

**South Downs Society
Independent examiner's report
for the Year Ended 31 December 2020**

Independent examiner's report to the trustees of South Downs Society ('the Charitable Company')

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2020.

Responsibilities and basis of report

As the charity's trustees of the charitable 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 charitable 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 charitable company'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 charitable 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 (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.



David Wheeler FCCA
Independent Examiner
Cheeld Wheeler & Co
Chartered Certified Accountants
Goodman House
13a West Street
Reigate
Surrey
RH2 9BL

Date: 30 Apr 2021

South Downs Society

Financial statements for the year ended 31 December 2020

Charity registration number: 230329

Company number: 319437

Balance sheet

As at 31 December 2020

	Notes	£	2020 £	£	2019 £
Fixed assets					
Tangible			-		-
Investments	9		732,210		712,132
Current assets					
Stock		nil		131	
Debtors	11	4,500		4,963	
Cash at bank and in hand	10	26,739	31,239	50,031	55,125
Creditors: amounts falling due within one year	12		11,627		26,579
Net current assets			19,612		28,546
Net assets			<u>751,822</u>		<u>740,678</u>
Funds	13				
Unrestricted funds			751,822		740,678
Total funds			<u>751,822</u>		<u>740,678</u>

The company is exempt from the requirements relating to preparing audited accounts in accordance with section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors/trustees have prepared accounts in accordance with the Companies Act 2006 and the Charities Act 2011.

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

Approved by the trustees/directors and authorised for issue on 9 March 2021 and signed on their behalf by

David Sawyer

Andrew Lovett

South Downs Society

Statement of Financial Activities (including income and expenditure account)

For the year ended 31 December 2020

		2020	2019
		£	£
	Notes	Total	Total
Income from:	3		
Subscriptions, donations and legacies		42,672	58,673
Charitable activities		16,169	6,579
Other trading activities		1,327	3,562
Investments		29,537	29,568
Total		<u>89,705</u>	<u>98,382</u>
Expenditure on:	4		
Raising funds		23,902	25,544
Charitable activities		74,737	69,042
Total		<u>98,639</u>	<u>94,586</u>
Net income/(expenditure)		<u>(8,934)</u>	<u>3,796</u>
Other recognised gains/(losses)	9		
Gains/(Losses) on investment assets		20,078	54,388
Net movement in funds		<u>11,144</u>	<u>58,184</u>
Reconciliation of funds			
Total funds brought forward		740,678	682,494
Total funds carried forward		<u>751,822</u>	<u>740,678</u>

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

All income and expenditure derives from continuing activities.

All funds are unrestricted.

South Downs Society

Notes to the financial statements

For the year ended 31 December 2020

1 Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Preparation of the accounts on a going concern basis

The trustees are of the view that the Society is a going concern.

c) Income recognition policies

Items of income are recognised and included in the accounts when all of the following criteria are met:

- The Society has entitlement to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the Society;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of:

- the date on which the Society is aware that probate has been granted;
- the estate has been finalised and notification has been made by the executor(s) to the Society that a distribution will be made; or
- when a distribution is received from the estate.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Society has been notified of the executor's intention to make a distribution.

Income received in advance of the provision of specified service is deferred until the criteria for income recognition are met.

d) Donated services and facilities

Donated services or facilities are recognised as income when the Society has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Society of the item is probable and that 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 Society which is the amount the Society would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Society; this is normally upon notification of the interest paid or payable by the holding institution.

f) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Society. Designated funds are unrestricted funds of the Society which the Trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular purposes.

g) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds include membership services and purchasing merchandise.
- Expenditure on charitable activities includes the costs of activities undertaken to further the purposes of the Society and their associated support costs
- Other expenditure represents those items not falling into any other heading. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support costs

Support costs are those functions that assist the work of the Society but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Society's charitable purposes. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 7.

i) Operating leases

The Society classifies the five year lease of offices at 5 Swan Court Pulborough as an operating lease. Rental charges are charged on a straight line basis over the term of the lease.

j) Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis over their useful lives. Office equipment is depreciated over four years.

k) Investments

Investments are valued at market value at the year end.

l) Stock

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised on receipt at fair value which is the amount the Society would have been willing to pay for the items on the open market.

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

o) Creditors and provisions

Creditors and provisions are recognised where the Society has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p) Financial instruments

The Society only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

2 Legal status of charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to 50p. The authorised number of members is unlimited. All members of the Council are also directors of the company.

3 Analysis of income

		2020	2019
		£	£
Donations and legacies	Subscriptions	26,255	25,936
	Donations	6,417	4,946
	Legacies	10,000	27,791
	Total	42,672	58,673
Charitable activities	Grants	14,778	57
	Events	813	6,522
	Recharge of salary costs to South Downs Network	578	
	Total	16,169	6,579
Other trading activities		1,327	3,562
Investments and interest		29,537	29,568
Other			
Total		89,705	98,382

4 Analysis of expenditure

		2020	2019
		£	£
Raising funds	Support costs (note 7)	19,016	22,907
	Merchandise and other marketing	2,836	592
	Investment Management Fees	2,050	2,045
	Total	23,902	25,544
Charitable activities	Activities and publications for members	7,505	14,504
	Planning and national park purposes	1,301	1,482
	Grant to SDNPA Trust in respect of tree planting	5,000	
	Provision of seats on South Downs Way	800	
	South Downs Schools Living History project	17,804	2,069
	Support costs (note 7)	42,327	50,987
	Total	74,737	69,042
Total		98,639	94,586

5 Details of certain items of expenditure

5.1 Payments to trustees

	2020	2019
Number of trustees who were paid expenses	nil	2
Nature of the expenses		<i>Primarily travel</i>
Total amount paid £	nil	407

5.2 Fees for examination of the accounts

	2020	2019
	£	£
Independent examiner's fees for reporting on the accounts	720	nil
Other fees (for example: advice, consultancy, accountancy services) paid to the independent examiner	nil	nil

6 Paid employees

6.1 Staff Costs

	2020	2019
	£	£
Gross salaries	37,037	37,129
National Insurance and Pension Costs	2,593	2,442
Total staff costs	39,630	39,571

6.2 Average number of full-time equivalent employees in the year

		2020	2019
		Number	Number
The parts of the charity in which the employees work	Fundraising	0.5	0.6
	Charitable Activities	1.1	1.4
	Total	1.6	2.0

No employees received emoluments of more than £60,000.

7 Analysis of support costs

	Raising funds £	Charitable activities £	Total £
Staff	12,285	27,345	39,630
Office costs	6,503	14,476	20,979
Governance	227	506	733
Total	19,015	42,327	61,342

Support costs are allocated to activities in the proportion that staff time is spent on those activities.

8 Grants made to institutions

In 2020 to South Downs National Park Authority Trust, for the planting of trees, £5,000.

9 Investment assets

9.1 Fixed assets investments

	£
Market value at beginning of year	712,132
Add: additions to investments at cost	0
Less: disposals at carrying value	
Add/(deduct): net gain/(loss) on revaluation	20,078
Market value at end of year	732,210

Analysis of investments

	9.2 Market value at year end £	9.3 Income for the year £
Investments held in investment funds	732,210	
Dividend and interest		29,513
less management fee		-2,050
Total	732,210	27,463

9.4 Material investment holdings

Cazenove Charity Multi-Asset Fund	732,210
Total Market Value	732,210

10 Movement in Cash at Bank and in Hand

	£
Opening Balance	50,031
Incoming resources	89,705
Outgoing resources	(98,639)
Withdrawal from investments	
Decrease in money owed to the Society	463
Decrease in Stock carried	131
Decrease in money owed by the Society	(14,952)
Closing Balance	26,739

Analysis of cash balance

	£
CAF Cash	14,706
CAF Gold	10,447
Barclays Bank plc	5,539
Paypal	462
Petty Cash	36
	31,190
less amount owed to South Downs Network	(4,451)
South Downs Society cash	26,739

Debtors and prepayments

Analysis of debtors	Amounts falling due within one year		Amounts falling due after more than one year	
	2020 £	2019 £	2020 £	2019 £
Trade debtors		463		
Other debtors	4,500	4,500	0	0
Prepayments and accrued income			0	0
Total	4,500	4,963	0	0

Other debtors represent an estimate of gift aid due for 2020 (£4,500).

Creditors and accruals

	Amounts falling due within one year		Amounts falling due after more than one year	
	2020 £	2019 £	2020 £	2019 £
Loans and overdrafts	-	-	-	-
Trade creditors	1,332	1,266	-	-
Fund management fee	530	530		

Other Creditors		240		
Deferred grant income	9,765	24,543	-	-
Total	11,627	26,579	0	0

Deferred grant income of £9,765 in 2020 and £24,543 in 2019 represents grant from the National Lottery Heritage Fund in respect of the South Downs Schools Living History project.

Other creditors in 2019 represented an amount of £240 to equalise rent due over the five years of the lease for 2 Swan Court. The Society now occupies a different property, the rent for which does not require equalisation.

Endowment and restricted income funds

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13.1 Funds held

Fund Name	Type	Purpose and Restrictions
General Fund	Unrestricted	In pursuance of the Society's objects

13.2 Movements of funds

Fund names	Fund balances brought forward	Incoming resources	Outgoing resources	Transfers	Gains and losses	Fund balances carried forward
	£	£	£	£	£	£
General Fund	740,678	89,705	98,639		20,078	751,822

Grants received

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The National Lottery Heritage Fund has agreed to pay a grant for 83% of the costs of the Society's South Downs Schools Living History project. At 31 December 2020 grant received in cash amounted to £24,600. Expenditure on the grant-funded project to the same date was £17,873.

South Downs Network

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The Society and South Downs Network (SDN) have a mutual interest in the South Downs and have a co-operative arrangement whereby the Society has a role similar to a custodian trustee. This involves the management of funds on behalf of SDN and at 31 December 2020 an amount of £4,451 is being held in a CAFCash Account managed by the Society.

Related parties

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There were no transactions with any related parties such as trustees during the year.

General volunteers

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The Society relies on the contribution of general unpaid volunteers in carrying out its activities. The contribution of such volunteers is not included as income in the financial statements as the Society would not otherwise pay for the services provided and it is impracticable to measure reliably the value of the contribution.