and Safety Protocol and latest Annual Report. The Trustee will also be given a summary of the responsibilities attached to the position as defined by The Charities Commission and Company Law.

The Members and Trustees meet at an Annual General Meeting. They also meet periodically throughout the year as required to receive and review reports on management matters and financial status.

The day to day operation of the charitable company is undertaken by officers of Clinton Devon Estates and a management charge is paid for this. The responsibilities of the officers include property, financial and general administrative duties for the charitable company. The management charge for the year ended 31 March 2019 is disclosed in note 15.

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Report for the Purposes of S415 Companies Act 2006) *(continued)*

Year Ended 31 March 2019

Reference and Administrative details

Registered charity name East Devon Pebblebed Heaths Conservation Trust

Charity number 1109514

Company registration number 5413877

Registered office Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

Trustees The Rt Hon Lord Clinton
Mr M T Chamberlayne LVO *(resigned 27/06/2018)*
Mr D J R Robinson
Mr J C Varley OBE TD
Mr P J Gotham
Mr A C J Cooper
Mr M Williams MBE
Mr A R H Swash *(resigned 25/06/2018)*
Mr N G H Manns *(appointed 27/06/2018)*

Secretary Mr D J R Robinson

Accountants Francis Clark LLP
Chartered Accountants
Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

Solicitors Forsters LLP
31 Hill Street
London
W1J 5LS

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Year Ended 31 March 2019

Responsibilities of the Trustees

The Trustees (who are also the directors of East Devon Pebblebed Heaths Conservation Trust for the purposes of company law) are responsible for preparing the Trustees Annual Report (incorporating the Directors' Report for the purposes of s415 Companies Act 2006) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity Trustees to prepare financial statements for each 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 the income and expenditure, of the charity for that period. In preparing the 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;
- 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 charity and to 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed on behalf of the Trustees

.....

J C Varley OBE TD

Date: 2 July 2019

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Independent Examiner's Report to the Trustees

Year Ended 31 March 2019

I report to the charity Trustees on my examination of the accounts of the Company for the year ended 31 March 2019.

Responsibilities and basis of report

As the charity's Trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Stephanie Henshaw FCA
Francis Clark LLP
Centenary House
Peninsula Park
Rydon Lane
Exeter, EX2 7XE

10 July 2019

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Statement of Financial Activities (incorporating the income & expenditure account)

Year Ended 31 March 2019

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Income:					
Donations and Legacies	3	195,076	103,186	298,262	125,450
Income from Charitable Activities	4	72	23,401	23,473	46,616
Income from Investments	5	42,626	-	42,626	38,232
Total Income		237,774	126,587	364,361	210,298
Expenditure:					
Charitable Activities	6	130,216	119,144	249,360	181,956
Total Expenditure		130,216	119,144	249,360	181,956
Net Gains/(Losses) on Investments	9	39,200	-	39,200	(10,263)
Net Income/(Expenditure) and Net Movement in Funds		146,758	7,443	154,201	18,079
Reconciliation of Funds:					
Total Funds Brought Forward	13	1,391,912	29,800	1,421,712	1,403,633
Total Funds Carried Forward	13	1,538,670	37,243	1,575,913	1,421,712

The notes on pages 14 to 23 form part of these financial statements

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Company Registration Number 5413877

Balance Sheet

Year Ended 31 March 2019

	Note	2019 £	2018 £
Fixed Assets			
Tangible assets	8	33,973	29,963
Investments	9	1,470,892	1,288,136
		<u>1,504,865</u>	<u>1,318,099</u>
Current Assets			
Stocks	10	740	780
Debtors	11	23,461	20,312
Cash at bank		55,367	109,393
		<u>79,568</u>	<u>130,485</u>
Liabilities			
Creditors: Amounts falling due within one year	12	(8,520)	(26,872)
		<u>71,048</u>	<u>103,613</u>
Net Current Assets		<u>71,048</u>	<u>103,613</u>
Net Assets		<u>1,575,913</u>	<u>1,421,712</u>
The Funds of the Charity:			
Unrestricted Funds	13	1,538,670	1,391,912
Restricted Funds	13	37,243	29,800
Total Funds		<u>1,575,913</u>	<u>1,421,712</u>

For the financial year ending 31 March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2016 relating to small companies.

The members have not required the company to obtain an audit in accordance with Section 476 of the Companies Act 2006.

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

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

The financial statements on pages 12 to 23 were approved by the Trustees on 2 July 2019 and signed on their behalf by:-

P J Gotham

J C Varley OBE TD

The notes on pages 14 to 23 form part of these financial statements

East Devon Pebblebed Heaths Conservation Trust Company Limited by Guarantee

Notes to the financial statements

Year Ended 31 March 2019

1) General information

East Devon Pebblebed Heaths Conservation Trust is a company limited by guarantee and therefore has no share capital. Under the Memorandum of Association, each member is required, in the event of a dissolution of the company while they are a member or within 12 months afterwards, to contribute up to £1 toward the company's liabilities and dissolution costs.

The charity was incorporated in England and Wales and details of the registered office can be found in the reference and administrative section of the Trustees report.

The charity meets the definition of a public benefit entity under FRS 102.

The functional currency of East Devon Pebblebed Heaths Conservation Trust is considered to be pounds sterling because it is the currency of the primary economic environment in which the charitable company operates.

2) Accounting policies

(a) Basis of accounting

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 Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. As noted above, in respect of gift aid alone the provisions of the Triennial Review 2017 have been applied.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements have been prepared on a going concern basis and the Trustees are not aware of any material uncertainties that would cast doubt on the charity's ability to continue as a going concern.

(b) Consolidation

In the opinion of the members of the committee, the charity and its subsidiary undertakings comprise a small group. The charity is not required to prepare group accounts under the SORP and has chosen not to take up the option under Section 398 of the Companies Act 2006 to prepare group accounts.

The accounts present information about the charitable company as an individual undertaking and not about its group. Note 9 provides adequate details relating to the nature of the trading subsidiary.

(c) Cash flow statement

The Trustees have taken advantage of the exemption in FRS 102 from including a cash flow statement in the financial statements on the grounds that the charity is small.

(d) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charitable company is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Grant income is recognised in the accounts when the qualifying conditions for the grant have been satisfied and there is reasonable certainty that the funding will be received.
- Income from donations is recognised on receipt.
- Donations received for specific purposes are identified as restricted funds income. Other grants and donations are identified as unrestricted funds

East Devon Pebblebed Heaths Conservation Trust Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year Ended 31 March 2019

2) Accounting policies (continued)

(e) Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charitable company, including costs linked to strategic management.

(f) Investment

Investments include the investment in the wholly owned subsidiary company, East Devon Heaths Land Management Company Limited, which is stated at cost. Investments also include stock market investments, which are carried at fair value. Gains or losses on disposals and changes in fair value are credited or charged in the Statement of Financial Activities. Dividends and interest receivable are shown in the Statement of Financial Activities.

All fixed assets are initially recorded at cost.

(g) Depreciation

Depreciation is calculated so as to write off the cost of a fixed asset, less its estimated residual value, on a straight line basis over the estimated useful economic life of that asset, at the following rates:

Buildings	-	10% and 20%
Equipment	-	20% to 50%

(h) Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

(i) Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

(j) Financial instruments

Financial assets and liabilities are recognised/(derecognised) when the charity becomes/(ceases to become) party to the contractual provisions of the instrument. The charity holds the following financial assets and liabilities:

- Equity investments are measured at fair value with movements being recognised in income and expenditure.
- Short term debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price and carried thereafter at amortised cost.

East Devon Pebblebed Heaths Conservation Trust Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year Ended 31 March 2019

3) Donations and Legacies

	2019 £	2018 £
Donations	117,551	9,376
Gift aid receipts from subsidiary	180,711	116,074
	<u>298,262</u>	<u>125,450</u>

The income from donations and legacies was £298,262 (2018: £125,450) of which £195,076 was unrestricted (2018: £125,450) and £103,186 restricted (2018: £nil).

4) Income from Charitable Activities

	2019 £	2018 £
Grants and contracts	23,401	44,207
Prospectus book and leaflet sales	35	110
Sundry receipts	37	2,299
	<u>23,473</u>	<u>46,616</u>

The income from charitable activities was £23,473 (2018: £46,616) of which £72 was unrestricted (2018: £2,558) and £23,401 restricted (2018: £44,058).

5) Investment income

	2019 £	2018 £
Income from:		
UK Investments listed on a recognised Stock Exchange	42,055	38,001
Cash held as part of the investment portfolio	571	231
	<u>42,626</u>	<u>38,232</u>

All investment income received in 2019 and 2018 represents unrestricted funds.

East Devon Pebblebed Heaths Conservation Trust Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year Ended 31 March 2019

6) Resources Expended: Charitable Activities

	Unrestricted Funds	Restricted Funds	Total Funds 2019	Total Funds 2018
	£	£	£	£
Repairs and maintenance	71,000	-	71,000	25,269
Depreciation of equipment	3,337	-	3,337	4,457
Prospectus book costs (net of stock)	40	-	40	110
Public interpretation	19,317	-	19,317	40,819
Lower Otter Restoration	6,265	60,000	66,265	37,320
Countryside learning	4,840	15,000	19,840	19,491
Habitat mitigation works	-	8,635	8,635	8,975
Woodbury Castle Steps	-	7,323	7,323	7,413
Hawkerland Cattle Grid	-	28,186	28,186	-
Insurance	180	-	180	180
Bad debts	-	-	-	37
Bank charges	172	-	172	60
Other administrative expenses	4,030	-	4,030	4,117
Management charge rebate	(12,531)	-	(12,531)	-
Governance costs				
Management	29,750	-	29,750	30,000
Independent examination	726	-	726	618
Accountancy	3,090	-	3,090	3,090
	<u>130,216</u>	<u>119,144</u>	<u>249,360</u>	<u>181,956</u>

The expenditure from charitable activities was £249,360 (2018: £181,956) of which £130,216 was unrestricted (2018: £154,782) and £119,144 restricted (2018: £27,174).

7) Staff Costs and Emoluments

During the year, the company paid salary, employers NI and pension contribution costs totalling £17,673 (2018: £16,029) for an Education Officer working within the Countryside Learning project. These costs are being funded by donations received from the Ernest Cook Trust and other donations.

The Trustees received no remuneration or reimbursement of expenses within the year.

Key management of the charity is considered to be the Trustees only.

No staff members were paid over £60,000.

East Devon Pebblebed Heaths Conservation Trust Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year Ended 31 March 2019

8) Tangible fixed assets

	Short leasehold improvements £	Equipment £	Total £
Cost			
At 1 April 2018	58,606	48,753	107,359
Additions	-	14,670	14,670
At 31 March 2019	<u>58,606</u>	<u>63,423</u>	<u>122,029</u>
Depreciation			
At 1 April 2018	29,316	48,080	77,396
Charge for the year	7,323	3,337	10,660
At 31 March 2019	<u>36,639</u>	<u>51,417</u>	<u>88,056</u>
Net book value			
At 31 March 2019	<u>21,967</u>	<u>12,006</u>	<u>33,973</u>
At 31 March 2018	<u>29,290</u>	<u>673</u>	<u>29,963</u>

9) Investments

Investment in Subsidiary

	2019 £	2018 £
Cost at 1 April 2018 and 31 March 2019	<u>100</u>	<u>100</u>

The investment comprises 100% of the ordinary share capital (equity) of East Devon Heaths Land Management Company Limited, a company incorporated in England and Wales. The registered office of this company is the same as the registered office of the Trust which can be found in the reference and administrative section of the Trustees report.

East Devon Heaths Land Management Company Limited is contracted by the charitable company to undertake the physical management of the East Devon Pebblebed Heaths and Otter Estuary land.

As at 31 March 2019, East Devon Heaths Land Management Company Limited had assets of £305,823 (2018: £473,236), liabilities of £99,852 (2018: £282,406) and capital and reserves of £205,971 (2018: £190,830). Its total turnover and other income for the year ended 31 March 2019 was £460,347 (2018: £653,520), expenditure was £263,095 (2018: £613,196) and its profit for the year was £16,541 (2018: £40,324).

The profit for the year ended 31 March 2019 was stated before charging company gift aid donations totalling £180,711 (2018: £116,074) to East Devon Pebblebed Heaths Charitable Trust, which were included in expenditure.

East Devon Pebblebed Heaths Conservation Trust Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year Ended 31 March 2019

9) Investments (continued)

Stock Market Portfolio

	2019 £	2018 £
UK investments listed on a recognised stock exchange:		
900,000 Sarasin Endowments Fund Class A	931,500	903,600
100,000 Sarasin Income and Reserves Fund Class A	109,900	109,300
75,000 Sarasin Global Higher Dividend	117,150	110,550
100,000 Sarasin Global Dividend	126,900	122,800
Cash held as part of the investment portfolio	185,342	41,786
Total investments at 31 March 2019	<u>1,470,792</u>	<u>1,288,036</u>
Reconciliation		
Market value at 1 April 2018	1,288,036	1,259,985
Additions	-	182,673
Disposals	-	(182,740)
Net gain/(loss) on investments	39,200	(10,263)
Increase/(decrease) in cash held as part of the investment portfolio	143,556	38,381
Investment management fees	-	-
Market value at 31 March 2019	<u>1,470,792</u>	<u>1,288,036</u>

East Devon Pebblebed Heaths Conservation Trust Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year Ended 31 March 2019

10) Stock

	2019	2018
	£	£
Stock of prospectus books	740	780
	<u>740</u>	<u>780</u>
	<u><u>740</u></u>	<u><u>780</u></u>

11) Debtors

	2019	2018
	£	£
Other debtors	23,461	20,312
	<u>23,461</u>	<u>20,312</u>
	<u><u>23,461</u></u>	<u><u>20,312</u></u>

12) Creditors: Amounts falling due within one year

	2019	2018
	£	£
Other creditors	291	1,408
Accruals	8,229	6,915
Amounts due to subsidiary undertaking	-	18,549
	<u>8,520</u>	<u>26,872</u>
	<u><u>8,520</u></u>	<u><u>26,872</u></u>

East Devon Pebblebed Heaths Conservation Trust Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year Ended 31 March 2019

13) Funds

	At 31 Mar 2018 £	Incoming resources £	Outgoing resources £	Transfer/ gains & (losses) £	At 31 Mar 2019 £
Restricted Income Funds:					
Habitat Mitigation Grant	-	23,401	(8,635)	-	14,766
Woodbury Castle Steps Grant	29,800	-	(7,323)	-	22,477
Countryside Learning	-	15,000	(15,000)	-	-
Lower Otter Restoration Project	-	60,000	(60,000)	-	-
Hawkerland Cattle Grids	-	28,186	(28,186)	-	-
	<u>29,800</u>	<u>126,587</u>	<u>(119,144)</u>	<u>-</u>	<u>37,243</u>
Unrestricted Income Funds:					
General Funds	1,391,912	237,774	(130,216)	39,200	1,538,670
	<u>1,391,912</u>	<u>237,774</u>	<u>(130,216)</u>	<u>39,200</u>	<u>1,538,670</u>
Total Funds	<u>1,421,712</u>	<u>364,361</u>	<u>(249,360)</u>	<u>39,200</u>	<u>1,575,913</u>

	At 31 Mar 2017 £	Incoming resources £	Outgoing resources £	Transfer/ gains & (losses) £	At 31 Mar 2018 £
Restricted Income Funds:					
Habitat Mitigation Grant	-	6,994	(6,994)	-	-
Woodbury Castle Steps Grant	-	37,213	(7,413)	-	29,800
Countryside Learning	12,767	-	(12,767)	-	-
	<u>12,767</u>	<u>44,207</u>	<u>(27,174)</u>	<u>-</u>	<u>29,800</u>
Unrestricted Income Funds:					
General Funds	1,390,866	166,091	(154,782)	(10,263)	1,391,912
	<u>1,390,866</u>	<u>166,091</u>	<u>(154,782)</u>	<u>(10,263)</u>	<u>1,391,912</u>
Total Funds	<u>1,403,633</u>	<u>210,298</u>	<u>(181,956)</u>	<u>(10,263)</u>	<u>1,421,712</u>

East Devon Pebblebed Heaths Conservation Trust Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year Ended 31 March 2019

FRS 102 requires unrealised gains and losses to be included in Net Income/(Expenditure) in the Statement of Financial Activities. This is included within general funds and not in a separate revaluation reserve.

Funds descriptions:

The Habitat Mitigation Grant fund has arisen from the requirements for developers to mitigate the impact of a development to the environment, under s106 of the Town and Country Planning Act 1990. This fund will be utilised to provide facilities to dispose of dog waste in the local area and walk leaflets.

The Woodbury Castle Steps Grant fund has arisen due to Historic England offering to finance specific capital improvements to the Scheduled Monument.

Countryside Learning fund has arisen due to The Ernest Cooke Trust giving a £10,000 grant specifically to contribute towards the salary of an Education Officer, and other donations. The donations were freely given by donors for the purposes of education.

The Lower River Otter restoration project fund has arisen as donations have been received to finance the development of Lower Otter Estuary to explore how we can preserve and improve the downstream part of the River Otter, its estuary, and its immediate surroundings for future generations in the face of a rapidly changing climate. The donations were freely given by donors for the purposes of sustainably improving the landscape.

The Hawkerland Cattle Grids funds has arisen as donations have been received to finance the implementation of cattle grids allowing further grazing areas which will ensure better habitat management on the East Devon Pebblebed Heaths.

Sufficient liquid resources are held by the charitable company to allow each fund to be applied in accordance with the conditions set by the donor.

East Devon Pebblebed Heaths Conservation Trust Company Limited by Guarantee

Notes to the financial statements *(continued)*

Year Ended 31 March 2019

14) Analysis of Net Assets Between Funds

2019

	Tangible fixed assets	Investments	Current assets	Liabilities	Total
	£	£	£	£	£
Restricted Income Funds	33,973	-	3,270	-	37,243
Unrestricted Income Funds	-	1,470,892	76,298	(8,520)	1,538,670
Total Funds	33,973	1,470,892	79,568	(8,520)	1,575,913

2018

	Tangible fixed assets	Investments	Current assets	Liabilities	Total
	£	£	£	£	£
Restricted Income Funds	29,800	-	-	-	29,800
Unrestricted Income Funds	163	1,288,136	130,485	(26,872)	1,391,912
Total Funds	29,963	1,288,136	130,485	(26,872)	1,421,712

15) Related Party Transactions

Four of the Trustees of the charitable company are members, Trustees or employees of Clinton Devon Estates. During the year, the charitable company was charged £24,544 (2018: £45,000) by Clinton Devon Estates for management services. The charitable company also reimbursed Clinton Devon Estates £46,759 (2018: £78,110) for expenses incurred on its behalf. At 31 March 2019, £966 (2018: £4,130) was due to the charitable company from Clinton Devon Estates.

The charitable company has a wholly owned trading subsidiary, East Devon Heaths Land Management Company Limited. During the year, the charitable company was charged £70,000 (2018: £20,000) by East Devon Heaths Land Management Company Limited for land management services. The charitable company also reimbursed East Devon Heaths Land Management Company Limited £nil (2018: £3,269) for expenses incurred on its behalf. At 31 March 2019, £nil (2018: £18,549) was due from the charitable company to East Devon Heaths Land Management Company Limited.