

**Company number: 10719031**

**Charity number: 1174975**

**The South Downs National Park Trust**

**Report and Financial Statements**

**1 April 2021 – 31 March 2022**

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## 1. Reference and administrative details

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This report has been drawn up in accordance with the requirements of the Charities Act 2011 and the 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 (FRS102) (effective 1 January 2015).

<b>Company number</b>	10719031
<b>Charity number</b>	1174975
<b>Governing Document</b>	Memorandum and Articles Incorporated 10 April 2017
<b>Registered office</b>	South Downs Centre, North Street, Midhurst, West Sussex, GU29 9DH
<b>Trustees</b>	Trustees who are also directors under company law who served during the year and up to the date of this report were as follows:  Julie Fawcett (Chair)      Appointed on 15/06/2017. Greg Mahon (Treasurer)      Appointed on 08/03/2018. Dean Orgill      Appointed on 15/06/2017. Dan Montagnani      Appointed on 15/06/2017. Josephine Carr      Appointed on 08/03/2018. Vance Russell      Appointed on 15/06/2017. Toni Shaw      Appointed on 15/06/2017. Janet Duncton      Appointed on 21/08/2019. Richard Waring      Appointed on 03/09/2020.
<b>Company Secretary</b>	Robin Parr from 15/06/2017 to 31/03/20
<b>Senior staff</b>	James Winkworth, Head of Charity 15/06/2017. Sophie Ritson 16/06/2017.
<b>Bankers</b>	Lloyds TSB Bank PLC City Office, PO Box 72, Bailey Drive, Gillingham Business Park, Kent, ME8 0LS.
<b>Independent Examiner:</b>	Galloways Accounting (Hove) Limited The Old Casino, 28 Fourth Avenue Hove, East Sussex, BN3 2PJ.

## 2. Report of the Trustees

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The Trustees present their report and the independently examined financial statements for the year ended 31 March 2022. These accounts cover the period 1 April 2021 to 31 March 2022.

The reference and administrative information set out in the previous section forms part of this report. The financial statements comply with current statutory requirements, the Trust's Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (Charities SORP FRS 102). The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities.

### Introduction

Coming out of a two-year pandemic, this year felt like a new dawn, not just for society but also for nature. We were struck not only by the challenges that we face, but also the opportunities. Whilst nature is still declining, the Trust has never been more optimistic about halting and subsequently reversing the decline.

This optimism has also been influenced by the increasing impact of the Trust's work. This year we have planted a further 11,000 trees and are roughly 25% of the way towards our "Trees for the Downs" target. We were also able to launch a new Beelines appeal, building on those projects supported in the previous year. Furthermore, through our new Hedgerows project, we have restored 13 km of hedgerow and in partnership with the National Parks Authority, launched a significant ReNature campaign, which received over 77 expressions of interest representing several thousand hectares that could be "turned over" for nature. Responding to this great interest in ReNature, our efforts are now shifting to making this change happen and there are already green shoots, with our first whole farm pilot started this year seeking to use philanthropic funding to leverage in private finance, to restore nature at scale.

This optimism is also shared across our education work, which was at last able to go ahead unhampered by Covid-19. We were delighted to see our long-delayed pilot project with the Garden Classroom go forward. This saw us trial a South Downs residential trip for schoolchildren in Hackney, the borough with the least green space in the country. In addition, our Travel Grant once again was in huge demand, seeing several thousand local children funded to engage in outdoor learning. Finally, we are pleased to be able report on the opening of our community grants scheme which we added to through the Community Pitch, linked to our Ouse Valley Climate Action project. The latter has kept us busy right up to the final months of this year, with a substantial bid being worked up for the National Lottery. We hope to be able to continue the good news here through next year's report.

### Strategic Report

#### **Objective 1 : Philanthropy - The South Downs National Park Trust will champion philanthropy for the South Downs National Park and increase resources invested in it**

- This year we raised £873,407 from all sources. This includes a gift in kind contribution, alongside a £20,000 grant, from the South Downs National Park Authority to support our core costs.
- Trust and Major Donor contributions continue to be our main source of income; this is greatly aided by our development board who met in November, resulting in a number of new patrons and gifts being secured.
- This year we have also seen a significant increase in corporate donations due to an increase in interest and responsibility around the environment and we will look to further encourage and invest this funding through future years.
- Whilst income was slightly down on last year, with a number of lottery bids being progressed, alongside the aforementioned long-term pledges, we are confident that our income will continue its established growth trajectory over 2022/23.

#### **Objective 2: Partnership - The South Downs National Park Trust will work with partners to develop, initiate and support projects that deliver the South Downs National Park Partnership Management Plan (2014-19 and 2019-24**

### Conservation and Heritage

- Hampshire Hedgerows - This ambitious project focuses on delivering hedgerow restoration at scale - through coppicing, gapping up, planting and laying - at various sites within the Selborne Landscape Partnership and Winchester Downs Farm Cluster areas. This year, we have conducted over 8.5km of hedge work restoring 13.3km of hedgerow, including planting over 16,000 whips and 8 standard oak trees. We used a mix of locally-sourced species, including hawthorn, blackthorn, hazel, field maple, spindle, dog rose, crab apple, dogwood and guelder rose. We were also able to engage just under 100 volunteers with a number of young people learning Sussex Hedgelaying Techniques for the first time.
- Trees for the Downs - With more woodland than any other National Park in England or Wales, trees form a vital part of our precious South Downs landscape. After a tremendous response to our initial 2019 appeal, Trees for the Downs will now look to plant 100,000 trees over the next 5 years, in community spaces, along roads and popular walking routes. We have raised around £215,000 of approximately £260,000 necessary and will continue to raise the remaining amounts over the next 5 years. In 2021 we planted just over 11,000 trees across 30 sites, bringing our "Trees for the Downs" planting total to 22,000, nearly 25% of our target.
- Beelines - Launched in 2019, our initial round of projects have starting seeing results. This includes the transformation of a former Arable Field on Sompting Estate, which this year has started to show fantastic results. It also includes Princes Mead School, whose wildflower strips have provided food for the bees and food, for thought, for the students! As part of its initial launch, we partnered with education provider Learning Through Landscapes who delivered pollinator-focused school workshops. Classes were supported to design and submit their ideas for pollinator gardens to our competition, with 3 winning schools having their projects funded by the Trust. We were also able to re-open the fund for a second round of applications and are now working with Plantlife and South Downs National Park Rangers to work up a further 11 projects.
- Ouse Valley Climate Action (previously Ouse Valley Cares) has continued at pace. Though in development, the project has a real sense of momentum bringing together groups and individuals from across the project area to share ideas and develop work streams to deliver community climate action. This year we have engaged 156 stakeholder groups, delivered 14 'design & testing' activities (e.g., rewilding projects including stork reintroduction, climate change cafes, dedicated forest school support and sustainable energy webinars), supported 13 public events (e.g. eco fairs, seed swap), been interviewed on radio & FB Live, joined COP26 events, & spoken to c3,500 people. 77% of development work has been targeted in the Havens (Peacehaven, Newhaven, Seaford), where we know deprivation is high. This has all fed into a £2million pound bid for the Lottery.
- Supporting Seven Sisters - The visitor centre is housed in a barn that has been renovated from its run-down state to modern accessible standards and provides up to date National Park information and a retail space showcasing local produce and crafts. Improvements have been made to the toilet block which now has a Changing Places toilet. A number of improvements have been made to the building's energy efficiency, including new double-glazed doors, air source heat pump and wood burner (with timber sourced locally from Friston Forest). The outdoor courtyard has been levelled and a 'grab-and-go' refreshment facility and new furniture has been introduced. The visitor centre and facilities are now fully accessible, with a false floor (using a sustainable product) overcoming the previous split level access issues. Overall, the Seven Sisters visitor experience has been greatly improved, including pathways and signage.

## Education

- Apprentices - Building on our Country Side Apprentice programme, this year we employed two new Forestry Apprentices. These posts are much needed to ensure the skills needed to create and manage our precious woodland are passed to the next generation.
- Travel Grant - Last year a further 54 schools benefited; 28 schools had fully facilitated trips including travel and outdoor education provider to 1,541 children; 16 schools benefited from travel costs for 1,022 children; 10 schools benefited from in-school outdoor education provision and teacher training, benefiting 1,290 children
- Garden Classroom - A pilot three day residential stay took place in November 2021 at Southease YHA in the South Downs near to Lewes for 60 Year 6 pupils (age 11 to 12) from Nightingale School in Hackney London. Nightingale is a London state primary school which is on the Defra 25-year plan 'Nature Friendly Schools' priority list (based on highest proportion of disadvantaged children in England).

- Youth Volunteering - A total of 20 volunteering days took place, engaging 248 young people. On top of this, capacity was built and training provided to a number of partner organisations.
- Meet the Farmer - A project that has been trialling the use of apps and other technology to enable farmers to communicate better with the public whilst they enjoy accessing the farmland for recreation, extended its reach. Six new farmers took part in the 'Meet the Farmer' initiative and are now reaching new members of the public to enhance their understanding and experience of the farmland.

### Walking and Cycling Routes

- Egrets Way - All funding for the Riverside Route has now been secured with Section 5 complete and Section 6 commencing before the end of spring.
- Centurion Way - The Centurion Way is a shared use path suitable for walkers, cyclists, families with buggies and wheelchair users, which runs along the old Chichester to Midhurst railway line. It has been developed in phases and currently runs from Chichester to West Dean. This year, through the generous grant of the F.G. Woodger Trust, considerable work has taken place to extend the route. The focus of this next phase is the area around Singleton Station. Enabling works including tree surveys, habitat surveys, vegetation and tree clearance have already taken place. Path construction and the building of a ramp connection from the Centurion Way to the Public Right of Way footpath that connects users to Singleton village will be underway later in summer 2022. In time the route will extend to Cocking and eventually to Midhurst.
- Access Improvements - This year we supported a number of projects including a new walking route between Singleton and Hat Hill, this will join with the Centurion way once completed and includes a bridge over a winterbourne stream (a stream that only appears in winter months). We also funded a number of path improvements at Kingley Vale Nature Reserve, where sections had become very muddy causing difficulties for walkers and cyclists.

### Help for communities that care for their National Park

- Despite the impacts of economic uncertainty, our endowment remains strong. This has allowed us to support 60 community projects, including the Sustainable Communities Fund, School Mini Grants and the Volunteer Conservation Fund.
- Sustainable Communities Fund – This year the fund supported six new community led projects across the National Park and the surrounding boundary.
- Renature grants of £150 encouraged pupils to create spaces for wildlife in their school grounds by installing insect hotels, bird houses, planting wildflowers and more. Within and around the national park boundary, 48 schools have been supported including a grant to Brighton and Hove Environmental Education to deliver mini and micro meadows across over 20 schools as part of the City of Meadows project.

**Objective 3: Impact – The South Downs National Park Trust will seek to better understand and communicate the effectiveness of its work, with practical and proportional measures, allowing it to increase funds raised and the effectiveness with which they are spent.**

In terms of better communicating our work, this year we have:

- Updated our core map of projects.
- Introduced new maps identifying Trees for the Downs and Beelines sites.
- Commissioned a new impact video capturing the Trust's projects that will be used to report back to supporters, donors and stakeholders

We are still looking to pursue an impact report but have delayed this to secure better data to base it on. This includes initiating a pilot reporting mechanism, for Trees for the Downs, capturing the key successes and challenges from the project (such as survival rates). We aim for this to be an easy-to-use self-reporting system that can be rolled out across our projects. We are therefore looking to complete this work before commissioning a summary impact report that will look to quantify the results.

#### **Objective 4: Financial sustainability – The South Downs National Park Trust will aim to achieve financial sustainability**

In 2020 the South Downs National Park Authority confirmed continued support for the Trust core costs until 2023. Whilst we continue to believe that is the optimum model for the South Downs National Park (i.e. our overheads are underwritten for an ROI in the form of funded projects) we must not be complacent. We are therefore continuing to pursue an ongoing strategy to secure and grow our income. This includes:

- Growing our endowed funds - The original £330,000 SCF/VRS endowment has increased in value, currently standing at £417,876 (please see section 5 Balance Sheet).
- Unrestricted Funds – This year we secured our highest level of unrestricted funds £149,320. Whilst the priority for these funds remains to match for project delivery, continued growth puts us in a strong financial position should our gift in kind support ever be withdrawn.
- Continued investment in unrestricted funding sources such as The South Downs Lottery, Direct Debit gifts through the website and Visitor Giving.
- Continued pursuit of multi-year funding pledges where appropriate and promoting legacy gifts as a long term source of unrestricted funding.

#### **Objective 5: Governance – The South Downs National Park Trust will have exemplar governance procedures and practices**

The South Downs National Park Trust's governance will follow the principles of the Charity Governance Code for Smaller Charities. The Trust continues to seek to achieve optimum governance in line with the Code for Small Charities. During the year, a number of Trustees renewed their terms and additional Authority Trustees were nominated, due to changes at the SDNPA. The Trust and Trustees continue to keep this in focus.

#### **Reserves**

The South Downs National Park Trust's operating costs are funded by the South Downs National Park Authority until 2023. These costs include all staff and supporting costs. Currently, the South Downs National Park Trust is only committing to projects once it has secured all the funding to do so. This means that Trust is therefore not exposed to any long-term liabilities.

The Trustees have examined the charity's requirements for reserves in light of the main risks to the organisation – namely that the National Park Authority withdraws support. Whilst this is not anticipated, it is important to maintain sufficient reserves, which would allow the organisation to support itself whilst it develops self-sustaining funding.

In this scenario, funds would be required to pay staff as well as fund activities to generate income to provide long term sustainability. Trustees are therefore looking to build reserves equivalent to 9 months current running costs (including the South Downs National Park Authority grant and gift in kind).

Trustees are committed to generating sufficient reserves to support the charity to transition to self-sustaining funding, should the South Downs National Park Authority choose to withdraw their support. These reserves need to be available by February 2023. Up until this period Trustees are proposing to invest these funds, in order that these assets are managed in the best interests of the Trust and its beneficiaries.

This policy will be reviewed at the Annual Trustee Strategy meeting each year. The Treasurer will present the Trustee Board with a draft document and supporting materials that enables them to make an informed decision about levels of reserves and feeds into their approval of the Strategy Document. They will also be reviewed at any board meeting which considers the future funding arrangements of the South Downs National Park Authority and the South Downs National Park Trust to ensure that any changes in the Trust's core grant can be incorporated into this policy.

## Principle Risks

The Trust continues to develop its framework for risk management. Risk management is focused on identifying significant risks, which are inherent within the trust's activities, structure and funding; and mitigating the potential impact of these risks through the trusts operating and investment programme, management actions and conventional risk management such as insurance. The Head of Charity and the Company Secretary regularly review a full risk register. This is then discussed by the Board on an annual basis. The principal financial operation risks, which are inherent in the trusts activities structure and funding, relate to the impact of:

1. Trust investments suffer critical losses
2. Failure to keep up to date and comply with national governance requirements in relation to companies and charities result in Trust decisions/actions being challenged or action taken against the Trust
3. Trust fails to raise sufficient funds to deliver its objectives
4. Trust assets become a liability and impact upon trust delivering its objectives

These are mitigated through the design and implementation of the Trusts work, including:

1. The Investment Manager is selected through a competitive process and works with a clear brief and a strong investment policy guided by the treasurer of the Trust. Regular monitoring of performance is reviewed twice annually by the Investment Committee.
2. The Trust responds to all changes in legislation and guidance issued by the Charity Commission, seeking legal advice available where necessary. Trustees monitor industry best practise through organisations like the Institute of Fundraising, Fund Raising regulator and ICSA.
3. Fundraising is based on an approved and researched fundraising/business plan. Medium to long term unrestricted sources of income are established. A strong development board is in place to support fundraising activities.
4. Investment opportunities are carefully risk assessed and managed according to a risk management plan. Appropriate insurances put in place, legal advice sought prior to acquisition of assets.

## Future Plans

- In 2021/22 we will continue to grow our financial support of projects that help deliver the South Downs Partnerships Management plan, including the progression of two National Lottery bids (Downs to the Sea and Ouse Valley Cares).
- Use our new formal fundraising partnerships at Seven Sisters and Beachy Head to deliver conservation projects at these well known and loved sites.
- Develop the ReNature campaign into an ongoing fundraising programme by:
  - Developing ReNature Community Grants into a long running programme
  - Pilot the Revolving Fund to leverage private finance for nature recovery
- Continue to develop and evolve the development board, focusing on an event in early 2023
- Secure support for a further named fund above £25,000
- Establish two new long term appeals focused on Dewponds and Hedgerows
- Following COVID, reset our funding on Education, working with the SDNPA education team to secure funding for the plans over 2022/23
- Develop a health and wellbeing case for support around the hubs, securing funding in the given year
- Seek to develop additional support for Ranger Grass Roots Funds, which are diminishing
- Trial a face to face fundraising initiative at National Park Events, Seven Sisters and Beachy Head

## Trustee Recruitment and Training

Members elected to serve on the board of trustees have a dual role as a trustees of the charity and as a director of the company. There can be no fewer than 3 and no more than sixteen trustees. Up to 33% of the board can be appointed by the South Downs National Park Authority. The remaining Trustees are appointed by the board of trustees and serve for an initial term of three years and a maximum, if reappointed, of 9 years.



The trustee, selection and induction process is guided by the Charity Commission. Trustees role descriptions, policies and procedures are produced as relevant to the roles.

The Trustee Appointments Committee oversees the recruitment process for Trustees and the induction process is led by the Company Secretary in consultation with the Chair of the Board.

### **Structure, Governance and Management**

The South Downs National Park Trust was established by the South Downs National Park Authority. The South Downs National Park Authority is a founding donor and has committed to supporting the Trust via a formal management agreement.

The organisation is a charitable company limited by guarantee, incorporated on 10th April 2017 and registered as a charity in September 2017. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. Trustees meet quarterly and the board meetings work to an agenda which allows ample time for open discussion on issues related to South Downs National Park Trust's areas of interest and public benefit.

The Trust has no employees with staff seconded from the South Downs National Park Authority. A scheme of delegation is in place and articles of association sets requirements on decision making. On a day-to-day basis the senior staff make decisions on behalf of the Trust. Any major projects are decided by the trustees.

The Trustees review the aims, objectives and activities of the charity each year. In 2020 the Trustees updated their strategic framework (2021-2023) including setting a vision, mission, key strategies and objectives. This report looks at what the charity has achieved and the outcomes of its work for the year ending 31 March 2022.

The Trustees and Strategic report highlights the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the Trustees to ensure that the charity's aims, objectives and activities remain focused on its stated purposes

### **Financial Statements and Reporting**

None of the Trustees or any person connected with them has received or is due to receive any remuneration or expenses during the year. There were no related party transactions during the year. The Trust's reserves policy is set out in Note 7.8 Movement in Charity Funds (Reserves) and Reserves Policy

The Trust Report and Financial Statements were approved by the Trustees on 30 January 2023.

### **3. Independent Examiner's Report**

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I report to the charity trustees on my examination of the accounts of the South Downs National Park Trust (Company) for the year ended 31 March 2022.

#### **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.

Independent Examiner  
Hannah Doherty  
FCCA  
Galloways Accounting (Hove) Limited  
The Old Casino  
28 Fourth Avenue  
Hove  
East Sussex  
BN3 2PJ

**Date: 30.01.2023**

#### 4. Statement of Financial Activities (incorporating an income and expenditure account)

	Note	Unrestricted Fund 2021/22 £	Restricted Funds 2021/22 £	Total Funds 2021/22 £	Total Funds 2020/21 £
Donations	7.2	140,532	584,164	<b>724,696</b>	735,671
Earned from charitable activities	7.3	148,711	0	<b>148,711</b>	162,738
<b>Total Income and Endowments</b>		<b>289,243</b>	<b>584,164</b>	<b>873,407</b>	<b>898,409</b>
Raising funds	7.4	119,906	11,141	<b>131,047</b>	103,834
Charitable Activities	7.5	59,639	570,449	<b>630,088</b>	487,618
<b>Total Expenditure</b>		<b>179,545</b>	<b>581,590</b>	<b>761,134</b>	<b>591,452</b>
<b>Net income/(expenditure)</b>		<b>109,698</b>	<b>2,575</b>	<b>112,273</b>	<b>306,957</b>
<b>Other recognised gains/losses:</b>					
Gains/(losses) on investment assets	7.6	0	20,438	<b>20,438</b>	62,820
<b>Net Movement in Funds</b>		<b>109,698</b>	<b>23,013</b>	<b>132,711</b>	<b>369,777</b>
<b>Reconciliation of funds:</b>					
Funds balance brought forward		79,622	902,882	<b>982,504</b>	612,728
<b>Funds balance carried forward</b>		<b>189,320</b>	<b>925,895</b>	<b>1,115,215</b>	<b>982,505</b>

## 5. Balance sheet

	Note	2021/22		2020/21	
		£	£	£	£
<b>Fixed Assets:</b>					
Long term investments	7.6	417,876		397,438	
<b>Net Fixed Assets</b>			<b>417,876</b>		<b>397,438</b>
<b>Current Assets:</b>					
Debtors		147,500		125,505	
Cash at bank and in hand	7.7	561,240		461,062	
<b>Net Current Assets</b>			<b>708,740</b>		<b>586,567</b>
<b>Current Liabilities:</b>					
Creditors falling due within one year	7.7	-11,400		-1,500	
<b>Net Current Liabilities</b>			<b>-11,400</b>		<b>-1,500</b>
<b>Net Assets</b>			<b>1,115,215</b>		<b>982,505</b>
<b>The funds of the charity:</b>	7.8				
<b>Restricted Funds</b>			<b>965,895</b>		<b>902,882</b>
10 <sup>th</sup> Anniversary Schools Grant			3,500		3,500
Access			10,664		10,000
Apprenticeship Programme			10,627		10,627
Apprenticeship Programme (Woodland)			0		25,000
Beachy Head			6,395		0
Bee Lines			62,404		85,494
Boltini Litter Fund			11,030		3,530
Centurion Way			0		2,500
Conservation			81,250		52,500
Egrets Way			-8,002		45,000
Hampshire Hedgerows			59,100		0
Will Grant			3,536		20,000
Ouse Valley Cares			-6,493		75,505
Regenerative Grazing Project			-2,683		425
ReNature Fund			95,115		0
Seven Sisters			390		0
South Downs Way			81,289		79,800
Sustainable Communities Fund			444,110		405,704
Swing Gate for Stiles			120		0
Travel Grant			-5		-5
Trees for the Downs			78,647		50,482
Volunteer Ranger Service			26,452		32,820
West Marden Dewpond			8,448		0
<b>Unrestricted funds</b>			<b>149,320</b>		<b>79,622</b>
<b>Total Funds</b>			<b>1,115,215</b>		<b>982,505</b>

## 5. Balance sheet (continued)

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The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2022 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

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

The financial statements were approved by the Board of Trustees and authorised for issue on 30 January 2023 and were signed on its behalf by:

Dean Orgill – Chair of Trustees

The notes form part of these financial statements.

## 6. Cash Flow Statement

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	<b>2021/22</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>
Cash flows from operating activities	100,178	182,952
Cash flows from investing activities	0	(40,000)
Cash flows from financing activities	0	0
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>100,178</b>	<b>142,952</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>461,062</b>	<b>318,110</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>561,240</b>	<b>461,062</b>
<b>Cash and cash equivalents consists of:</b>		
Cash at bank and in hand	561,240	461,062
<b>Cash and cash equivalents at the end of the year</b>	<b>561,240</b>	<b>461,062</b>
Net income for year as per income and expenditure account	112,273	306,957
Movement in debtors/creditors	(12,095)	(124,005)
<b>Net cash flow from operations</b>	<b>100,178</b>	<b>182,952</b>

## 7. Notes to the Financial Statements

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### 7.1 Accounting Policies

The financial statements have been prepared in accordance with the Charities SORP 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland for (FRS102) (effective 1 January 2015) and applicable accounting standards.

**a. Accounting convention**

The financial statements are prepared under the historical cost convention.

**b. Income and endowments**

Income received is accounted for on a receivable basis. Income from donations or grants are recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

**c. Expenditure**

All expenditure is allocated between the principal headings raising funds and charitable activities.

Charitable activities comprise those costs incurred by the charity in the delivery of its activities and governance associated with meeting the constitutional and statutory requirements of the charity.

**d. Fund Accounting**

Unrestricted funds comprise those amounts received for use at the discretion of the Trustees in the furtherance of the general objectives of the charity.

Restricted funds are subject to specific restricted conditions imposed by donors and include monies raised for specific projects.

**e. Donated Services and Facilities**

Donated services and facilities are recognised as income when the economic benefit that flows from the donation has passed to the charity, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity is probable and the economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the charity; a corresponding amount is then recognised in expenditure in the period of receipt.

**f. Taxation**

The charity is exempt from tax on its corporate activities.

## 7.2 Income from Donations

	Unrestricted Funds 2021/22 £	Restricted Funds 2021/22 £	Total Funds 2021/22 £	Total Funds 2020/21 £
<b>Restricted funds</b>				
10 <sup>th</sup> Anniversary Schools Grant	0	0	0	0
Access	0	9,420	9,420	10,000
Apprenticeship Programme	0	0	0	10,000
Apprenticeship Programme (Woodland)	0	0	0	0
Beachy Head	0	6,395	6,395	0
Bee Lines	0	36,949	36,949	42,126
Boltini Litter Fund	0	10,000	10,000	-840
Centurion Way	0	0	0	130,500
Conservation	0	28,750	28,750	52,500
Egrets Way	0	17,502	17,502	100,000
Hampshire Hedgerows	0	179,250	179,250	0
Will Grant	0	10,000	10,000	20,000
John Muire Post	0	0	0	5,950
Meet the Farmer	0	0	0	5,000
Ouse Valley Cares	0	18,676	18,676	151,005
Regenerative Grazing Project	0	500	500	425
ReNature Fund	0	95,115	95,115	0
Seven Sisters	0	5,390	5,390	25,000
South Downs Way	0	1,489	1,489	10,196
Sustainable Communities Fund	0	34,499	34,499	27,437
Swing Gate for Stiles	0	120	120	660
The Fernchurch Furnace	0	0	0	30,000
Tracing Inspirations	0	11,000	11,000	0
Travel Grant	0	17,450	17,450	14,550
Trees for the Downs	0	74,360	74,360	49,838
Volunteer Ranger Service	0	0	0	0
West Marden Dewpond	0	27,300	27,300	0
Youth Volunteering Project	0	0	0	10,000
<b>Unrestricted funds</b>	<b>140,532</b>	<b>0</b>	<b>140,532</b>	<b>41,324</b>
<b>Total Income from Donations</b>	<b>140,532</b>	<b>584,164</b>	<b>724,696</b>	<b>735,671</b>

## 7.3 Income Earned from Charitable Activities

	Unrestricted Funds 2021/22 £	Restricted Funds 2021/22 £	Total Funds 2021/22 £	Total Funds 2020/21 £
Grant	0	0	0	40,000
In-Kind Salary Contribution	148,711	0	148,711	122,738
<b>Total Income from Charitable Activities</b>	<b>148,711</b>	<b>0</b>	<b>148,711</b>	<b>162,738</b>



The in-kind contribution is the value of staffing resource provided by the South Downs National Park Authority in the form of salary costs towards the activities defined within the Memorandum of Understanding between the South Downs National Park Authority and South Downs National Park Trust.

#### 7.4 Expenditure on Raising Funds

	<b>Unrestricted</b>	<b>restricted</b>	<b>Total</b>	<b>Total</b>
	<b>Funds</b>	<b>Funds</b>	<b>Funds</b>	<b>Funds</b>
	<b>2021/22</b>	<b>2021/22</b>	<b>2021/22</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
In-Kind Salary Contribution Costs	90,572	0	<b>90,572</b>	74,419
Other Expenditure Costs	29,334	11,141	<b>40,475</b>	29,415
<b>Total Expenditure on Raising Funds</b>	<b>119,906</b>	<b>11,141</b>	<b>131,047</b>	<b>103,834</b>

The in-kind salary is the value of resource provided by South Downs National Park Authority towards raising funds.

## 7.5 Expenditure on Charitable Activities

	Unrestricted Funds 2021/22 £	Restricted Funds 2021/22 £	Total Funds 2021/22 £	Total Funds 2020/21 £
In-Kind Salary Contribution Costs	58,139	0	<b>58,139</b>	48,319
<b>Restricted Funds</b>				
10 <sup>th</sup> Anniversary Schools Grant	0	0	<b>0</b>	0
Access	0	8,756	<b>8,756</b>	0
Apprenticeship Programme	0	0	<b>0</b>	0
Apprenticeship Programme (Woodland)	0	25,000	<b>25,000</b>	0
Beachy Head	0	0	<b>0</b>	0
Bee Lines	0	68,689	<b>68,689</b>	4,999
Boltini Litter Fund	0	2,500	<b>2,500</b>	5,630
Centurion Way	0	2,500	<b>2,500</b>	0
Conservation	0	0	<b>0</b>	128,000
Egrets Way	0	70,504	<b>70,504</b>	55,000
Hampshire Hedgerows	0	118,967	<b>118,967</b>	0
Will Grant	0	26,464	<b>26,464</b>	0
John Muire Post	0	0	<b>0</b>	20,950
Meet the Farmer	0	0	<b>0</b>	5,000
Ouse Valley Cares	0	100,673	<b>100,673</b>	75,500
Regenerative Grazing Project	0	0	<b>0</b>	0
ReNature Fund	0	25,000	<b>25,000</b>	0
Seven Sisters	0	5,000	<b>5,000</b>	25,000
South Downs Way	0	0	<b>0</b>	10,000
Sustainable Communities Fund	0	19,208	<b>19,208</b>	1,423
Swing Gate for Stiles	0	0	<b>0</b>	5,660
Tracing Inspirations	0	11,000	<b>11,000</b>	0
Travel Grant	0	17,450	<b>17,450</b>	14,555
Trees for the Downs	0	46,195	<b>46,195</b>	32,225
The Fernhurst Furnace	0	0	<b>0</b>	30,000
Volunteer Ranger Service	0	3,691	<b>3,691</b>	0
Youth Volunteering	0	0	<b>0</b>	20,000
West Marden Dewpond	0	18,852	<b>18,852</b>	0
<b>Unrestricted Funds</b>	1,500	0	<b>1,500</b>	5,357
	<b>59,639</b>	<b>570,449</b>	<b>630,088</b>	<b>487,618</b>

The in-kind salary is the value of resource provided by South Downs National Park Authority towards charitable activities including governance. The South Downs National Park Trust has no direct employees.

## 7.6 Investments

	<b>Listed Investments</b>
<b>Market Value</b>	<b>£</b>
<b>At 1 April 2021</b>	<b>397,438</b>
Additions	0
Disposals	0
Revaluations	20,438
Impairments	0
<b>At 31 March 2022</b>	<b>417,876</b>
<b>Net Book Value</b>	
At 31 March 2022	417,876
At 31 March 2021	397,438
Valuation Change in 2022	46,486
Cost	371,390
<b>At 31 March 2022</b>	<b>417,876</b>

The investments are held with Quilter Cheviot. Fixed asset investments are made up of holdings in various trusts and companies. These revalued each year and held on the balance sheet at market value.

## 7.7 Debtors and Creditors

The debtors figure of £147,500 are grants that the Trust is due to receive in 2022/23 financial year relating to the 2021/22 financial year. The creditor is of £11,400 is the £1,800 fee due to the independent examiner, Galloways Accounting (Hove) Limited, and the £9,600 annual payment for financial services to Brighton & Hove City Council via the South Downs National Park Authority.

## 7.8 Movement in Charity Funds (Reserves) and Reserves Policy

As per the Trust's Balance Sheet, at 31 March 2022, the Trust holds £1,115,215 of charity funds of which £149,320 is unrestricted (not earmarked for existing projects or initiatives). Full details are set out overleaf.

	Balance 31 March 2021 £	Incoming Resources £	Resources Expended £	Investment Value Change £	Transfers £	Balance 31 March 2022 £
<b>Restricted Funds</b>	<b>902,882</b>	<b>584,164</b>	<b>(581,590)</b>	<b>20,438</b>	<b>40,000</b>	<b>965,895</b>
10 <sup>th</sup> Anniversary Schools Grant	3,500	0	0	0	0	3,500
Access	10,000	9,420	(8,756)	0	0	10,664
Apprenticeship Programme	10,627	0	0	0	0	10,627
Apprenticeship Programme (Woodland)	25,000	0	(25,000)	0	0	0
Beachy Head	0	6,395	0	0	0	6,395
Bee Lines	85,494	36,949	(75,039)	0	15,000	62,404
Boltini Litter Fund	3,530	10,000	(2,500)	0	0	11,030
Centurion Way	2,500	0	(2,500)	0	0	0
Conservation	52,500	28,750	0	0	0	81,250
Egrets Way	45,000	17,502	(70,504)	0	0	(8,002)
Hampshire Hedgerows	0	179,250	(120,150)	0	0	59,100
Will Grant	20,000	10,000	(26,464)	0	0	3,536
Ouse Valley Cares	75,505	18,676	(100,673)	0	0	(6,493)
Regenerative Grazing Project	425	500	(3,608)	0	0	(2,683)
ReNature Fund	0	95,115	(25,000)	0	25,000	95,115
Seven Sisters	0	5,390	(5,000)	0	0	390
South Downs Way	79,800	1,489	0	0	0	81,289
Sustainable Communities Fund	409,616	34,499	(19,208)	19,203	0	444,110
Swing Gate for Stiles	0	120	0	0	0	120
Tracing Inspirations	0	11,000	(11,000)	0	0	0
Travel Grant	(5)	17,450	(17,450)	0	0	(5)
Trees for the Downs	50,482	74,360	(46,195)	0	0	78,647
Volunteer Ranger Service	28,908	0	(3,691)	1,235	0	26,452
West Marden Dewpond	0	27,300	(18,852)	0	0	8,448
<b>Unrestricted funds</b>	<b>79,622</b>	<b>140,532</b>	<b>(30,834)</b>	<b>0</b>	<b>(40,000)</b>	<b>149,320</b>
<b>Total Funds</b>	<b>982,505</b>	<b>724,696</b>	<b>(612,424)</b>	<b>20,438</b>	<b>0</b>	<b>1,115,215</b>

### Charity Funds/Reserves Policy

The South Downs National Park Trust's operating costs are funded by the South Downs National Park Authority until 2023. These costs include all staff and supporting costs.

Currently, the South Downs National Park Trust is only committing to projects once it has secured all the funding to do so. This means that Trust is therefore not exposed to any long-term liabilities.

The Trustees have examined the charity's requirements for reserves in light of the main risks to the organisation – namely that the National Park Authority withdraws support. Whilst this is not anticipated, it is important to maintain sufficient reserves which would allow the organisation to support itself whilst it develops self-sustaining funding.

In this scenario, funds would be required to pay staff as well as fund activities to generate income to provide long terms sustainability. Trustees are therefore looking to build reserves equivalent to 9 months current running costs (including the South Downs National Park Authority grant and gift in kind).

Trustees are committed to generating sufficient reserves to support the charity to transition to self-sustaining funding, should the South Downs National Park Authority choose to withdraw their support, these Reserves need to be available by February 2024. Up until this period Trustees are proposing to invest these funds, in order that these assets are managed in the best interests of the Trust and its beneficiaries.

This policy will be reviewed at the Annual Trustee Strategy meeting each year. The Treasurer will present the Trustee Board with a draft document and supporting materials that enables them to make an informed decision about levels of reserves and feeds into their approval of the Strategy Document and Annual Operating Budget. They will also be reviewed at any board meeting which considers the future funding arrangements of the South Downs National Park Authority and the South Downs National Park Trust in order to ensure that any changes in the Trust's core grant can be incorporated into this policy.

## **7.9 Post Balance Sheet Events**

Post balance sheet (31 March 2022), the national economic position has deteriorated with, for example, historically high pay and price increases. We expect the situation not to have an impact on the Trust's ability to continue as a going concern. The Trustees will continue to monitor the economic situation as it changes and will react appropriate to further developments.