

CHARITY COMMISSION

**Watchtree Nature Reserve
Limited**

(A company limited by guarantee)

**Annual Report and Financial
Statements**

31 March 2019

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 W J Knowles (Resigned 15 April 2018) N Mawby (Appointed 11 November 2018) C Miles (Appointed 20 June 2019)
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 2019

The financial statements have been prepared in accordance with the accounting policies set out in the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland.

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 £164,164 (excluding fixed asset investments) and therefore sufficient to meet these costs.

Reserve Manger's report – Ryan Dobson

Introduction

On behalf of all of us at Watchtree, it is my pleasure to present our fifteenth annual report on the progress and plans of Watchtree Nature Reserve Ltd. It is always somewhat grounding to recap on the years activities and I am thankful that our continued development makes the report a pleasure to compile and I hope it therefore makes interesting reading.

The report covers the financial year 2018/19, which is our third full year without financial support from a main funder, as this report will testify we continue to operate sustainably. Having maintained sustainability for three years running we are now confident in our abilities and our belief that the reserve can achieve its charitable objectives whilst generating its own income. In the conclusion of this report we will discuss how we intend to expand on that in the future.

If you require any further information or would like this report in a different format, please contact us directly.

Watchtree Nature Reserve Limited
Trustees' Report for the Year Ended 31 March 2019

Volunteers

Our volunteers continue to play a vital role here at Watchtree. We are fortunate to have welcomed new faces to our volunteer teams this year, particularly for the wheelers project. John Glasspool, Andy Raistrick, John Fell and Don Graham all started attending on a regular day each week, their work has made huge improvements to the running of the Watchtree Wheelers.

In the visitors centre we said farewell to volunteer; Ruth Higginson, who has been with us since 2009. Ruth moved onto a paid position with English Heritage. We thanked Ruth for her contribution to the reserve and presented her with a bouquet of flowers. Ruth is still a regular visitor and hasn't ruled out returning as a volunteer in the future.

Our Habitat and Estates team; made up predominantly of men called Dave, also welcomed some extra helping hands, most notably those of Charles Miles and Neil Saunders. Both have a great degree of skills and experience and their input has been gratefully received.

As always there are too many active volunteers at Watchtree to name them all here, but we are grateful for all of their efforts.

Staff

Throughout 2018/19 our staff team has been made up of Ryan Dobson; Manager, Daniel Richards; Access and Recreation Officer, Sarah Gibson; General Assistant and Christopher McCoy; General Assistant. We also had additional hired help from Francesca Dearden and Senga Grave.

Following a successful probation period Sarah Gibson was promoted to Visitors Centre Team Leader in February. This took her hours up to full time and increased her responsibilities in the visitors centre particularly with regards to development of the café.

In January Daniel Richards resigned from his position of Access and Recreation Officer following 2 years in the role. Watchtree thanked Daniel for his contribution to the project and wished him well in his future endeavors.

Following Daniels' departure, we made some changes to the role and recruited Matthew Wind as Watchtree Wheelers Team Leader. Matthew started with us on the 16th of March 2019.

Sarah and Matthews' positions as team leaders is our first step into a new staffing structure which we hope will improve our operational efficiency and improve the experience of our volunteers – more on this later in the report!

Volunteer and Staff Training

First Aid – 2 volunteers completed a one day first aid training course

Hygiene – 3 volunteers complete a Level one hygiene course

Risk Assessment – 10 individuals completed a Risk Assessment training course with Gen 2 including 7 volunteers

The Reserve

On the reserve itself work continues to maintain habitats and improve access for visitors. The appearance of the landscape has notably softened over the years, Watchtree is now the prettiest it has been since we set to work here. Trees and hedgerows, which we planted as saplings, are now reaching maturity, they break up the landscape as well as providing welcome shelter from the weather. Our history as an airfield and later as a burial site are still evident, however it is no longer obvious.

The work carried out on the reserve is conducted mainly by our volunteers, however we have had some contractor support for larger projects in 2018.

We continued to deliver on our woodland management plan which entails thinning 25% of the trees from the woodland over 5 years. Work that we couldn't handle ourselves was carried out by Eden Woodland Consultants, we were also fortunate to have the skills and equipment of Charles Miles in our volunteer team.

Watchtree Nature Reserve Limited
Trustees' Report for the Year Ended 31 March 2019

The trees which we thin from the woodland are either chipped, sold as timber for biomass boilers or cut, split and dried by our volunteers before being converted into charcoal and sold on. Woodchip created from our own timber is either left on the ground at the felling site to return the nutrients to the ground or stockpiled for compost.

We continue to cut and lay hedgerows in the traditional Cumbrian style, as our volunteers tackle a new section each winter, we now have a great variety of hedge maturity which visually demonstrates the importance of the laying practice. Some hedgerows were further enhanced in January thanks to the support from Innovia of Wigton. The firm purchased £500 worth of fruit bearing trees including Crab Apple, Rowan and Bird Cherry. These were planted by our volunteer team assisted by some of Innovia's staff.

Both bird hides have had access improvements made in 2018. William Norman provided an excellent price for machine and man hire, William worked with our volunteers to remove the existing steps and create a ramp for easier access. They also removed the existing wooden platform in front of the hide and replaced the area with compacted stone, giving great longevity in the future.

The steps to our Wetlands Hide became unusable after we discovered rot in the wood at the joints. Fortunately, we were in talks with Bendles Engineering of Carlisle and 'Give a Day' Carlisle at the time discussing projects which they could get involved with. Replacement of the hide steps proved to be the ideal challenge for their apprentices, who made an excellent job. The old wooden steps were replaced with a stainless-steel set, which will last forever. Bendles very kindly donated their time and the materials.

2018 was a remarkably hot and dry year, particularly through June and July. As a result, we made the decision to release our hay earlier than usual. When cutting early there is a risk that some ground nesting birds may still be raising young, however the earlier cut was justified due to the fire risk and the value of the hay taken off. This early cut was an exception to our otherwise strict rules on hay cutting.

The list of wildlife sightings is too long to include here although some highlights include:

Marsh Fritillary Butterfly – Recorded on several occasions, a first for Watchtree other than those we have previously bred in captivity. Believed to have arrived at the reserve 'on the wing' from neighbouring strongholds such as Finglandrigg.

Our ringing groups reported that a Chiff Chaff which was caught and ringed at Watchtree in 2017 was re-caught and recorded in Norway early in 2019.

Reserve Recognition and Achievements

RHS 'It's your neighbourhood' Outstanding Award

Tripadvisor Certificate of Excellence

4.9* on Facebook reviews

Visitors

Our visitor numbers show no sign of slowing down, in 2018/19 we recorded 51,441 visitors! In my last report I stated 'we are now reaching the reserves capacity and are aiming to manage growth within our means'. The need to either control visitor numbers or increase and improve facilities is now an operational priority for us, ideally, we will do a little of both.

Visitors Centre and Cafe

Total café income 2018/19 - £43,963

Net café income 2018/19 - £22,992

Development continues in our visitors centre albeit a little slower than intended. In January we stripped out and refitted our kitchen which brought it up to catering standard. As such we have now introduced a basic menu of hot and cold food which is made to order. We would like to thank David Allinson; a long serving Watchtree volunteer, who's joinery skills were gratefully received whilst renovating. Also, thanks to Jamie Carruthers for volunteering his time and skills to assist us with some plumbing tasks. The improved kitchen allows us to improve the quality of the food we offer, whilst improving profit margins and reducing waste.

Watchtree Nature Reserve Limited
Trustees' Report for the Year Ended 31 March 2019

Throughout the year there has been little change to the rest of the visitors centre. Although we did upgrade the coffee machine (again) as the one purchased in 2017 wasn't up to the task. We did receive a full refund and the latest edition is proving reliable and popular.

Additionally, we purchased and installed a new prefabricated office building which will become the workspace for the reserve manager, Watchtree Wheelers team leader and potentially further staff members in the future.

The new office space will free up storage in the main room of the visitors centre which is now being used predominantly as reception and café.

Membership

The reserves popularity and growth is reflected by increasing member numbers. The membership scheme now brings in over £30,000 per year. This reliable, unrestricted income is vital to our sustainability therefore developing membership and its value to us and visitors is a priority in the future.

Currently we have 1,346 members

Fundraising

Throughout the year our main fundraising focus continued to be the resurfacing of our trails network. We are thrilled to have now surpassed our target; the final section of this work will be completed in 2019.

In 2018/19 £21,387 was secured for the project. This fund was made up of donations made at the Watchtree visitors centre in our main donation box and the following contributions:

Bookends Quiz Night - £54

CHOC Donation - £300

Carlisle Junior Tri Club Donation - £1,052.50

Wiggonby School Donation - £30

Cumbria Community Foundation Grant - £5,000

Cumberland Building Society Group Donation - £200

Cumbria Police Mutual 'Force for Good' Donation - £100

CFM Cash for Kids Grant - £2,666.67

Castle Carrock WI Donation - £30

Cycle the Solway Fundraising Event - £2,965

Northern Division Police Sports and Social Club - £100

Innovia Films Donation - £2,417.05

Austin Friars Donation - £356.88

Dundraw WI Donation - £30

Kirklington and District WI Donation- £25

Time Health and Beauty Donation - £100

Legacy donation in memory of Charles Smith - £118.75

At the end of the year we received news that a funding bid for £21,000 from Cumbria Waste Management Environment Trust has been successful. However, as Watchtree need to spend the funds in order to be entitled to the income, the funds will not be recognised in our accounts until 2019/20.

In addition, a further £998.58 was raised through the visitors centre donation box after the funding target for the trails project was completed. These funds will be committed to other projects in the future.

Watchtree Nature Reserve Limited

Trustees' Report for the Year Ended 31 March 2019

Watchtree Wheelers

The wheelers project is in its ninth year and is now well established as an asset to the reserve. The development of our trails and the associated press has kept the project in the spotlight for beneficiaries and supporters alike.

Cycle hire at the Watchtree is now incredibly popular, we believe this is down to the quality of our fleet and the access to beautiful open spaces which are ideal for families to explore. Feedback from parents is always that they love Watchtree as they struggle to find anywhere else safe for children to ride.

The project was originally setup to increase access to the reserve for disabled and disadvantaged people. This remains the core objective of what the Wheelers do. There are now regular healthcare group visits everyday mid-week morning as well as one-off visits from SEND schools and other organisations in the afternoons and at weekends.

The Watchtree Wheelers host a 'Little Wheelers' session every Saturday morning which focuses on teaching children to ride. This group continues to be a great success with up to 15 children attending each week. The sessions are very relaxed but are a great introduction to cycling for youngsters and often a great introduction to Watchtree for the whole family.

Events

Our events calendar had a great mix of nature activities, kids' clubs, running, cycling and fundraising events. The majority of which have become staples in our diary however there were one or two new additions.

We joined forces with Eden Valley Hospice to host 'Cycle the Solway' in 2018. The event saw over 400 riders take part in 50km or 100km sportives along the Solway Coast and raised over £9,000. After expenses the proceeds were split between the two host charities, therefore we received £2,965. Feedback after the event was excellent, the only complaint being that there was too much cake and not enough sausage rolls! However, Eden Valley Hospice have made the difficult decision not to continue the event in 2019 due to the work commitment involved.

We would like to host our own fundraising sportive in the future but only once we are certain we can do the event justice and commit enough resources to ensure its success.

In 2018 we also held a 24-hour challenge where participants were asked to run, walk or jog laps of the reserve contributing to a combined total. The ethos of the event worked well for Watchtree as it was challenging for everyone but excluded nobody. The event was low cost and didn't take too much organizing, the date for 2019 is already set and we hope to keep building on its success.

Watchtree also served as a welcome rest area for the Oulton Tractor run, over 60 tractors parked up for a short static display during their annual fundraising ride out. The event attracted several first-time visitors from the farming community and boosted the days ice cream sales. The event takes a different route each year, but the organizing committee expressed their thanks and are looking at coming back again in the future.

Education

A lot of work and focus went into Education this year, however most was future project planning as opposed to changes that would be immediately seen by school visits. Throughout the year schools continued to visit on 'self-led' sessions only as we do not have the skills or man power to lead school sessions. Visit numbers remained similar to previous years.

In the back ground we were project planning for big changes to education at Watchtree. Our intention is to secure funding for improvements to learning areas, equipment and the salary of an Education Team Leader for 2 years. Following this initial investment and support we are confident that Education could be run sustainably into the future. We would continue to charge a fee for school visits which represents great value for money, additional funds would be raised for education projects through our kid's club and the introduction of children's parties.

During the year we planned out the project and applied to the National Lottery Communities Fund for support through the Peoples Projects. The outcome of this application was announced in May 2019 and Watchtree was successful.

Watchtree Nature Reserve Limited
Trustees' Report for the Year Ended 31 March 2019

Looking Forward

It's been another busy year for the reserve, in which we have achieved and exceeded our charitable objectives whilst welcoming more of our community as visitors, beneficiaries and supporters. At times the reserve has been too busy for the facilities and its relatively small staff team to cope with. However, this is a problem which we can respond to and capitalize on.

In 2019 we will implement an ambitious team structure which will allow us to handle our busiest season without putting all other work on hold. The proposed staffing plan will see us progress from just 4 paid staff members to 9, which will include full and part time roles as well as an apprenticeship. The structure of the new proposal clearly identifies the reserves different work areas, which are: Visitors Centre, Watchtree Wheelers, Habitats and Estates, Marketing, Education and Administration. Each area then has a team leader supported by additional staff where appropriate and our volunteers.

The intention is that with increased staffing we will be able to better serve our community and focus on individual projects. Sustainability remains key; therefore, each team area will be responsible for developing its own income. The structure will be implemented and run for the next 2 years, at which point it will be reviewed and if necessary, adjustments will be made to ensure the increases are sustainable.

We are incredibly proud to offer new job opportunities to local people. Given the history of the reserve it should be considered a mark of great success that we are generating enough revenue from visitors; both local and tourists, to support the reserve to such an extent. Of course, much of this has been achieved thanks to the dedication of our volunteers, but the addition of staff will only compliment their work and make their experiences here more enjoyable.

Elsewhere on the reserve we intend to complete the resurfacing of our trails. As previously mentioned, funding is now secured for the final 305-meter section. Once complete, the final part of the project will be creating a 'wall of thanks' which will celebrate the achievement and thank all of the contributors.

Within the education project bid there is an allowance of funds to replace the pond dipping platform in Pond Wood. The current platform is becoming unstable and will not be suitable for use much longer. We intend to replace it with a bigger structure which is more suitable for disabled users and made from resistant materials such as recycled plastic. Also, in the bid is a small budget to improve the 'Education Zone' in Pond Wood.

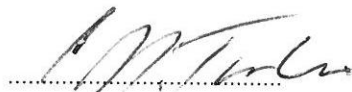
Despite our growth, development and improvements we are and always will be a haven for native wildlife. We take great care to ensure that our presence here does not negatively impact the reserves wild inhabitants or deter any possible future species. We believe that Watchtree can grow, remain sustainable and retain its fauna and flora, however we recognize that it is a great challenge and one which takes great care and management.

Thank you for taking the time to read this report, I am sure you will agree that there is an awful lot going on here at Watchtree despite only being a 205-acre reserve. We always welcome feedback from visitors, supporters and any interested parties. If you have ideas, you would like to share with us or thoughts on our future plans please do get in touch.

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 20 June 2019 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 2019, which are set out on pages 10 to 21.

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

20 June 2019

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 2019

		Unrestricted Funds	Restricted Funds	Total Funds 2019	Total Funds 2018
	Note	£	£	£	£
Income and endowments from:					
Donations and legacies	2	13,415	21,894	35,309	107,767
Other trading activities	3	3,978	-	3,978	7,046
Investment income	4	5,269	-	5,269	3,781
Income from charitable activities	5	126,362	-	126,362	100,222
Total income and endowments		<u>149,024</u>	<u>21,894</u>	<u>170,918</u>	<u>218,816</u>
Expenditure on:					
Nature reserve activities		140,101	57,069	197,170	163,749
Total expenditure		<u>140,101</u>	<u>57,069</u>	<u>197,170</u>	<u>163,749</u>
Net (expenditure)/income before other recognised gains and losses		8,923	(35,175)	(26,252)	55,067
Other recognised gains/losses					
Gains on investment assets		<u>10,754</u>	-	<u>10,754</u>	<u>8,642</u>
Net movements in funds		19,677	(35,175)	(15,498)	63,709
Reconciliation of funds					
Total funds brought forward		407,788	57,238	465,026	401,317
Total funds carried forward		<u>427,465</u>	<u>22,063</u>	<u>449,528</u>	<u>465,026</u>

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

The notes on pages 12 to 21 form an integral part of these financial statements.

Watchtree Nature Reserve Limited
Company registration number: 05214585
Balance Sheet as at 31 March 2019

		2019		2018	
	Note	£	£	£	£
Fixed assets					
Tangible assets	11		42,515		14,151
Investments	12		220,786		210,029
			<u>263,301</u>		<u>224,180</u>
Current assets					
Debtors	13	4,529		5,682	
Cash at bank and in hand		<u>193,832</u>		<u>237,064</u>	
		198,361		242,746	
Creditors: Amounts falling due within one year	14	<u>(12,134)</u>		<u>(1,900)</u>	
Net current assets			<u>186,227</u>		<u>240,846</u>
Net assets			<u><u>449,528</u></u>		<u><u>465,026</u></u>
The funds of the charity:					
Restricted funds			22,063		57,238
Unrestricted funds					
Unrestricted income funds			<u>427,465</u>		<u>407,788</u>
Total charity funds			<u><u>449,528</u></u>		<u><u>465,026</u></u>

For the financial year ended 31 March 2019, 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 20 June 2019 and signed on its behalf by:



R W S Speirs
Trustee

The notes on pages 12 to 21 form an integral part of these financial statements.

Watchtree Nature Reserve Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

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.

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 2019

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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.

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Cafe 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.

Watchtree Nature Reserve Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

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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

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 2019

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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 2019 £	Total Funds 2018 £
Donations and legacies				
Appeals and donations	10,178	12,647	22,825	27,145
Calendar donations and sponsorship	3,237	-	3,237	1,634
	<u>13,415</u>	<u>12,647</u>	<u>26,062</u>	<u>28,779</u>
Grants				
Cumbria Community Foundation	-	6,580	6,580	11,888
Tesco	-	-	-	2,000
Other agencies	-	-	-	6,100
Sellafield	-	-	-	49,000
Big Lottery Fund	-	-	-	10,000
CFM	-	2,667	2,667	-
	<u>-</u>	<u>9,247</u>	<u>9,247</u>	<u>78,988</u>
	<u>13,415</u>	<u>21,894</u>	<u>35,309</u>	<u>107,767</u>

Of the donations and legacies income in 2018, £11,778 related to unrestricted funds and £95,989 related to restricted funds.

Watchtree Nature Reserve Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

..... continued

3 Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Sale of bikes and parts	3,978	-	3,978	6,980
Other income	-	-	-	66
	<u>3,978</u>	<u>-</u>	<u>3,978</u>	<u>7,046</u>

Of the other trading activities income in 2018, all related to unrestricted funds.

4 Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Dividends and interest received	4,130	-	4,130	2,973
Bank interest	1,139	-	1,139	808
	<u>5,269</u>	<u>-</u>	<u>5,269</u>	<u>3,781</u>

Of the investment income in 2018, all related to unrestricted funds.

5 Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Membership	17,703	-	17,703	19,346
Cycle income	43,963	-	43,963	32,743
Cafe Sales	46,622	-	46,622	31,451
Grazing income	2,415	-	2,415	1,579
Education and events income	5,704	-	5,704	5,181
Other income	9,955	-	9,955	9,922
	<u>126,362</u>	<u>-</u>	<u>126,362</u>	<u>100,222</u>

Of the income from charitable activities in 2018, all related to unrestricted funds.

Watchtree Nature Reserve Limited
Notes to the Financial Statements for the Year Ended 31 March 2019

..... continued

6 Expenditure

	Nature reserve activities	Investment managem - ent	Total 2019	Total 2018
	£	£	£	£
Direct costs				
Purchases	32,116	-	32,116	31,497
Wages and salaries	61,913	-	61,913	49,332
Staff NIC (Employers)	5,167	-	5,167	957
Staff pensions	2,578	-	2,578	2,252
Land maintenance	1,780	-	1,780	6,058
Portfolio management costs	-	2,086	2,086	3,093
Trustee expenses and training	433	-	433	523
Insurance	2,638	-	2,638	1,843
Repairs and maintenance	64,977	-	64,977	46,017
Hire of plant and machinery	178	-	178	90
Depreciation of plant and machinery	5,078	-	5,078	4,581
	<u>176,858</u>	<u>2,086</u>	<u>178,944</u>	<u>146,243</u>
Support costs				
Staff training	500	-	500	-
Volunteer expenses	325	-	325	1,666
Telephone and fax	1,552	-	1,552	1,245
Computer software and maintenance costs	2,195	-	2,195	2,619
Printing, postage and stationery	486	-	486	112
Sundry expenses	1,473	-	1,473	132
Advertising	2,688	-	2,688	6,345
Accountancy fees	5,020	-	5,020	1,500
Independent examiner's fee	500	-	500	500
Legal and professional fees	2,379	-	2,379	2,885
Bank charges	1,108	-	1,108	502
	<u>18,226</u>	<u>-</u>	<u>18,226</u>	<u>17,506</u>
	<u>195,084</u>	<u>2,086</u>	<u>197,170</u>	<u>163,749</u>

Of the expenditure in 2018, £121,798 related to unrestricted funds and £41,951 related to restricted funds.

Watchtree Nature Reserve Limited
Notes to the Financial Statements for the Year Ended 31 March 2019

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7 Governance costs

	2019	2018
	£	£
Accountancy fees	5,020	1,500
Independent examiner's fee	500	500
Legal and professional fees	2,379	4,485
Portfolio management fees	2,086	3,001
	<u>9,985</u>	<u>9,486</u>

8 Trustees' remuneration and expenses

During the year a total of 1 trustee was reimbursed £150 in expenses. No trustees received any remuneration during the year.

9 Net (expenditure)/income

Net (expenditure)/income is stated after charging:

	2019	2018
	£	£
Depreciation of tangible fixed assets	<u>5,078</u>	<u>4,581</u>

10 Employees' remuneration

The monthly average number of persons (including senior management) employed by the charity during the year was as follows:

	2019	2018
	No.	No.
Charitable activities	<u>5</u>	<u>3</u>

The aggregate payroll costs of these persons were as follows:

	2019	2018
	£	£
Wages and salaries	61,913	49,332
Social security	5,167	957
Other pension costs	2,578	2,252
	<u>69,658</u>	<u>52,541</u>

The key management personnel comprise of the Trustees. The total employee benefits of the key management personnel of the Charity were £nil (2018 - £nil).

Watchtree Nature Reserve Limited
Notes to the Financial Statements for the Year Ended 31 March 2019

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11 Tangible fixed assets

	Plant and machinery including motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost			
As at 1 April 2018	38,651	48,589	87,240
Additions	13,581	19,861	33,442
As at 31 March 2019	<u>52,232</u>	<u>68,450</u>	<u>120,682</u>
Depreciation			
As at 1 April 2018	27,562	45,527	73,089
Charge for the year	3,893	1,185	5,078
As at 31 March 2019	<u>31,455</u>	<u>46,712</u>	<u>78,167</u>
Net book value			
As at 31 March 2019	<u>20,777</u>	<u>21,738</u>	<u>42,515</u>
As at 31 March 2018	<u>11,089</u>	<u>3,062</u>	<u>14,151</u>

12 Investments held as fixed assets

	Listed investments £
Market value	
As at 1 April 2018	210,029
Revaluation	10,428
Additions	329
As at 31 March 2019	<u>220,786</u>
Net book value	
As at 31 March 2019	<u>220,786</u>
As at 31 March 2018	<u>210,029</u>

All investment assets were held in the UK.

Listed investments

Investments having a net book value of £220,786 (2018 - £210,029) are listed on a recognised stock exchange and had a market value of £nil at the end of the year (2018 - £nil).

Watchtree Nature Reserve Limited
Notes to the Financial Statements for the Year Ended 31 March 2019

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13 Debtors

	2019 £	2018 £
Trade debtors	1,901	42
Other debtors	2,628	5,640
	<u>4,529</u>	<u>5,682</u>

14 Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	302	-
Accruals and deferred income	11,832	1,900
	<u>12,134</u>	<u>1,900</u>

Creditors amounts falling due within one year includes deferred income:

	2019 £	2018 £
Amount deferred in the year	10,332	-
As at 31 March 2019	<u>10,332</u>	<u>-</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 £2,578 (2018 - £2,252).

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 2019

..... 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 2018	Incoming resources	Resources expended	Other recognised gains/losses	At 31 March 2019
	£	£	£	£	£
General Funds					
General unrestricted funds	407,788	149,024	(140,101)	10,754	427,465
Restricted Funds					
Trail Project	57,184	21,894	(57,015)	-	22,063
Signage Project	54	-	(54)	-	-
	57,238	21,894	(57,069)	-	22,063
	465,026	170,918	(197,170)	10,754	449,528

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 2019	Total Funds 2018
	£	£	£	£
Tangible assets	42,515	-	42,515	14,151
Investments	220,786	-	220,786	210,029
Current assets	176,298	22,063	198,361	242,746
Creditors: Amounts falling due within one year	(12,134)	-	(12,134)	(1,900)
Net assets	427,465	22,063	449,528	465,026

