



Friends of Westonbirt Arboretum

Report of the Trustees and Annual Accounts 2014

Charity registration number 293190

Company registration number 04965522 (England and Wales)

Friends of Westonbirt Arboretum

Contents for the year ended 31st December 2014

	Page
Report of the Trustees	1 - 8
Independent Auditors' Report	9 - 10
Group Statement of Financial Activities (including Income and Expenditure Account)	11
Group and Charity Balance Sheets	12
Notes to the Financial Statements	13 - 23

Friends of Westonbirt Arboretum

Report of the Trustees for the year ended 31st December 2014

Aims and objectives

Westonbirt, The National Arboretum (the Arboretum), is the location for a historic, Victorian picturesque landscape and internationally important tree and shrub collection that is managed by the Forestry Commission with the support of the Friends of Westonbirt Arboretum (the Charity). The nearly 15,000 labelled specimens come from Britain, China, North America, Japan, Chile and other temperate climates.

The Arboretum covers 600 acres and consists of three main areas: the Old Arboretum is a carefully designed landscape dating from the 1850s offering beautiful vistas, stately avenues and trees from around the world; Silk Wood is an ancient, semi-natural woodland which has exotic plantings throughout its landscape; and the Downs is Grade 1 registered and hosts species-rich grassland.

The Charity aims to further public enjoyment and knowledge of this national asset and to secure its sustainable future. It does this by engaging, informing and increasing its membership and also giving significant financial and practical support to the management and development of the Arboretum, and, in particular, by:

- providing support to the Arboretum in promoting public understanding of the critical role of trees to the environment and society;
- providing support for the Arboretum's research and education in all fields relating to trees;
- providing support for the conservation, maintenance and development of the unique tree collection and historic landscape for future generations;
- providing funds to enhance the public's experience at the Arboretum;
- acting as an advocate for the Arboretum, promoting its values and the need for continuing funding;
- providing support to the Arboretum by cultivating the Charity's relationship with its members so as to encourage long-term relationships and fundraising opportunities;
- promoting opportunities for access and participation to a diverse range of public individuals and groups;
- providing funds for such other charitable purposes as will further the work of the Arboretum.

The Charity has aligned its objectives with those stated within the Forestry Commission's *Branching Out: Strategic Plan 2013 to 2017*, namely:

- to maintain, develop and document the Arboretum and its tree and shrub collection as a world-class resource for science and learning;
- to provide opportunities for people of all ages and abilities to learn about trees, their cultivation and importance in our lives;
- to maintain and develop the Arboretum as a place for healthy, enjoyable and rewarding recreation;
- to conserve the Arboretum's distinctive historical landscape and heritage;
- to encourage a wide and diverse community of individuals and organisations to participate in our work.

Central to the Forestry Commission's plan has been the Westonbirt Project which seeks to undertake essential conservation work to secure the long term future of the Arboretum and to enable more people to learn about this heritage, including the development of improved visitor and learning facilities with a new Biffa Award Welcome Building along with a car park and restoration of the Downs. Plans to improve the visitor experience also include the construction of an aerial walkway, since named the Stihl Treetop Walkway, which will take visitors up into the tree collection's canopy. In addition, the Wolfson Tree Management Centre will assist in improving the operational facilities that care for the collection.

Friends of Westonbirt Arboretum

Report of the Trustees for the year ended 31st December 2014

Strategies and activities

The Charity's activities fall into the following main areas:

- Awarding and monitoring grants to the Forestry Commission to support new or ongoing activities
- Fundraising
- Administration of memberships ¹
- Publication of a quarterly magazine for members and the public ²
- Organisation of events and external visits for members
- Maintaining and updating an engaging website
- Organisation of the commercial letting of the Great Oak Hall for civil weddings, civil partnerships and other events ³

¹ Membership of the Friends of Westonbirt Arboretum (the Friends) entitles members access of the Arboretum as well as reciprocal gardens for either one or ten years.

² Westonbirt, The National Arboretum Magazine.

³ The commercial letting of the Great Oak Hall is the principal activity of the Charity's subsidiary undertaking, The Great Oak Hall Limited.

Our strategy to achieve our aims and objectives includes:

- building loyalty amongst the membership by offering a rewarding experience;
- expanding the membership to further the charitable objectives;
- building relationships with key stakeholders who support, or could support, the work of the Charity through a gift of money, time or advocacy;
- adherence to good practice in the allocation of grants;
- continuing to provide a quality informative quarterly magazine for members and the public;
- encouraging members to engage with the Charity via events and external visits;
- encouraging members to volunteer to provide additional resources for a range of activities including woodland management and assisting the delivery of educational events;
- management of investments to optimise returns;
- enabling close cooperation with the Forestry Commission within rigid organisational and legal parameters;
- using forward planning, updated annually, to measure our progress towards achieving our goals;
- efficiently administering and effectively controlling the Charity.

The Charity only provides grants to the Forestry Commission and only for projects that assist the Charity in achieving its aims and objectives. Grant making policies enable an appropriate, logical and transparent process for the allocation and monitoring of grants. Grants fall into three categories: arboretum support, special projects and the Westonbirt Project. Arboretum support grants are awarded to fund recurring activities, including collection management and maintenance. Applications for special projects may be considered at any time for capital items or to address matters of urgent concern. Westonbirt Project grants are awarded to fund the ongoing development and restoration outlined above.

The strategic direction and development of the Charity is managed by the Trustee Board which meets four times a year. Three committees report directly to the Trustee Board. The day to day operation of the Charity is devolved to the Charity Manager and her staff.

Friends of Westonbirt Arboretum

Report of the Trustees for the year ended 31st December 2014

Achievements and performance during the year

Our grants assisted the Forestry Commission in their completion of Phase I of the Westonbirt Project

The Biffa Award Welcome Building was opened by HRH The Duchess of Cornwall on 23rd June 2014 and has created an inspiring gateway to the Arboretum. The position of the new building allows visitors to follow the original picturesque routes which Victorian creator Robert Holford laid out. As well as incorporating space for ticket and membership sales, mobility scooter loan and toilets, the new building is also home to the Christopher Mitchell Information Centre, a learning launch pad for visitors arriving at the Arboretum that includes interactive displays. A new car park has allowed cars to be removed from the Grade 1 registered landscape which is being restored to a species rich grassland.

We launched fundraising activity for Phase II of the Westonbirt Project and achieved our target of £1.9m pledged

A highly successful fundraising campaign resulted in generous donations from grant bodies, Friends and visitors. Work on the Stihl Treetop Walkway and The Wolfson Tree Management Centre is progressing and both are expected to open to the public in 2015.

We continue to increase the value of grants awarded for Arboretum support and special projects

During the year we agreed grants totalling £343,000, and these are listed in Note 8. The grants awarded demonstrate our commitment to improving the collection, supporting the education team, improving access for the disabled and enhancing the visitor experience.

Arboretum support grants awarded to fund recurring activities during the year totalled £298,000 and included:

- Tree management including collection and landscape management, propagation activity, dendrology, survey and inventory work, and volunteer, student and work experience;
- Learning and interpretation including enabling schools to use the Arboretum to support the learning of their pupils and supporting visitors understanding of the importance of trees in general, and Westonbirt in particular, as well as widening access from underrepresented audiences;
- Volunteer support including the volunteer manager's salary, administration expenses and volunteer uniforms;
- Visitor services including support of family and less commercial aspects of events such as mobility scooter maintenance;
- Estates improvements including support for the improvement and development of the built estate;
- Marketing including support for the outsourcing of advertising management.

Special projects grants awarded for capital or urgent matters totalled £45,000 and included:

- Redevelopment of the Exploratree play area including design and build.

We increased our membership

Improved visitor and learning facilities have enabled us to continue the upward trend in membership to in excess of 25,000 members.

We have achieved growth in profitability from venue hire

The number of bookings for weddings and events has increased since the economic downturn and profits generated by our subsidiary company, The Great Oak Hall Limited, surpassed our profit target for the year.

Friends of Westonbirt Arboretum

Report of the Trustees for the year ended 31st December 2014

Achievements and performance during the year (continued)

We have undertaken a full organisational review of the Charity

Consultants have performed a business analysis and the recommendations have been issued to Trustees and staff.

Public benefit

The Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties. The public benefits of the Charity's activities are conservation and education and these are achieved principally by the award and monitoring of grants paid to the Forestry Commission.

The Charity's activities encourage the public enjoyment and knowledge of this national asset and help to secure its sustainable future. It does this by engaging, informing and increasing its membership and also giving financial and practical support to the management and development of the Arboretum, for the benefit of Friends and the public at large.

In addition to maintaining, developing and documenting the Arboretum and its tree collection as a world-class resource for science and learning, the grants provided by the Charity enable the Forestry Commission to provide onsite educational activities to school pupils each year and reach out to encourage a broader audience to learn from, participate in and enjoy the Arboretum's trees and heritage. Multi-sensory activities aim to engage and inspire adults that are at risk of exclusion, whether due to age, health, disability or cultural background, to find a connection with the trees at Westonbirt Arboretum.

Visitor numbers are approximately 350,000 a year with membership of the Friends in excess of 25,000 individuals.

Reference and administrative information

Patrons	HRH The Duchess of Cornwall Giles Coode-Adams OBE Sir Henry Elwes KCVO, JP Robin Herbert CBE The Honorable Beth Rothschild Sir Crispin Tickell GCMG, KCVO
---------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------

President	Christopher Brickell CBE
-----------	--------------------------

Vice Presidents	Roger Busby CBE Les Pearce Peregrine Pollen
-----------------	---------------------------------------------------

Friends of Westonbirt Arboretum

Report of the Trustees for the year ended 31st December 2014

Reference and administrative information (continued)

Trustees (Directors)	J M Alcock (until 26th April 2014) S E Bradley-Jones L G Grant (from 11th August 2014) J D K Hammond M B Headen J E Kendall MBE A Mills (until 26th April 2014) M A Mintram (from 11th August 2014) M B Potter A J Randle (until 5th January 2015) B S Rymer S J B Segar K D Thornton S Toomer (Director of Westonbirt, The National Arboretum)		
Chair of Trustees (Directors)	S J B Segar		
Finance Trustee (Director)	B S Rymer		
Charity Manager	J C Dalton		
Principal office	The Great Oak Hall Limited Westonbirt The National Arboretum Tetbury Gloucestershire GL8 8QS		
Charity registration number	293190		
Company registration number	04965522 (England and Wales)		
Bankers	Lloyds Bank plc 14 Castle Street Cirencester Gloucestershire GL7 1QJ	CAF Bank Ltd 25 Kings Hill Avenue West Malling Kent ME19 4JQ	CCLA Investment Management Ltd 80 Cheapside London EC2V 6DZ
Auditors	Woodward Hale Limited 38 Dollar Street Cirencester Gloucestershire GL7 2AN		
Solicitors	Wilmot & Co 38 Castle Street Cirencester Gloucestershire GL7 1QH		

Friends of Westonbirt Arboretum

Report of the Trustees for the year ended 31st December 2014

Structure, governance and management

The Charity is a company limited by guarantee and is governed by its Articles of Association. Under those articles, amended 26th April 2014, the minimum number of directors (trustees) shall be seven but the maximum number of directors (trustees) shall not exceed twelve. The Forestry Commission may appoint and maintain up to five nominated directors (inclusive of the Arboretum Director) to the Charity.

Elected trustees are appointed by the membership at Annual General Meetings. A Trustee may retire having completed their three year tenure (or renewal of tenure) at any time. Upon notice of the resignation, the Board of Trustees shall undertake a review of the remaining skills and identify any new skills to be acquired. Applications for elected trustees are received by the Nomination Panel who conduct interviews and make recommendations to the Board. Where recruitment of a nominated Trustee is required, the Forestry Commission will conduct a formal recruitment process in liaison with the Board of Trustees.

New Trustees receive an induction training pack to brief them on their legal obligations under charity and company law, the content of the Articles of Association, the committee and decision making processes, the business plan and the recent financial performance of the Charity. Trustees are encouraged to spend time shadowing office staff and attend appropriate external training events where these will facilitate the undertaking of the role.

The Trustee Board has conducted a review of the major risks to which the Charity is exposed and a risk register has been established which is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks which the Charity faces. The Trustees minimise financial risk by the preparation and monitoring of budgets; internal control risk by the implementation of procedures for the authorisation of all transactions; strategic risk by the maintenance of good practice in the allocation of grants; and operational risk and regulation compliance risk through the use of professional advisers to ensure the health and safety of staff, volunteers, and visitors to our premises. These procedures are periodically reviewed to ensure that they continue to meet the needs of the Charity.

Financial review

Membership income during the year has increased to £779,797 (2013: £691,596). We are grateful to our donors and £561,160 has been recognised in the accounts (2013: £592,878). Sponsorship of £125,000 has also been recognised this year. The hiring of the Great Oak Hall for ceremonies, celebrations and meetings made a profit of £32,663 (2013: £13,639) and this amount is shortly to be paid to the parent company. Special mention should be made of the small team of volunteers involved in the wood sales initiative that generated £4,616 (2013: £7,699).

Total incoming resources increased to £1,585,827 compared with £1,381,878 in the prior year as a result of increases in sponsorship and membership income. Net incoming resources available for charitable application increased as a consequence to £1,216,205 from £1,026,370 in the prior year.

The net movement in total funds for the year showed a deficit of £322,914 (2013: a deficit of £390,071) as grant commitments relating to the construction phase of The Westonbirt Project were drawn from retained funds. There has been a decline in total funds of the group to £1,361,070 from £1,683,984 in the prior year in line with expectations.

Friends of Westonbirt Arboretum

Report of the Trustees for the year ended 31st December 2014

Reserves policy

The Trustees aim to maintain general funds (those unrestricted funds which are not designated for a specific purpose or otherwise committed) at least at a level which equates to the cost of approximately six months of administrative operations. The Trustees consider that this level will ensure that sufficient funds are available in the event of any unexpected setbacks as well as providing funds to ensure that there are sufficient resources available to fulfil legal obligations in the (unlikely) event that the Charity ceases to operate. The target level of reserves is reviewed annually as part of the budgeting process. The target for the current year is £137,009 and at 31st December 2014 general funds stood at £137,000.

The Trustees have designated £159,381 (2013: £163,621) for the Westonbirt Project Fund.

Plans for future periods

Now that the Biffa Award Welcome Building has opened, and our new customer relationship management system has been implemented, we plan to review our membership scheme for the benefit of our members and Charity sustainability. We were pleased to recruit two trustees this year and are aiming to make succession planning an annual activity. We are planning on overhauling our finance processes, including grant making and budgeting. We are working on updating our marketing strategy to raise the profile of the Arboretum. We shall continue to work in closely with the Forestry Commission's Arboretum management team to deliver the charity's objectives listed earlier in the report.

The Charity was formed in 1985 and celebrates 30 Years in 2015 and we are looking forward to engaging with our members and visitors in various ways to be announced.

Thanks

We warmly thank all those individuals, trusts and organisations who have supported the Westonbirt Project by making cash gifts, pledges and regular gifts. We are delighted that you have joined us in recognising the significance of this project to the Arboretum's internationally important landscape and tree collection. Please see www.fowa.org.uk/westonbirt_project/funding_partners for full details.

Volunteers are mainly recruited from the Friends membership, are managed by the Forestry Commission, and have delivered some 25,000 hours during the year. Westonbirt thrives on their enthusiasm and commitment. We are very grateful to them for their work in supporting the National Arboretum.

Jacqueline Dalton and her excellent and dedicated team continue to maintain the highest standards of quality in the discharge of their duties to the Charity. The Friends office continues to rise to meet the new challenges and we are fortunate to have the business of the Charity discharged in such a professional manner.

Our partnership with the Forestry Commission and in particular the on-site management and staff means that we continue to work for the future success and viability of the National Arboretum. Our formal agreement with the Forestry Commission has been updated this year to ensure it reflects our relationship and expectations appropriately.

Finally, our thanks to all members for their enthusiastic support.

Friends of Westonbirt Arboretum

Report of the Trustees for the year ended 31st December 2014

Statement of Trustees' responsibilities

The Trustees (who are also Directors of the company for the purposes of company law) are responsible for preparing the Trustees' 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 the group) and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the 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 the group) 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.

Small company exemptions

This report has been prepared taking advantage of the small companies exemption of section 415A of the Companies Act 2006.

This report was approved by the Board on 16th April 2015 and signed on its behalf by

S J B Segar
Chair of Trustees

Friends of Westonbirt Arboretum

Independent Auditor's Report to the Members and the Trustees of Friends of Westonbirt Arboretum

We have audited the financial statements of Friends of Westonbirt Arboretum for the year ended 31st December 2014 which comprise the Group Statement of Financial Activities (including Income and Expenditure Account), the Group and Parent Charitable Company Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 and to the charitable company's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditors' 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 company's members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditors

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also 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.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. 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 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 group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the trustees' 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 group's and the parent charitable company's affairs as at 31st December 2014, and of the group's 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 applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Friends of Westonbirt Arboretum

Independent Auditor's Report to the Members and the Trustees of Friends of Westonbirt Arboretum

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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
- 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' report.

Vincent Cowling (Senior Statutory Auditor)
for and on behalf of Woodward Hale Limited (Statutory Auditor)
38 Dollar Street
Cirencester
Gloucestershire
GL7 2AN

22nd April 2015

Woodward Hale Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Friends of Westonbirt Arboretum

Group Statement of Financial Activities
(including Income and Expenditure Account)
for the year ended 31st December 2014

	Notes	Unrestricted funds	Restricted funds	Total funds 2014 £	Total funds 2013 £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Activities for generating funds	3	1,013,883	-	1,013,883	773,960
Voluntary income	4	-	561,160	561,160	592,878
Investment income	5	10,784	-	10,784	15,040
Total incoming resources		1,024,667	561,160	1,585,827	1,381,878
Resources expended					
<i>Costs of generating funds</i>					
Costs of activities for generating funds	6, 9	274,018	-	274,018	278,909
Costs of generating voluntary income	7, 9	80,550	-	80,550	65,208
<i>Charitable activities</i>					
Grants	8, 9	498,664	1,040,455	1,539,119	1,416,441
Governance costs	9, 10	15,054	-	15,054	11,391
Total resources expended		868,286	1,040,455	1,908,741	1,771,949
Net income/(expenditure) for the year		156,381	(479,295)	(322,914)	(390,071)
Net movement in funds		156,381	(479,295)	(322,914)	(390,071)
Fund balances brought forward		1,204,689	479,295	1,683,984	2,074,055
Fund balances carried forward	21	1,361,070	-	1,361,070	1,683,984

The results for the year derive from continuing activities and there are no gains or losses other than those shown above.

The notes on pages 13 to 23 form part of these accounts.

Friends of Westonbirt Arboretum

Balance Sheet
as at 31st December 2014

	Notes	Group 2014 £	Charity 2014 £	Group 2013 £	Charity 2013 £
Fixed assets					
Tangible fixed assets	12	56,309	56,309	56,398	56,398
Fixed asset investments	14	-	4,686	-	4,686
		<u>56,309</u>	<u>60,995</u>	<u>56,398</u>	<u>61,084</u>
Current assets					
Stock		2,112	2,112	3,168	3,168
Debtors	15	341,399	395,932	475,814	520,363
Cash at bank and in hand		2,324,554	2,250,060	1,775,411	1,711,818
		<u>2,668,065</u>	<u>2,648,104</u>	<u>2,254,393</u>	<u>2,235,349</u>
Liabilities:					
Creditors: amounts falling due within one year	16	(1,363,304)	(1,348,029)	(626,807)	(612,449)
Net current assets		<u>1,304,761</u>	<u>1,300,075</u>	<u>1,627,586</u>	<u>1,622,900</u>
Net assets		<u>1,361,070</u>	<u>1,361,070</u>	<u>1,683,984</u>	<u>1,683,984</u>
The funds of the charity					
Unrestricted funds	21	1,361,070	1,361,070	1,204,689	1,204,689
Restricted funds	21	-	-	479,295	479,295
Total charity funds		<u>1,361,070</u>	<u>1,361,070</u>	<u>1,683,984</u>	<u>1,683,984</u>

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

The financial statements were approved by the Board on 16th April 2015 and signed on its behalf by

B S Rymer
Trustee

The notes on pages 13 to 23 form part of these accounts.

Friends of Westonbirt Arboretum

Notes to the Financial Statements for the year ended 31st December 2014

1 Accounting policies

1.1 Basis of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), *Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2005)* issued in March 2005, applicable UK Accounting Standards and the Charities Act 2011, and, for the subsidiary company The Great Oak Hall Limited, the Financial Reporting Standard for Smaller Entities (effective April 2008). The principal accounting policies adopted in the preparation of the financial statements are set out below.

Group financial statements

These financial statements consolidate the results of the Charity and its wholly owned subsidiary The Great Oak Hall Limited. A separate statement of financial activities and income and expenditure account are not presented for the Charity itself following the exemptions afforded by paragraph 397 of the SORP.

1.2 Incoming resources

Donations are recognised in the period in which the Charity is entitled to receipt and the amount can be measured with reasonable certainty. Legacies are accounted for based on settlement of the estate or receipt of payment, whichever is earlier. Annual and "Ten Year Friend" membership income is deferred and released to the consolidated statement of financial activities over the period to which the membership relates. Other income is accounted for on an accruals basis as far as it is prudent to do so. Income includes income tax recoverable.

1.3 Resources expended

All expenditure is included on an accruals basis and is recognised when a legal or constructive obligation arises. The majority of costs are directly attributable to specific activities. Shared costs are apportioned to activities based on the proportion of time spent on each of these areas of work. Provisions for grants are made once the Charity has made an unconditional commitment at a full meeting of the Trustees and this is communicated to the recipient. The Charity uses annual reviews to determine whether funding is provided in the subsequent years of any recurring obligations and retains the discretion to terminate a grant. For this reason, an immediate liability arises only for the first year of the funding commitment. The Charity awards grants in accordance with policy.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided on these assets at annual rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:-

Leasehold improvements	5% straight line
Computer equipment and software	10% and 20% straight line
Furniture and office equipment	20% straight line

Friends of Westonbirt Arboretum

Notes to the Financial Statements (continued) for the year ended 31st December 2014

1.5 Volunteers and donated services and facilities

With the exception of the Trustees and a group who provide administrative support to the Charity, the volunteers are managed by the Forestry Commission. The Friends of Westonbirt Arboretum provides financial support for the management of the volunteers through the Arboretum Support Budget. During the year the Forestry Commission received the benefit of some 25,000 volunteer hours, equating to £250,000 at a rate of £10 per hour.

1.6 Taxation

The Charity benefits from rates relief and is generally exempt from income tax and capital gains tax, but not from value added tax.

1.7 Fund accounting

The Charity maintains four types of fund and these include general unrestricted funds that represent income that is expendable at the discretion of the Trustees in furtherance of the objects of the Charity, non-charitable trading funds that represent the reserves of the trading subsidiary, designated unrestricted funds where the Trustees have set aside unrestricted funds for a specific purpose and restricted income funds that are to be used in accordance with specific restrictions imposed by donors.

1.8 Pensions

The Charity contributes to a defined contribution pension scheme for the benefit of employees. The assets of the scheme are held separately in independently administered funds. The pension cost charge represents contributions payable to the fund. The Charity has no liability under the scheme other than for the payment of those contributions.

2. Legal status of the Charity and liability of Members

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 a sum not exceeding £1.

3. Income from activities for generating funds

	2014	2013
	£	£
Memberships	779,797	691,596
Sponsorship	125,000	-
Commercial letting of The Great Oak Hall	63,957	47,190
Adopt a Tree/Bench	19,020	5,200
Westonbirt Magazine advertising	15,630	16,820
Wood sales	4,616	7,699
Public events	4,304	3,167
Members events	1,559	2,288
	<u>1,013,883</u>	<u>773,960</u>

Sponsorship has been recognised as income in the current year on the basis that the probability of the Treetop Walkway not being constructed is extremely remote.

Friends of Westonbirt Arboretum

**Notes to the Financial Statements (continued)
for the year ended 31st December 2014**

4. Voluntary income	2014	2013
	£	£
Fundraised donations	561,160	592,878
	<u>561,160</u>	<u>592,878</u>
5. Investment income	2014	2013
	£	£
Bank interest	10,784	15,040
	<u>10,784</u>	<u>15,040</u>
6. Costs of activities for generating funds	2014	2013
	£	£
Westonbirt Magazine production costs	89,400	86,509
Salaries, wages and pensions	79,053	76,576
Printing, postage and stationery	29,082	27,583
Commercial letting of The Great Oak Hall	27,096	29,458
Information technology	9,008	10,622
Depreciation	7,586	6,915
Insurance	7,168	6,634
Adopt a Tree/Bench	6,336	4,224
Utilities	3,934	3,965
General maintenance	3,466	13,998
Marketing and public relations	2,978	2,919
Staff recruitment and development	2,228	788
Miscellaneous expenses	2,163	1,868
Telephone	1,859	1,763
Members events	1,656	2,337
Rates	905	1,071
Bank charges	100	145
Legal fees	-	1,534
	<u>274,018</u>	<u>278,909</u>

Friends of Westonbirt Arboretum

**Notes to the Financial Statements (continued)
for the year ended 31st December 2014**

7. Costs of generating voluntary income	2014	2013
	£	£
Fundraising salaries, wages and pensions	71,499	63,218
Fundraising expenses	9,051	1,990
	<u>80,550</u>	<u>65,208</u>

8. Grants

The Charity undertakes its charitable activities predominantly through grant making and awarded the following grants to the Forestry Commission, an institution, during the year.

	2014	2013
	£	£
Westonbirt Project	<u>1,272,361</u>	<u>1,144,570</u>
Arboretum support		
Tree management	90,000	90,000
Learning and interpretation	70,000	70,000
Volunteer support	50,000	50,000
Visitor services	40,000	45,000
Estates improvement	20,000	20,000
Marketing	15,000	10,000
New guide book	9,000	-
Travel bursary	4,000	5,000
	<u>298,000</u>	<u>290,000</u>
Special projects		
Exploratree	40,000	-
Dendrology support	5,000	5,000
Silk Wood path	-	23,304
Botanical paintings	-	2,500
	<u>45,000</u>	<u>30,804</u>
Sub-total	1,615,361	1,465,374
Grants written back from Westonbirt Project	(50,000)	-
Grants written back from Arboretum support	(26,242)	(46,395)
Grants written back from special projects	-	(2,538)
Total	<u><u>1,539,119</u></u>	<u><u>1,416,441</u></u>

Friends of Westonbirt Arboretum

Notes to the Financial Statements (continued)
for the year ended 31st December 2014

9. Analysis of activities and support costs

	Basis of apportionment	Grant funding £	Activities undertaken directly £	General support costs £	2014 Total £	2013 Total £
<i>Costs of generating funds</i>						
Costs of activities for generating funds	Direct	-	250,775	23,243	274,018	278,909
Costs of generating voluntary income	Direct	-	80,550	-	80,550	65,208
<i>Charitable activities</i>						
Grants	Direct	1,539,119	-	-	1,539,119	1,416,441
<i>Governance costs</i>	Direct	-	-	15,054	15,054	11,391
		<u>1,539,119</u>	<u>331,325</u>	<u>38,297</u>	<u>1,908,741</u>	<u>1,771,949</u>

The office costs of the Charity including insurance, information technology, utilities, rates, and staff recruitment and development have been allocated directly to general support costs.

Friends of Westonbirt Arboretum

**Notes to the Financial Statements (continued)
for the year ended 31st December 2014**

10. Governance costs	2014	2013
	£	£
Auditors' remuneration	5,010	5,637
Auditors' remuneration for other services - accounts preparation	3,640	3,757
Trustees' activities	6,404	1,997
	<u>15,054</u>	<u>11,391</u>
	<u><u>15,054</u></u>	<u><u>11,391</u></u>
11. Staff costs	2014	2013
	£	£
Salaries and wages	155,520	146,732
Social security costs	10,512	11,685
Pensions	6,323	6,546
	<u>172,355</u>	<u>164,963</u>
	<u><u>172,355</u></u>	<u><u>164,963</u></u>
The average number of staff calculated on a full time basis:		
Generating funds representing management and administration	3.6	4.1
Generating voluntary income representing fundraising	2.2	2.2
	<u>5.8</u>	<u>6.3</u>
	<u><u>5.8</u></u>	<u><u>6.3</u></u>

There are no employees with emoluments above £60,000.

Friends of Westonbirt Arboretum

**Notes to the Financial Statements (continued)
for the year ended 31st December 2014**

12. Tangible fixed assets

	Leasehold improvements £	Computer equipment £	Furniture and equipment £	Total £
Cost				
At 1st January 2014	27,064	82,205	26,853	98,909
Additions	-	7,498	-	7,498
At 31st December 2014	27,064	89,703	26,853	106,407
Depreciation				
At 1st January 2014	10,475	43,261	25,988	72,810
Charge for the year	1,353	5,837	397	7,587
At 31st December 2014	11,828	49,098	26,385	80,397
Net book values				
At 31st December 2014	15,236	40,605	468	56,309
At 31st December 2013	16,589	38,944	865	56,398

13. Income from subsidiary's trading activities

The Charity owns the entire ordinary share capital, consisting of 1 ordinary share of £1, of The Great Oak Hall Limited, a company incorporated in England and Wales.

The principal activity of the company is the commercial letting of the Great Oak Hall at Westonbirt Arboretum. The subsidiary donates its taxable profits to the charity each year by Gift Aid. Its trading result, as extracted from the audited financial statements, are summarised below:

	2014 £	2013 £
Lettings income	63,957	47,190
Bank interest received	2	7
	63,959	47,197
Salaries and wages	(21,803)	(25,168)
Expenses	(5,293)	(4,290)
	36,863	17,739
Friends of Westonbirt Arboretum service charge	(4,200)	(4,100)
Net profit	32,663	13,639
Gift Aid	(32,663)	(13,639)
Net profit for the year	-	-

Friends of Westonbirt Arboretum

Notes to the Financial Statements (continued)
for the year ended 31st December 2014

14. Fixed asset investments - The Great Oak Hall Limited

	2014 £	2013 £
Cost	4,686	4,686

The aggregate amount of this company's assets, liabilities, share capital and reserves was:

	2014 £	2013 £
Current assets	80,543	65,676
Creditors: amounts falling due within one year	(75,857)	(60,990)
Net assets	4,686	4,686
<i>Capital and reserves</i>		
Share capital	1	1
Profit and loss account	4,685	4,685
Shareholder's funds	4,686	4,686

15. Debtors

	Group 2014 £	Charity 2014 £	Group 2013 £	Charity 2013 £
Trade debtors	9,636	5,226	7,373	7,373
Amounts due from subsidiary undertakings	-	60,583	-	46,632
Donations receivable	235,000	235,000	389,000	389,000
Prepayments and accrued income	96,763	95,123	79,441	77,358
	341,399	395,932	475,814	520,363

16. Creditors: amounts falling due within one year

	Group 2014 £	Charity 2014 £	Group 2013 £	Charity 2013 £
Trade creditors	12,093	12,093	47,584	47,584
Grant commitments	978,837	978,837	235,706	235,706
Other taxes and social security	47,268	47,268	16,600	16,600
Accruals	22,028	19,478	45,838	43,448
Deferred income (Note 17)	303,078	290,353	281,079	269,111
	1,363,304	1,348,029	626,807	612,449

Friends of Westonbirt Arboretum

**Notes to the Financial Statements (continued)
for the year ended 31st December 2014**

17. Deferred income

Subscriptions received in advance	Group 2014 £	Charity 2014 £	Group 2013 £	Charity 2013 £
Balance at 1st January	269,111	269,111	237,848	237,848
Amount released to incoming resources	(269,111)	(269,111)	(237,848)	(237,848)
Amount deferred in the year	290,353	290,353	269,111	269,111
Balance at 31st December	290,353	290,353	269,111	269,111
 Commercial lettings deposits	 Group 2014 £	 Charity 2014 £	 Group 2013 £	 Charity 2013 £
Balance at 1st January	11,968	-	6,900	-
Amount released to incoming resources	(11,968)	-	(6,900)	-
Amount deferred in the year	12,725	-	11,968	-
Balance at 31st December	12,725	-	11,968	-

18. Control

The company is limited by guarantee and therefore there are no individual controlling parties. The company is controlled by the Directors and its Members.

Friends of Westonbirt Arboretum

**Notes to the Financial Statements (continued)
for the year ended 31st December 2014**

19. Related party transactions and Trustees' remuneration

The Charity has a close relationship with the Forestry Commission and this body nominates a minority of Trustees for appointment at any one time.

The Charity operates from the Great Oak Hall at Westonbirt Arboretum which is leased from the Forestry Commission at a peppercorn rent. The purpose of the Great Oak Hall is to provide administrative offices for the Charity, a hall for the use of the Charity, the Forestry Commission, and for commercial lettings; and a visitor centre for the Arboretum. The value of the above could not be quantified and therefore has not been included in these financial statements.

There was no Trustee remuneration during the year (2013: £641) but the Charity's governing document does allow such expenditure should the need arise.

There were no outstanding balances with related parties as at 31st December 2014 (2013: £nil).

Apart from mileage claims capped for distance, the Trustees were not paid or reimbursed for expenses during the year (2013: £nil).

No Trustee or other person related to the Charity had any significant personal interest in any contract or transaction entered into by the Charity during the year (2013: £nil).

20. Auditors' remuneration

During the year, auditors' remuneration for the charitable group amounted to £6,210 (2013: £6,030) and additional non-audit services for accounts preparation amounted to £4,440 (2013: £4,020).

Friends of Westonbirt Arboretum

Notes to the Financial Statements (continued)
for the year ended 31st December 2014

21. Movements in funds

	Balance at 1st January 2014 £	Income £	Expended £	Transfers £	Balance at 31st December 2014 £
General funds	140,000	960,708	(659,284)	(304,424)	137,000
Non-charitable trading funds	-	63,959	(27,096)	(36,863)	-
Designated funds:					
<i>Westonbirt Project Fund</i>	1,064,689	-	(181,906)	341,287	1,224,070
Total unrestricted funds	1,204,689	1,024,667	(868,286)	-	1,361,070
Restricted income funds:					
<i>Westonbirt Project Fund</i>	479,295	561,160	(1,040,455)	-	-
Total funds	1,683,984	1,585,827	(1,908,741)	-	1,361,070

The transfer between funds includes the donation by Gift Aid of the taxable profits of The Great Oak Hall Limited of £32,663 (2013: £13,639) and charge for services levied by the Charity of £4,200 (2013: £4,100).

Unrestricted funds are available to be spent for any of the purposes of the Charity and includes designated funds where the Trustees have set aside money for a specific purpose.

Purpose of designated and restricted funds

The Westonbirt Project seeks to undertake essential conservation work to secure the long term future of the National Arboretum and to enable more people to learn about this heritage.

22. Analysis of net assets between funds

	General £	Designated £	Restricted £	Total funds £
Fixed assets	56,309	-	-	56,309
Stock	2,112	-	-	2,112
Debtors	106,399	-	235,000	341,399
Cash at bank and in hand	585,484	1,405,976	333,094	2,324,554
Current liabilities	(613,304)	(181,906)	(568,094)	(1,363,304)
	137,000	1,224,070	-	1,361,070