

**Company Number**  
1994107

**CUERDEN VALLEY PARK TRUST**  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2011**

**Registered Charity Number: 1002888**



**JOHN GOULDING & CO.**  
Chartered Accountants

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# CUERDEN VALLEY PARK TRUST

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**REPORT OF THE TRUSTEES OF  
CUERDEN VALLEY PARK TRUST  
YEAR ENDED 31 MARCH 2011**

**Reference and Administration**

Cuerden Valley Park Trust is a registered charity, number 1002888, and is a company limited by guarantee, registration number 1994107.

The address of the Park office is: The Barn, Berkeley Drive, Bamber Bridge, Preston PR5 6BY and the Company's registered office is: 4 Southport Road, Chorley PR7 1LD.

The Park's website is [www.cuerdenvalleypark.org.uk](http://www.cuerdenvalleypark.org.uk)

**Trustees:**

The Trustees serving on the date of the approval of this report are:

Mr. John E Stainton (Chairman)	Mr. Ian F Dibben
Mr. Greg D Smith (Vice- Chairman)	Mr. Richard Crompton
Dr Ann Service	Mr. Peter Wagstaff
Mrs. Susan Marsden	Mr. Lawrence C Hayton
Clir Michael Muncaster	Mr. Greg Bolan
Mr. Mike Parkin	

Other Trustees who served during the financial year 2010-2011:

Mr. John Ascroft	Mr Terry Marsh
Miss Christine Collins	Mr. Pat Ryan
Mrs. Rosemary Boyd	Mr. Michael Swarbrick

The Trustees would like to record their grateful thanks to their late colleague Mr. John Ascroft for his service to the Trust and would like to pass on their best wishes to his family.

The Trustees delegate the day-to-day Park management to the Park Manager, Mr James Longbottom. The Trust employs two park rangers and one estate worker, an administrator, who also acts as Company Secretary, and a part-time education officer.

The Trust employs or uses the following:

Bankers - The Co-Operative Bank, PO Box 250, Delf House, Southway, Skelmersdale WN8 6WT

Accountants and Auditors - John Goulding & Co Ltd, 4 Southport Road, Chorley PR7 1LD.

Solicitors - Kevills, Astley House, 5 Park Road, Chorley PR7 1QS.  
- Napthens, 7 Winckley Sq, Preston. PR1 3JD.

Investment Advisors - Border Asset Management Limited, Bank House, 55 Main Street, Kirkby Lonsdale, Cumbria. LA6 2AH

**Structure, Governance and Management**

Cuerden Valley Park Trust is a company limited by guarantee and is governed by its Memorandum and Articles of Association dated 28 February 1986.

The Articles of Association provide for no less than four and not more than fifteen Trustees, of which at least one, but never more than half, shall be a Member or Official of Chorley Borough Council. In practice Chorley Borough Council nominate one councillor, usually from a ward local to the Park.

Other Trustees' appointments are confirmed at the AGM by the members under the normal Companies Act rules.

**REPORT OF THE TRUSTEES OF  
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The Trust actively advertises locally for new Trustees who must submit an application form and CV for review by the existing Trustees. Following an informal meeting with the Chairman and Company Secretary, the potential Trustees are loaned a copy of the Trustees Handbook together with pertinent literature from the Charities Commission. They are then invited to observe at the next Trustees meeting(s), and having confirmed their willingness to stand, the Trustees will vote on their appointment.

Following the appointment of new Trustees, they are allocated a mentor from the existing Trustees and are invited to meet the staff, to inspect the workshops etc and to observe operations in the Park. The current training policy is that all Trustees should attend at least one annual training session given by an external organisation to keep up to date with charity developments and to develop trustee skills.

The Trustees meet monthly to manage the affairs of the Trust and are responsible for funding, finance, risk management, governance, most policies and long term strategy. The Park Manager and staff are responsible for the day-to-day management and its advance planning, working with the Friends, volunteers and stakeholders, and advising the Trustees. All Trustees give their time voluntarily and receive no benefits from the Trust.

The Trust shares the use of The Barn, which is the headquarters office of the Wildlife Trust for Lancashire, Manchester and North Merseyside, which the Wildlife Trust own on a long peppercorn lease from the Park Trust. The Friends of Cuerden Valley Park hold monthly events in the Park and generally support the Trust.

The Trustees have assessed the major risks to which the charity is exposed, in particular those relating to public liability, operations and finance of the Trust, and have established systems to mitigate exposure to these risks. The risks and the policies addressing the risks are reviewed annually or as changed circumstances require.

#### **Public Benefit Statement**

The Charity Trustees confirm that they have complied with their duties in delivering public benefit in accordance with the Trust's Aims and for the purposes of the advancement of education, the advancement of citizenship, the advancement of heritage and the advancement of environmental protection and improvement. They have had due regard to the guidance on public benefit published by the Charities Commission in exercising their duties.

#### **Objectives and Activities**

The charity's object and principal activity is to advance the education of the public and provide for the recreation of the public by provision of parkland in the boroughs of Chorley and South Ribble.

In furtherance of the above, the charity has the following main powers:

- a. To promote and preserve Cuerden Valley Park for the benefit of the public.
- b. To acquire equipment for the maintenance of the Park and to carry out works for the improvement and development of the Park.
- c. To provide educational and lecturing facilities at, and tours of, the Park.

The Trust aims to maintain the Park to a better than average condition so that it is accessible, safe, and attractive to all potential users, be they individuals, families, groups or organisations. Within the physical setting of the Park informal recreation, educational activities, health promotions, wildlife protection and enhancement all take place within the open air and in natural looking surrounds. Pedestrian and cycle access to the Park is free. Modest charges are now levied at the three larger car parks. There are 28 pedestrian entrances and five small car parks. Much of the Park is accessible to wheelchairs and disabled persons can fish in the Lake.

The goals for this year were:

To fulfil the management work plan in all routine matters, in the continued repair and replacement of ageing infrastructure, and in the gradual improvement to the structure and diversity of woodlands.

- To fill all places on the schools education programme and the 'Victorian days'.
- To prepare for and re-apply to the Keep Britain Tidy Group for a Green Flag award.
- To continue to work towards the 'Park Strategy' and lobby government to 'correct' the capital endowment.
- To hold a trustee training session.
- To resolve a major trespass on to the Park.
- To find ways of increasing our income.

**REPORT OF THE TRUSTEES OF  
CUERDEN VALLEY PARK TRUST  
YEAR ENDED 31 MARCH 2011**

These goals were to be achieved through programming the Trust's scarce staff resources with input by advisors and Trustees and monthly review by Trustees, and through mobilizing volunteers.

**Achievements and Performance**

The school education programme including the Victorian experience was used by 1,561 children in 2010/11 and the Park is designated a 'safe site' for school visits by Lancashire Education Authority. The Friends of Cuerden Valley Park talks and guided walks were well attended.

The Trust in partnership with Active Nation (Clayton Green Sports Centre) started to run regular Health Walks. These are aimed at less active people to encourage them to get out and enjoy the Park and get some gentle exercise. The programme was launched on Thursday 28 October and then was run on the second Tuesday of the month from Clayton Green Sports Centre and the fourth Thursday from the Barn.

The second application for the Green Flag Award was completed in December 2009 and the Trust received the award in Summer 2010. An inspection was carried out by the Forestry Stewardship Council (FSC) and the Trust has maintained its certification for sustainable woodland management.

All Trustees attended an evening training session on trustee responsibilities.

The Park Strategy document was printed in April 2009 when a public consultation and political lobbying process commenced. The public and local government response was very muted though members of the public came forward to help with raising funds and to express their support. The Trust lobbied the government via Lindsay Hoyle, MP for Chorley and after some correspondence met with a Minister in February 2009. This dialogue and the prospect of progress terminated with the General Election in May 2010.

The Trust lobbied the current government via Lindsay Hoyle and Nigel Evan, MP for Ribble Valley and met with the Minister in March 2011. The outcome was that the Homes & Communities Agency were to commission an independent business plan and produce it within the next 2-3 months. Another meeting would then be convened with the Trust to consider its conclusions.

The Trustees considered the reports from our legal advisers regarding the lack of progress with the Trust's action for trespass, and on possible outcomes of the case reaching court. Having carefully considered all the advice tendered the Trust entered mediation and reached an agreement that a financial settlement be made to the Trust in respect of payment for the land. However, the Trust is still chasing final resolution of this matter.

The routine maintenance work of grass cutting, cutting back of trees and shrubs, litter picking, rangering and safety inspections was within the parameters of the work plan.

The necessary programme of refurbishments, replacements of steps, handrails and footbridges continues to keep the Park safe for all users.

The Park continues to maintain the Lake for the use of local anglers for fishing and the high standard of the Park is attracting more walkers, runners and cyclists. The picnic area at the centre of the Park remains popular with families at the weekends. The Cuerden Valley Fair held in May 2010 drew in excess of 4,000 visitors, making a modest profit for the Trust.

The Trust continues to recycle the majority of the resources within the Park, selling woodchip to the Lancashire Wildlife Trust for their biomass boiler, creating habitats and revetting the river banks.

The Trust operates a conflict of interest policy and a risk register. The risk register is updated quarterly and both documents are reviewed annually with all its other policies.

The annual work plan and park activities are constrained by the income the Trust can generate. In order to keep the condition of the Park safe and to meet, as best it can, the educational, environmental and governance objectives the Trust has again operated at a deficit this year.

**REPORT OF THE TRUSTEES OF  
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During the year grants were received from the Forestry Authority for woodland management and from Natural England for meadow management. Additional funds were also received from Natural England for the refurbishment of the Dovecote Barn.

The Trust recognises as part of its Strategy, the need to raise additional regular income. Modest car parking charges were introduced in December 2009 and Farmers' markets were held on a monthly basis, which are bringing in useful income.

Volunteering is an activity promoted and encouraged by the Trust, and Trustees are grateful for all the time and skills which are given to the Park. The Farmers' markets are organised by volunteers. Practical work includes fencing, ditching, vegetation clearance, path repairs and looking after the walled orchard. Volunteers assist with the successful education programmes and with wildlife recording, and with organising the Friends Group. The annual Cuerden Valley Fair can only be held with the support of a great many volunteers. Practical work has also been undertaken by the probation service, which provides a work party one day a week.

The estimated number of volunteer 'days' for the year is in the order of 720. The Friends have increased their numbers to 140 this year

**Financial Review**

The Statement of Financial Activities for the year is set out on page 6 of the financial statements. A summary of the financial results is set out below.

	2011 £	2010 £
Recurring income	209,601	179,277
less recurring costs	<u>271,824</u>	<u>253,350</u>
Net operating deficit	(62,223)	(74,253)
Net gains (losses) on investment assets	<u>25,893</u>	<u>249,390</u>
	<u>(36,330)</u>	<u>175,137</u>

The very limited annual income available to the trust is a significant constraint to the level of maintenance work and other activities that can be undertaken. It is more than thirty years since the Park was originally opened to the public by the Central Lancashire New Town Development Corporation and the cost of necessary maintenance and renewal has increased rapidly over the past few years. The Trustees have published the Strategy which describes the inevitable demise of the Trust within the next five or so years unless there is a dramatic and substantial increase in the capital endowment or other sources of income.

The Trustees approve a detailed budget of income and expenditure prior to the start of each year as a basis for the programme of work to be undertaken during the year. In view of the increasing level of expenditure and relatively static income level, a budgeted deficit of £65,000 was expected for the year. However the level of income received by the Trust during the year was higher than expected as a result of the farmers markets, car park charges and negotiating additional grant income, although the grants will significantly reduce in future years. In addition the Trust has cut back on the planned expenditure for the year, which has reduced the actual deficit to the level shown above. The level of deficit has been increased however as a result of the depreciation charge on the farm buildings due to the change of accounting policy.

A large part of the income of the Trust is derived from the investment of the original endowment and subsequent additions to unrestricted funds. It is the policy of the Trust to maintain as reserves a level of unrestricted funds represented by investments and cash deposits consistent with the need to maximise annual income to meet recurring costs.

**Investment Policy and Return**

The Trustees are authorised by the memorandum and articles of association to make and hold investments under the powers available in the Trustees Act 2000. These powers have been exercised on behalf of the Trust by the fund managers James Brearley & Sons Limited. Currently the Trust does not constrain the investment policy with ethical or environmental matters. The investment policy is reviewed annually.

**REPORT OF THE TRUSTEES OF  
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The charity's investment policy is effected by investment in mainly UK equities with some exposure to international equities, bonds and cash. Traded options, initially written on existing holdings only, have formed part of the investment strategy in order to manage the fund risk and to enhance the income return on the capital invested. The option strategy was expanded in the latter part of the 2009/2010 financial year to include put options although these were only written on stocks that the Trust would already be interested in acquiring, if the option was to be subsequently assigned.

The Trust's aim was to generate income from its portfolio during the year of about £69,300, of which about half was expected to be derived from the fees received for option transactions. As a result of the less volatile market, the level of the option income was much lower than anticipated and the income level reached was only £65,995 at a yield of 5.35% although this is in line with the return specified in the Trust's formal investment policy. The level of investment income generated in the year was supplemented by interest received of £7,388 from the settlement of the M65 claim by the Highways Agency.

At the same time however the quieter market has led to a small reduction in the value of the Trust's investments, compared to last year, although the overall return from the portfolio is comparable to the rise in the APCIMS Balanced Portfolio Index used to measure performance by the fund managers. After a detailed consideration of the investment strategy, the Trustees decided to switch from the option based approach since the potential market risk attached to these investments was increasingly not being matched by the level of income that was being generated by the portfolio. The remaining options were sold in the market in May 2011 and at the same time the Trust changed the fund managers to Border Asset Management to implement the new approach.

#### **Future Plans**

The Trust's principal continuing objective is to secure the long term future of the Park. Financially this will be addressed by:

- Raising as much money as possible from events, activities, donations, fund raising, sales etc, which will continue to require the efforts of the Friends and Volunteers; and to aim for sustainable income. The Cuerden Valley Fair and a Beer festival were held in May 2011 and the Farmers' Markets every month.
- Continued lobbying the new government to discuss with us and stakeholders, the correcting of the initial capital endowment.
- Controlling expenditure within the annual budget, and reviewing future scope of the works programme.
- Reviewing the investment policy and its delivery.

Other 'operational' objectives are:

- To fulfil the management plan in all routine matters and continue the phased repair and replacement of ageing infrastructure.
- To apply for the renewal of our Green Flag award.
- To conclude the resolution of the major trespass by mediation.
- To continue to raise the public's awareness of our charitable status and to increase the membership of the Friends.

The Trust will continue discussion with HCA and local landowners regarding legal responsibilities, and financial liabilities, for Factory Lane and the vehicular bridge over the River Lostock. The Trust will ask HCA and CBC whether a congruent parcel of land at Sheep Hill Lane, originally withheld from the Park Transfer could be transferred to the Park with an endowment.

**REPORT OF THE TRUSTEES OF  
CUERDEN VALLEY PARK TRUST  
YEAR ENDED 31 MARCH 2011**

**Trustees' responsibilities in relation to the financial statements**

The trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and 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 the 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 apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate 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.

In so far as the trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**Auditors**

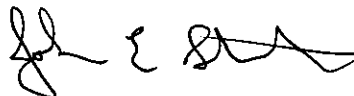
The auditors, John Gouling & Co., will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

**Small company rules**

These accounts have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Governing Instrument.

This report has been approved by the Board of Trustees and is signed on its behalf.

**Signed on behalf of the Board of Trustees**



Dated: 26<sup>th</sup> Sep, 2011

John E. Stainton, Chairman of Trustees

**REPORT OF THE INDEPENDENT AUDITORS**  
**TO THE MEMBERS OF CUERDEN VALLEY PARK TRUST**

We have audited the financial statements of Cuerden Valley Park Trust for the year ended 31 March 2011 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes on pages 9 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditors**

As described on page 6 the trustees, who are also the directors of the charitable company for the purposes of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees in the preparation of the financial statements, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

give a true and fair view of the state of the charitable company's affairs as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or

the financial statements are not in agreement with the accounting records and returns; or

certain disclosures of trustees' remuneration specified by law are not made; or

we have not received all the information and explanations we require for our audit; or

**REPORT OF THE INDEPENDENT AUDITORS  
TO THE MEMBERS OF CUERDEN VALLEY PARK TRUST**

the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime (and take advantage of the small companies exemption in preparing the Trustees' Annual Report).



**Stephen Gardiner ACA ATII  
Senior Statutory Auditor  
For and on behalf of  
JOHN GOULDING & CO LTD  
Chartered Accountants  
& Statutory Auditors  
4 Southport Road  
CHORLEY  
Lancashire  
PR7 1LD**

**Dated:** 28 September 2011

**CUERDEN VALLEY PARK TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT  
AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

**FOR THE YEAR ENDED 31 MARCH 2011**

	Notes	Unrest- ricted Funds	Rest- ricted Funds	Total Funds 2011	Total Funds 2010 (Restated)
		£	£	£	£
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
Voluntary Income					
Donations & gifts		3,504	-	3,504	3,803
Activities for generating funds					
Merchandising and fundraising events		81,826	-	81,826	29,974
Rental income		16,038	-	16,038	14,742
Investment income	2	73,383	-	73,383	72,201
<b>Incoming resources from charitable activities</b>					
Grants	3	28,157	87,079	115,236	52,515
Educational activities		6,693	-	6,693	6,042
<b>Total incoming resources</b>	4	<b>209,601</b>	<b>87,079</b>	<b>296,680</b>	<b>179,277</b>
<b>Resources expended</b>					
<b>Cost of generating funds</b>					
Fundraising costs		29,869	-	29,869	12,478
Investment management costs		5,969	-	5,969	5,844
		<u>35,838</u>	-	<u>35,838</u>	<u>18,322</u>
<b>Charitable activities</b>					
Promotion and preservation of the Park		161,919	-	161,919	170,281
Improvement/development of the Park		47,607	1,742	49,349	42,439
Educational activities		19,089	-	19,089	15,748
		<u>228,615</u>	<u>1,742</u>	<u>230,357</u>	<u>228,468</u>
Governance costs		7,371	-	7,371	6,740
<b>Total resources expended</b>	8	<b>271,824</b>	<b>1,742</b>	<b>273,566</b>	<b>253,530</b>
<b>Net income/expenditure before other recognised gains(losses)</b>	5	<b>(62,223)</b>	<b>85,337</b>	<b>23,114</b>	<b>(74,253)</b>
<b>Other recognised gains(losses)</b>					
Gains (losses) on investment assets		25,893	-	25,893	249,390
<b>Net movement in funds for the year</b>		<b>(36,330)</b>	<b>85,337</b>	<b>49,007</b>	<b>175,137</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		1,267,351	-	1,267,351	3,440,189
Prior year adjustment	9	2,347,975	-	2,347,975	-
<b>Total funds carried forward</b>		<b>3,578,996</b>	<b>85,337</b>	<b>3,664,333</b>	<b>3,615,326</b>

All of the above results are derived from continuing operations. All gains and losses recognised in the year are included above. The loss for the year for Companies Act purposes, which comprises the net income/expenditure for the year and realised losses on investments, was £18,030 (2010 restated loss £173,350).

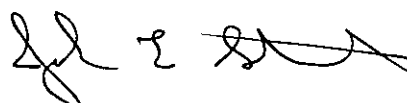
The notes on pages 11 to 16 form part of these financial statements.

**CUERDEN VALLEY PARK TRUST**  
**BALANCE SHEET AS AT 31 MARCH 2011**

	Notes	£	2011 £	£	2010 (Restated) £
<b>Fixed assets</b>					
Tangible assets	9		2,444,532		2,366,184
Investments	10		<u>1,221,737</u>		<u>1,244,863</u>
<b>Total fixed assets</b>			3,666,269		3,611,047
<b>Current assets</b>					
Debtors	11	36,379		94,245	
Cash at bank and in hand		<u>54,237</u>		<u>32,946</u>	
<b>Total current assets</b>		90,616		127,191	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	12	<u>53,416</u>		<u>73,984</u>	
<b>Net current assets</b>			<u>37,200</u>		<u>53,207</u>
<b>Total assets less current liabilities</b>			3,703,469		3,664,254
Creditors: Amounts falling due after more than one year	13		<u>39,136</u>		<u>48,928</u>
<b>Net assets</b>			<u>3,664,333</u>		<u>3,615,326</u>
<b>Funds</b>					
<b>Endowment funds</b>			1,087,432		1,087,432
<b>Restricted income funds</b>			85,337		-
<b>Unrestricted income funds</b>					
General funds		2,549,528		2,652,895	
Revaluation reserve		<u>(57,964)</u>		<u>(125,001)</u>	
<b>Total unrestricted funds</b>			<u>2,491,564</u>		<u>2,527,894</u>
<b>Total charity funds</b>	14		<u>3,664,333</u>		<u>3,615,326</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008),

These financial statements were approved by the Board of Trustees and authorised for issue on 26<sup>th</sup> Sep, 2011, and are signed on its behalf by:



**John E. Stainton, Chairman of Trustees**

Company Registration Number: 1994107

The notes on pages 11 to 16 form part of these financial statements.

## CUERDEN VALLEY PARK TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

#### 1. Accounting policies

##### (a) Basis of preparation of accounts

The financial statements are prepared under the historical cost convention, with the exception of freehold land and buildings and investments, which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), Accounting and Reporting by Charities, published in March 2005, the Financial Reporting Standard for Smaller Entities (effective April 2008), applicable accounting standards and the Companies Act 2006. Any changes in accounting policy resulting from the implementation of new accounting standards, which have a material effect on the accounts, are disclosed separately within the relevant note to the accounts.

##### (b) Fund accounting

Unrestricted income funds comprise accumulated surpluses and deficits on general funds that are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and that have not been designated for other purposes. Restricted income funds are funds subject to special conditions imposed by the donor and are not available for purposes other than those specified by the donor.

##### (b) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Donations and grants are included in incoming resources when they are receivable, except when the donors specify that they must be used in future accounting periods or donors' conditions have not been fulfilled, when the income is deferred.

##### (c) Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. All expenditure has been classified under headings that aggregate all costs related to that category. Where costs cannot be attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Staff costs are apportioned between activities on the basis of time spent by the individual staff members. Premises expenses are apportioned on the basis of floor space used for the activities.

Fundraising costs and direct charitable costs, which comprise all costs identified as wholly or mainly attributable to achieving the objects of the charity, include staff costs, wholly or mainly attributable support costs and an apportionment of general overheads. Support costs include all expenditure not directly related to fundraising or charitable activities. Where applicable, such costs are apportioned to charitable activities on the basis of total direct costs. Governance costs represent the costs of audit fees and trustees indemnity insurance.

##### (d) Pension costs

The Trust pays contributions to the individual personal pension schemes of its employees and the pension charge represents the amount payable by the charity to the individual schemes for the year.

##### (e) Tangible fixed assets

Fixed assets are stated at cost less depreciation with the exception of freehold land and buildings which are stated at valuation less depreciation. Individual fixed assets costing £1,000 or more are capitalised at cost. Heritage assets are not capitalised where there is no reliable cost information or conventional valuation approach available. The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. Depreciation is provided on all other tangible fixed assets at rates calculated to write off the cost, less estimated residual value, over their expected useful economic lives as follows:

Land and Buildings	2% straight line
Motor vehicles	25% reducing balance basis
Equipment	25% reducing balance basis

##### (f) Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year. Options written on existing holdings that have not yet expired at the Balance Sheet date are treated as liabilities and are included in the financial statements at market value.

**CUERDEN VALLEY PARK TRUST**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011**

<b>2. Investment income</b>		<b>2011</b>	<b>2010</b>
		£	£
Listed investments		65,746	72,067
Cash investments		<u>7,637</u>	<u>134</u>
		<b><u>73,383</u></b>	<b><u>72,201</u></b>

All of the above income is received from investment assets in the UK. The figure for listed investments includes fees received for traded options written during the year, as adjusted for the market value of those options. These initially consisted of call options written on existing holdings only but the approach has been expanded in early 2010 to include put options, although these are only written on stocks that the Trust would already be interested in acquiring, if the option is subsequently assigned. The impact of movements in the market is therefore smoothed out by the option strategy. The Trust will not fully participate in market growth where call options are assigned, nor will it suffer the full loss where put options are assigned.

After deducting the cost of repurchasing options in the market, the net income from options for the charity during the year was £23,474 (2010 £29,403). The market value of the options at the year-end was £12,613 (2010 £14,877) and this is included as a liability in other creditors. All the remaining individual options were sold in the market during May 2011.

**3. Grants**  
Grant income under unrestricted funds includes amounts released to incoming resources from deferred income of £9,792 (2010 £9,792).

**4. Incoming resources**  
There was no income attributable to geographical markets outside the United Kingdom (2010 none).

<b>5. Net income/expenditure</b>		<b>2011</b>	<b>2010</b>
		£	(Restated) £
is stated after charging			
Depreciation of tangible fixed assets			
- owned by the company		30,902	28,910
Auditors remuneration - audit fees		3,138	3,043
- other financial services		3,661	3,043
Legal costs		<u>34,427</u>	<u>3,181</u>
<b>6. Staff costs and numbers</b>			
Wages and salaries		105,072	106,096
Social Security costs		8,855	8,754
Pension costs		<u>3,988</u>	<u>4,240</u>
		<b><u>117,915</u></b>	<b><u>119,090</u></b>

No employee earned £60,000 per annum or more. The average number of employees, analysed by function was:

		<b>2011</b>	<b>2010</b>
Park Manager		1	1
Park Rangers		2	2
Estate Workers		1	2
Administrator		1	1
Education officer		<u>1</u>	<u>1</u>

**7. Trustees remuneration and expenses**  
The trustees received no remuneration or expenses (2010 none).

**CUERDEN VALLEY PARK TRUST**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011**

**8. Total resources expended**

	<b>Direct Costs</b>	<b>Support Costs</b>	<b>Total 2011</b>	<b>Direct Costs (Restated)</b>	<b>Support Costs (Restated)</b>	<b>Total 2010 (Restated)</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted funds</b>						
Farm repairs	-	-	-	4,598	-	4,598
Depreciation	1,742	-	1,742	-	-	-
<b>Unrestricted funds</b>						
Park contract work	20,978	-	20,978	25,273	-	25,273
Salaries & wages	100,378	17,537	117,915	101,900	17,190	119,090
Motor expenses	9,108	-	9,108	7,494	-	7,494
Premises expenses	8,495	2,832	11,327	9,037	3,011	12,048
Depreciation	29,160	-	29,160	28,910	-	28,910
Workshop maintenance	12,339	888	13,227	6,913	877	7,790
Farm repairs	194	-	194	1,232	-	1,232
Insurance	9,841	572	10,413	11,250	654	11,904
Telephone & stationery	1,204	2,867	4,071	3,240	3,259	6,499
Legal & professional fees	-	36,011	36,011	-	3,181	3,181
Auditors remuneration	-	6,799	6,799	-	6,086	6,086
Consultancy fees	350	-	350	7,902	-	7,902
Promotional costs	1,507	-	1,507	929	-	929
Portfolio management fees	-	5,969	5,969	-	5,844	5,844
Sundry expenses	75	2,830	2,905	-	2,651	2,651
Training	630	-	630	649	-	649
Rates, light & heat	1,260	-	1,260	1,450	-	1,450
	<b>197,261</b>	<b>76,305</b>	<b>273,566</b>	<b>210,777</b>	<b>42,753</b>	<b>253,530</b>
Fundraising costs	22,641	7,228	29,869	10,917	1,561	12,478
Investment management costs	-	5,969	5,969	-	5,844	5,844
Promotion and preservation	122,740	39,179	161,919	148,959	21,322	170,281
Improvement/development	37,409	11,940	49,349	37,125	5,314	42,439
Educational activities	14,471	4,618	19,089	13,776	1,972	15,748
Governance costs	-	7,371	7,371	-	6,740	6,740
	<b>197,261</b>	<b>76,305</b>	<b>273,566</b>	<b>210,777</b>	<b>42,753</b>	<b>253,530</b>

**9. Tangible fixed assets**

	<b>Freehold Land and Buildings</b>	<b>Equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>(a) Cost/valuation</b>				
At 31 March 2010(as previously stated)	-	40,140	57,262	97,402
Prior year adjustment	2,372,145	-	-	2,372,145
Additions	109,251	-	-	109,251
Disposals	-	-	-	-
At 31 March 2011	<b>2,481,396</b>	<b>40,140</b>	<b>57,262</b>	<b>2,578,798</b>
<b>(b) Depreciation</b>				
At 31 March 2010 (as previously stated)	-	28,466	50,727	79,193
Prior year adjustment	24,170	-	-	24,170
Charge for year	26,355	2,916	1,632	30,903
Disposals	-	-	-	-
At 31 March 2011	<b>50,525</b>	<b>31,382</b>	<b>52,359</b>	<b>134,266</b>

**CUERDEN VALLEY PARK TRUST**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011**

	<b>Freehold Land and Buildings</b>	<b>Equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
(c) <b>Written down values</b>				
At 31 March 2011	<u>2,430,871</u>	<u>8,758</u>	<u>4,903</u>	<u>2,444,532</u>
At 31 March 2010	<u>2,347,975</u>	<u>11,674</u>	<u>6,535</u>	<u>2,366,184</u>

**Heritage assets**

The trust owns and manages an area of about 650 acres that comprises parkland and tenanted farmland & buildings that constitute Cuerden Valley Park. The transfers from the Commission for the New Town include covenants of re-entry and 'clawback' where a change of use might be proposed. This, in effect, prevents the Trust from trying to raise funds from the sale of land. To the best of the trust's knowledge these covenants run for the 'perpetuity period' of 80 years. In previous years, following consultation with the trusts' land agents, the assets have not been included as part of tangible fixed assets since no reliable cost information was readily available, nor were there any conventional valuation approaches that were sufficiently reliable.

As part of the review of these assets, following the introduction of Financial Reporting Standard 30 'Heritage Assets', the trust has consulted its land agent and other valuers to see whether a valuation can be determined for the tenanted farmland & buildings. These assets are therefore now included at valuation less depreciation to date in the accounts and a prior year adjustment for the net amount of £2,187,795 is included in the figures above and in the Statement of Financial Activities to reflect this change in accounting policy. The Balance Sheet and Statement of Financial Activities have also been restated at 31 March 2010 to reflect the change. The surplus for the previous year to 31 March 2011 has been reduced by £24,710 due to an additional depreciation charge as a result of the change in policy, as has the current year's surplus.

The farmland has been valued by the independent chartered surveyors John Forrester on the basis of their open market value and the farm buildings have been valued by the independent chartered surveyors Peter E Gilkes & Co on the basis of their reinstatement value. The remaining parkland has not been capitalised since there is still no reliable cost information or valuation approach that can be applied to this asset.

All tangible fixed assets are used for or to support charitable purposes.

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>10. Fixed asset investments</b>		
<b>UK listed investments</b>		
Market value at 1 April 2010	1,244,863	1,101,484
Additions	280,610	436,303
Disposal proceeds	(329,629)	(542,314)
Gains (losses) on disposal	(41,144)	(99,097)
Gains on revaluation	<u>67,037</u>	<u>348,487</u>
Market value at 31 March 2011	<u>1,221,737</u>	<u>1,244,863</u>
Historic cost at 31 March 2011	<u>1,279,701</u>	<u>1,369,864</u>

The market value of UK listed investments includes cash pending of £163,087 (2010 £89,211) held as part of the investment portfolio. All investments are held to provide an investment return for the charity and are not programme related investments made primarily as part of the Trust's charitable activities.

At the year end the Trust's investments included a deposit of £110,796 in the FIL Fund Management Institutional Sterling money market account which exceeded 5% of the total market value of investments at 31 March 2011 (2010 £130,140) and is therefore considered material in the context of the investment portfolio. The investments in each year are all UK listed investments with the exception of this deposit.

**CUERDEN VALLEY PARK TRUST**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011**

	2011	2010
	£	£
<b>11. Debtors</b>		
Trade debtors	1,422	42,319
Other debtors	22,092	40,072
Prepayments and accrued income	<u>12,865</u>	<u>11,854</u>
	<u>36,379</u>	<u>94,245</u>
<b>12. Creditors</b> Amounts falling due within one year		
Trade creditors	2,028	25,364
Taxes and social security costs	2,866	2,304
Other creditors	9,792	9,792
Accruals and deferred income	<u>38,730</u>	<u>36,524</u>
	<u>53,416</u>	<u>73,984</u>

The figure for other creditors above includes grants of £9,792 (2010 £9,792) received in advance and deferred in accordance with the Trust's accounting policy.

**13. Creditors** Amounts falling due after more than one year

The amounts falling due after more than one year represent grants received in advance and deferred in accordance with the Trust's accounting policy. The amount of the grants to be credited in more than five years time is nil (2010 nil).

<b>14. Total funds</b>	<b>Expendable</b>	<b>General</b>	<b>Revaluation</b>	
<b>Unrestricted funds</b>	<b>endowment</b>	<b>funds</b>	<b>fund</b>	<b>Total</b>
	£	£	£	£
At 1 April 2010 (as previously stated)	1,087,432	304,920	(125,001)	1,267,351
Prior year adjustment	-	2,347,975	-	2,347,975
Income	-	209,601	67,037	276,638
Expenditure	-	<u>(312,968)</u>	-	<u>(312,968)</u>
At 31 March 2011	<u>1,087,432</u>	<u>2,549,528</u>	<u>(57,964)</u>	<u>3,578,996</u>

The unrestricted funds relate to the endowment granted to the trust for the maintenance of the parkland, together with further subsequent funds generated and invested for the same purpose.

**Restricted funds**

The incoming resources shown as restricted funds during the year relate to a grant awarded to the Trust to fund the cost of renovating a barn at one of the tenanted farms on the park estate. The resources expended shown as restricted funds relate to the depreciation on the renovation cost.

<b>15. Analysis of net assets between funds</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>funds</b>	<b>funds</b>	<b>funds</b>
	£	£	£
Fund balances at 31 March 2011 are represented by:			
Tangible fixed assets	2,359,195	85,337	2,444,532
Investments	1,221,737	-	1,221,737
Net current assets	<u>37,200</u>	-	<u>37,200</u>
	3,618,132	85,337	3,703,469
Creditors: Amounts falling due after more than one year	<u>39,136</u>	-	<u>39,136</u>
	3,578,996	85,337	3,664,333

The directors consider that the resources of each fund are held in the appropriate form to meet the fund's requirements.

## CUERDEN VALLEY PARK TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

**16. Share capital**

The company is limited by guarantee and does not have a share capital.

**17. Capital commitments**

There were no outstanding contracts that had been entered into by the company prior to the year end (2010 £2,685 for the renovation of a barn on one of its tenanted farm properties).

**18. Pension commitments**

The Trust pays monthly contributions into the personal pension schemes of its employees. The pension cost charge represents contributions payable by the Trust to the individual schemes and amounted to £3,988 for the year (2010 £4,240) in respect of three members of staff (2010 four). At the Balance Sheet date, there were no unpaid contributions due by the Trust (2010 none).

**19. Contingent liability**

The Trust is involved in a court case relating to an ongoing major trespass on the trust land. As a means of resolving the matter the Trust entered mediation and reached an agreement that a financial settlement be made to the Trust in respect of payment for the land. However, the Trust is still trying to obtain the final resolution of this matter and the court case which had been temporarily stayed pending the settlement's conclusion may be recommenced if a settlement cannot be reached.

The Trust's legal advisors have indicated that the Trust has a very strong case and would ultimately expect a successful outcome of the legal case, if this needs to be recommenced. However if the Trust was to lose the case then it would be responsible for the payment of both its own costs, and those of the defendant, for which an estimate at a sum in excess of £120,000 plus VAT has previously been provided to the court by the defendant's legal advisors. The Trust's legal advisors have therefore estimated a total costs liability including the Trust's own costs relating to the conclusion of the court case potentially in excess of £200,000 if the action was lost.