



Trustees' Report & Annual Accounts 2018-19



Message from the Chair

The last year has been quite a challenge for us. As a Trust we have continued to maintain our very high standards in all that we do, whilst the rental income we rely on to keep our projects on-going, has dwindled. This means we really have to prioritise how the money is used, sometimes delaying non-essential work. We received almost £100k less this year than we did just a decade or so ago. This inevitably means that some projects or wish-list ideas simply cannot be done.

Although very frustrating, the lack of revenue doesn't mean we neglect our ideals or cut corners on the work we do undertake. Indeed the Trusts maintenance of its land and structures is a core part of our ethos.



We are always forward looking and thinking, and hope to find ways to increase our funding so we can commence some of our plans for the future, but not neglecting the tremendous achievements we have already brought to fruition on the Trusts land.

As Chair of the Trust I am always amazed by how much we achieve with so little. The Trust has just four full time members of staff, who on a limited budget produce so much. We are fortunate that all four are multi skilled and often turn their hands to a myriad of tasks to help the Trust. I cannot thank them enough for all they do, as a Charitable Trust we are truly blessed to have such an excellent and dedicated team.

They are very ably supported by our contractors, who likewise go above and beyond their contracted duties when needed. And of course the brilliant volunteers, without whom, lots of the Trusts very diverse projects would not be started let alone completed. They are a massive asset to the Trust.

I must also thank all the other Trustees for all they do to make the Trust such a wonderful organisation and I feel privileged to be part of it.

Finally, I would like to thank all the members of the public and friends of the Trust, for keeping us informed on issues that may affect our land holdings, and for using, and we hope appreciating, the Trusts land. I would ask everyone that accesses our land to respect the flora, fauna, other people and refrain from doing anything that causes a nuisance. Please help us to continue to improve this beautiful landscape for future generations.

Thank you,

Nick Downes

Chair, Severn Gorge Countryside Trust

Severn Gorge Countryside Trust Trustees' Report 31 March 2019

The Trustees are pleased to present their report and the audited financial statements for the year ended 31 March 2019

Reference and administrative details

Charity Name: **Severn Gorge Countryside Trust**

Charity number: **1004508**

Company number: **02647374**

Registered Office & operational address

Severn Gorge Countryside Trust
Darby Road, Coalbrookdale
Telford
Shropshire
TF8 7EP

Telephone 01952 433880
www.severngorge.org.uk

Auditors

Muras Baker Jones Limited
Regent House, Bath Avenue
Wolverhampton, WV1 4EG

Bankers

The Co-operative Bank
Colmore Row
Birmingham
B3 3BA

Investment Advisers

Aberdeen Standard Capital
1 George Street,
Edinburgh
EH2 2LL



Board of Trustees

The Directors of the charitable company (the Charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees. The Board of Trustees is supported by a Company Secretary who is responsible for governance administration.

The elected Trustees as at 31 March 2019 are as follows:

Name

Nick Downes (Chair)
Maureen Bragg
Louise Lomax
John Box
Simon Harris
Chris Turley
Max Speke
Gina Rowe
David Edwards
Carolyn Healy
Andrew Cooke
Dylan Webster

Nominated by:

Barrow Parish Council
The Gorge Parish Council
Telford & Wrekin Council
Shropshire Wildlife Trust
Shropshire Council
Telford & Wrekin Council
Sutton Maddock Parish Council
Community Trustee
Madeley Town Council
Community Trustee
Broseley Town Council
Telford & Wrekin Council

Staff

Russell Rowley
Cadi Price
Kate Chetwood
Nathan Morris

Trust Manager
Community Development Officer
Company Secretary and Finance Officer
Countryside Officer



Structure, Governance and Management

Severn Gorge Countryside Trust was set up in 1991 with the primary aim of promoting, protecting and conserving the living landscape of the Ironbridge Gorge for the benefit of local people and visitors. It is a registered charity governed by a Trustee Board and depends on staff, contractors and volunteers to help manage the land.

In this section you can find out more about how the charity is run, how we work with the local community and how we ensure a sustainable organisation that is fit for the future.

Governing Document

Severn Gorge Countryside Trust is a registered charity and a company limited by guarantee under the Companies Act and governed by its Memorandum and Articles of Association originally dated 20 September 1991 (amended June 2009 and December 2013 to update governance arrangements).

Who Governs the Trust?

The Trust is governed by its Committee of Management (COM) made up of several Member Organisations and Community Trustees. The Trustees are all volunteers with careers and experience in a wide variety of fields. In accordance with the Memorandum and Articles of Association, Trustees are elected by the membership

for terms of four years. At the end of the four year term Trustees may stand for re-election. Nominations for new Trustees are considered each year prior to the Annual General Meeting (AGM). All Member Organisations are circulated with invitations to nominate Trustees, advising them of any retiring Trustees and requesting nominations for the AGM. The Member Organisations are made up of a variety of local organisations that have a keen interest in the Ironbridge Gorge and also two Community Trustee places.

When considering appointing Trustees, the Committee of Management (Board of Directors) has regard to the requirement of any specialist skills needed.

Trustee induction and training

The Trust provides an induction session to brief new Trustees on their legal obligations under charity and company law, the contents of the Memorandum and Articles of Association, the committee structure and decision making processes, the Development Strategy and recent financial performance of the charity. They are also advised on the future plans and objectives of the Trust. During the induction they meet the Trust Manager, Company Secretary and other employees. They are advised of appropriate Trustee training courses and are encouraged to attend.



Management

The COM is responsible for setting policies and ensuring legality and good practice in accordance with the Memorandum and Articles of Association of the Trust and the Charities Act 2011. The Committee of Management meet quarterly and is responsible for the governance of the charitable company, ensuring that it is well managed and that its assets are safeguarded. At the outset of each year the COM approves an annual work plan which contains clear objectives. During the year the COM monitors progress against the annual work plan.

The day to day management of the Trust is undertaken by the Manager and staff who operate under delegated authority.

The COM has one sub-committee (Personnel Committee) whose terms of reference are approved by the COM:

The **Personnel Committee** is elected annually from the COM and meets to advise on staffing issues and employee training, development and support. The Personnel Committee met twice this year. They are also responsible for reviewing Trustee training needs. There was one training event held for all Trustees this year.

Planning for the Future

The significance of the Trust's landholdings dictates the need for a planned, long term approach to give direction and continuity to management.

This is achieved through comprehensive management plans for the Trust's sites and a Development Strategy that governs the work of the Trust.

The Development Strategy was approved by Trustees in November 2017 and will guide the work of the Trust until the end of 2028. It sets out the Trust's vision, aims and plans for achieving its charitable objectives, identifies the successful methods of working that will be continued, the developments that will be introduced over the ten years and the opportunities that will be taken up if time and resources allow. Copies of the full strategy can be downloaded from the website (www.severngorge.org.uk) or obtained from the Trust Office.

Annual Work Plan/Budget

Annual work plans and budgets are developed to

ensure the core work in the management plans and Development Strategy are achieved without overstressing the Trust's resources or compromising its long-term viability.

The annual work plan for 2018/2019 was set from the 2018/2028 Development Strategy. The plan was ambitious but progress was made in all the essential actions and the majority of the desired ones. All legal and management requirements were fulfilled.

Risk Management

In accordance with the Charity Commission's Statement of Recommended Practice (SORP) 2005, Trustees have a risk management strategy in place which comprises:

- ◆ An annual review of the risks the Trust may face, which also identifies any new risks that the Trust may be exposed to;
- ◆ The establishment of systems and procedures to mitigate against those risks identified in the review; and
- ◆ The implementation of procedures to prevent any potential impact on the charity should those risks materialise.

The Trust believes that risk management is an essential part of good business practice, and will continue to ensure that risk management principles become incorporated into all aspects of its work.

It should be noted that any risk management system can only manage risks and not eliminate them.

Public Benefit

This annual report looks at what we have achieved over the previous twelve months. The report looks at the work and outcomes of each key aim and the benefits that has been provided to the public. In setting our aims and planning our activities, Trustees have given careful consideration to the Charity Commission's guidance on Public Benefit.

Trustees believe that the provision of such benefit is an integral part to each of the Trust's charitable objectives. We work hard to deliver public benefit by promoting and protecting the beautiful landscape of the Ironbridge Gorge for everyone to enjoy. The Trust land and activities are available to all and we try to make special provision wherever possible for the disabled and disadvantaged.

Objectives and activities

WHAT WE DO...

The Trust is responsible for promoting, protecting and conserving the living landscape of the Ironbridge Gorge for the benefit of local people and visitors. It aims to balance the needs of public access, landscape and nature conservation, safeguarding historic and cultural features, whilst engaging with the public and developing a wider awareness and knowledge of the Trust and its work.

To achieve these aims the Trust has five main charitable objectives:

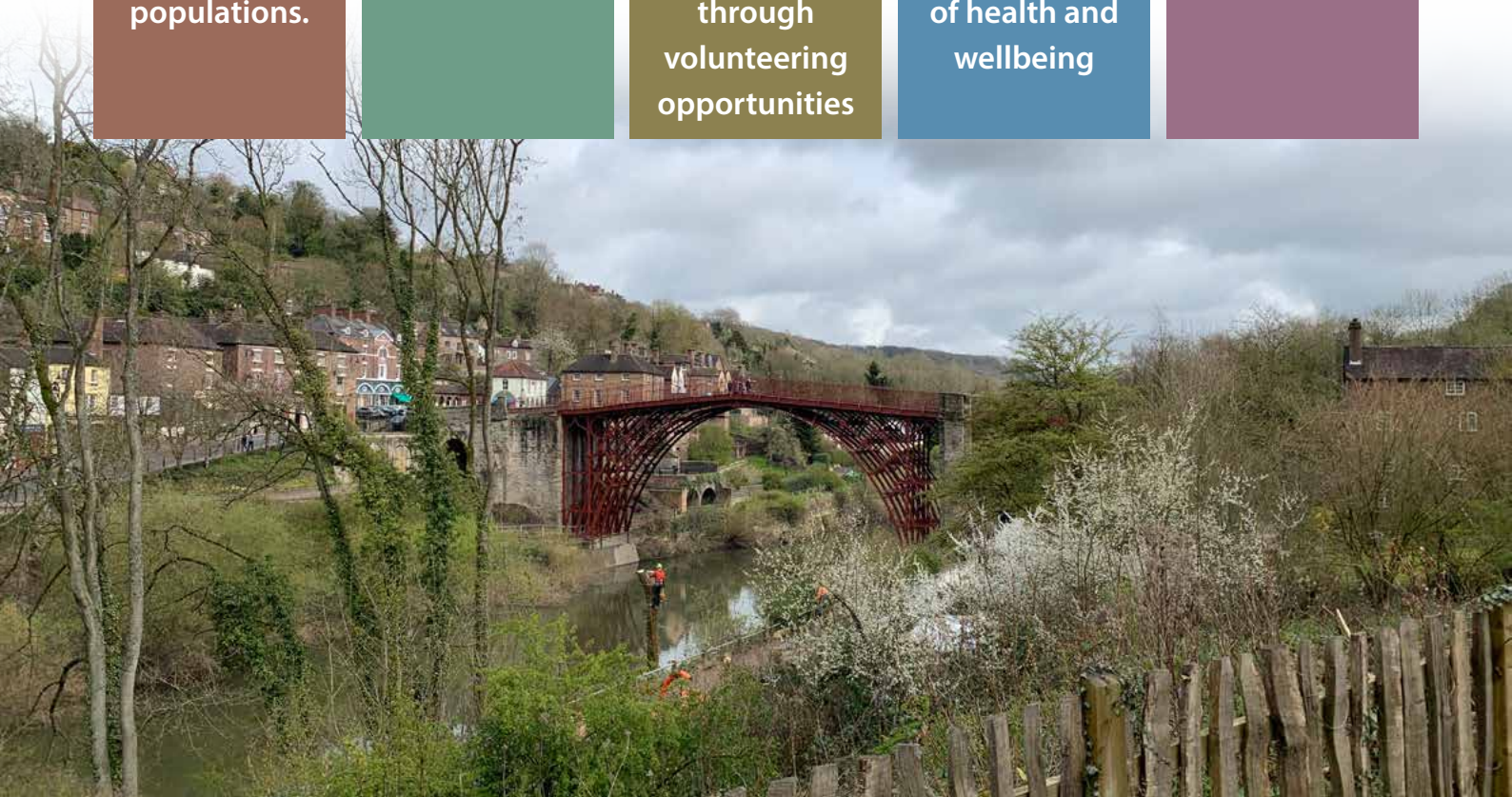
to enhance a living and working landscape that retains its locally distinctive characteristics, habitats and species populations.

to conserve and interpret, where appropriate all features of cultural and historical significance

to provide inspiring experiences of the natural world and encourage people to manage their local environment through volunteering opportunities

to provide high quality access for informal recreation for the enjoyment of all and to encourage outdoor activity for the benefit of health and wellbeing

to develop and promote a wider awareness and understanding of the Trust's work



HOW WE DO IT...

Examples of activities carried out and impacts and benefits achieved under each of these strategic aims are as follows:

Landscape and Nature Conservation

AIM: to enhance a living and working landscape that retains its locally distinctive characteristics, habitats and species populations.

Looking after and managing our sites is a key way that we can directly benefit wildlife. The Trust's land contains many outstanding examples of scarce and uncommon habitats and species. All of our land is open to the public and provides excellent opportunities for contact with nature which in turn has a positive effect on the quality of life and well-being of the community.

Each year, the Trust undertakes extensive management programmes to safeguard these special places. For example,

- ◆ clearing woody regeneration from the floor of Patten's Rock Quarry, an excellent example of limestone grassland with colonies of Twayblade, Bee, Greater butterfly and Common Spotted orchids
- ◆ managing the merging of areas of woodland, grass and scrub. These untidy and complex edges are where insects thrive and food chains begin
- ◆ clearing scrub trying to colonise the important small patches of heathland found in The Crostan and Dale Coppice
- ◆ managing important areas of wildflower rich hay meadow and pasture. By using our flock of Soay sheep together with contractors and volunteers, the Trust is able to ensure that the techniques and machinery used are ideally suited to these small sites and based on traditional methods

Ecological Monitoring

Managing such a complex landscape relies on clear objectives and good quality ecological and management information. But in reality this is complicated by the fact that any ecosystem is in a constant state of change which can sometimes make meeting our objectives more challenging.



An annual ecology day is held during the summer months where our ecologist meets with Trust staff and the ecology working group to look at the sites that have been managed and discuss proposals as to how to best manage the sites to achieve their objectives.

In 2018 ecological monitoring was undertaken at Maws Meadow, Haywood Pastures and Wilderness Meadows by our new ecologist John Handley from CH Ecology.

- ◆ Maws Meadow is a small meadow near to Maws Craft Centre in Jackfield. Despite the difficulties posed by shading from the tall hedgerow trees it remains strikingly diverse with a large number of herbs including Knapweed, Meadow Vetchling, Cowslip, Spotted Orchid and Imperforate St. John's-wort and Bugle. But the herb grass ratio is declining and frequency of positive indicators is only maintained. Volunteers will continue to scythe the meadow in the summer months.
- ◆ Haywood Pastures – The frequency scores of positive species has decreased since 2013 and those of negative species have increased. Scrub, bramble in particular, is reducing the area of functional pasture.

- ◆ Wilderness Meadows – The ecological report is mixed. The Middle Field and North Field are not quite meeting targets, including for ragwort. Populations of Eyebright and Spotted Orchid have increased in the North Field and Betony throughout. The South Field closest to the Trust Office is currently meeting its targets.

We are having ongoing discussions with the ecology working group, including John Handley, on survey methods and targets. While it looks like the results are negative, the survey method used is designed to assess SSSI's and some of our sites will never be able to achieve SSSI standard. With the current grant schemes coming to an end in 2020, we will be reviewing which sites are entered into the schemes and concentrate our limited resources on sites with the most potential to improve.

Bee Hives

Thanks to funding from the Jean Jackson Trust in 2017 the Trust was able to purchase two WBC beehives. The Trust recognises the importance of bees to nature and to our lives and was keen to take action in a small way to ensure that bees not only survive but thrive. Bees are in decline; this decline is caused by a combination of factors – from loss of their habitat and food sources to exposure to pesticides and the effect of climate change. Looking after the bees has been a rewarding and fascinating experience. We have been fortunate to have two of the Trust's volunteers who are beekeepers guide us through the intricacies of bee keeping. We were relieved that the colony survived the long winter and has been busy building up numbers during the spring. We are hopeful that we will be able to extract some honey in the summer of 2019. This will be another way of demonstrating a working landscape and provide a small amount of income to the Trust.

Land Acquisition – Cherry Tree Meadow

This parcel of land that was gifted to us in 2017 has now been fenced and has provided valuable additional permanent grazing land for our flock of native breed Soay sheep.

Farm the Flow

A new partnership looking at natural flood management was set up in April 2018. The project has been called Farm the Flow and we have been working in partnership with local landowners, Telford & Wrekin



Council, the Environment Agency, Wolverhampton and Harper Adams Universities and Natural England. Good progress has been made during the year. Telemetry flow, level and rain gauges have now been installed throughout the catchment to provide the data to begin to build a Flood Model to inform the installation of natural flood management features. Discussions with landowners also continued throughout the year and we are particularly grateful for the strong support shown by Brockton House Farm.

As part of the project we were able to support two final year students from Harper Adams University, working with Dr Lucy Crockford, on two research projects, namely:

'An investigation into the patterns of nutrient concentration and load in the Lydebrook Catchment'

Lucy Batty

and

'An investigation into the propagation of heavy metals from pulverised fly ash in the environment'

Robert Nicholas

These research projects will help us to make informed decisions about whether there are any environmental issues of concern within Lydebrook Dingle that we as 'Riparian owner' need to address. Initial findings are that, apart from the ongoing issue of the mobilisation of pulverised fuel ash, the biological quality of the Lydebrook West arm is very good.

Learning about Lydebrook – Citizen Science Project

Work continued in research and preparations ready to launch our Citizen Science Project – Learning about Lydebrook in the spring of 2019. Flow measurement, pH and saturated oxygen and temperature monitoring equipment were purchased. Four training modules in Soils, Meteorology, Hydrology and Geomorphology were researched and designed ready to be delivered to interested members of the local community to equip them with the knowledge they need to better understand and assess the flood risk from the Lydebrook as well as contribute their own knowledge regarding the catchment. These modules were designed after thorough investigation which concluded that these were the main areas of concern in the Lydebrook West arm, whereas the biodiversity, particularly for wet dingle invertebrates, is very good.



Cultural and Historical Features

Aim: to conserve and interpret, where appropriate all features of cultural and historical significance

The industrial past of the Ironbridge Gorge has left its mark on the area in more ways than just the Iron Bridge itself. Many types of industry thrived here and the Trust looks after sixty historic structures from small retaining walls to brick arches, lime kilns to mine breathers and adit entrances. The Trust has spent over £250,000 in the last ten years conserving the industrial heritage of the Ironbridge Gorge. The World Heritage Site status of the Ironbridge Gorge serves to remind us of this area's unique contribution to the history and development of industrialised society. The Trust will continue to conserve and interpret (where appropriate) features of cultural and historical significance for the benefit of the public, enabling them to have a greater understanding and appreciation of the industrial and cultural history of the area.

The Trust commissions an annual Structures Inspection Report. The structures are monitored from fixed baselines, any condition changes are noted and recommended actions identified. These resultant actions are further analysed from a risk management perspective looking at things like potential impact on highways, intensively used public spaces, and neighbours.

Five risk management priority categories are identified with required actions allocated to a category from level 0 (no action necessary) to level four (repair imminently).

In response to the annual report an action plan will be developed to implement, where possible, all level four actions or in discussion with engineers alternative risk mitigation strategies.

Archaeological surveys are commissioned whenever required to ensure no features of cultural and historical significance are damaged by work and also to record anything found or uncovered for future reference.

Ropewalk Wall

Work to repair an eight metre long section of the historic Ropewalk wall, which had oversailed (that is the upper section has slid slightly over the lower) was carried out by Unsworth Stone Masonry in June 2018. This wall is important as it marked a boundary of the Sunnyside Deer Park. Lime mortar is used to repair the wall as it is more porous than cement mortars, and it wicks any dampness in the wall to the surface where it evaporates. This evaporation reduces the risk of spalling, a result of water entering bricks and forcing the surface to peel, pop out or flake off on the brick surface and consequent disintegration.



Deer Management

The Trust is now into its 5th year of a Deer Management Programme.

Deer can have a damaging effect on woodland habitats. Natural regeneration is the principle means of restocking the Trust's woodland and an increasing deer population will adversely affect the success of natural regeneration. Deer have an important role within our woodland and are the largest land mammal to live in the United Kingdom. The management works will seek to reduce deer numbers to a point where the impact on the woodland and their associated plant communities are acceptable.

This year we culled 15 Fallow Deer. We are still seeing herds of deer on the football pitches at Ironbridge Power Station. With the sale of the Power Station and the subsequent fencing works to secure the boundary, this has created a deer park effect as the deer can no longer move freely from the woodland to the site. Sightings have increased on the road by the entrance to the Power Station site. When the development of the site begins we may see an increased level of damage and activity as the deer are pushed from the site into the woodland. The works this year have continued to disrupt the movement of fallow deer, but the impact they are still having on the woodland is unacceptable. Work to reduce the Muntjac population's impact has struggled again; this is in part due to the nature of the deer species and possible poaching activity taking place.

Forestry

The Trust continues to manage its woodlands under Continuous Cover Forestry principles which aim to create a structurally and visually diverse woodland ecosystem with trees of all sizes which helps to protect the soil and keep the land stable.

This year felling took place in lower Haywood plantation in line with the Forestry Commission management plan. The timber was felled and extracted by NW Tree Services. The timber extracted was used as part payment towards the cost of the tree safety works that NW Tree Services carried out in the autumn 2018.

The softwood went in to the local biomass market and the hardwood was retained and used by the contractor in his own firewood business. The felling was completed on time but there are some stacks of





timber to be removed from the wood, this will happen as space becomes available in the contractor's yard. Due to the location of the site, the timber is being moved by tractor and forwarder rather than a HGV.

Countryside Stewardship

Countryside Stewardship provides financial incentives for land managers to look after their environment through activities such as:

- ◆ conserving and restoring wildlife habitats
- ◆ woodland management
- ◆ keeping the character of the countryside
- ◆ preserving features important to the history of the rural landscape
- ◆ encouraging educational access

This additional funding will enable the Trust to continue its management programs, such as ride mowing, deer and squirrel management and thinning works (thinning has multiple benefits – light for ground flora, opens up space for trees, financial money back for trees felled and increased bird activity). It will also help to improve biodiversity or enhance resilience to climate change. We will also maintain an appropriate level of dead wood and protect veteran trees from competing tree growth.

Once again the payment for the Countryside Stewardship has been delayed. Changes and cuts within DEFRA and Brexit have had a knock on effect. Payment is now scheduled to be made sometime in July direct from Treasury funds and when claims are paid from the E.U they will go directly back to the Treasury.

HLS and CS come to an end next year. We will begin the process in the new year of applying for new grant funding to continue our work managing the woodlands and meadows to the standards required.

Contractors

The Trust regularly uses over 20 local contractors to carry out a variety of works on its land. From landscape maintenance to tree surgery to repairs to historic brickwork, each self-employed contractor brings their own skills and knowledge to the work. Some of these contractors have worked for the Trust since its creation in 1991 and have built up a wealth of knowledge about the sites the Trust manages.

Some of the jobs contractors carry out on an annual basis include:

- ◆ hedge cutting
- ◆ hay cutting and baling
- ◆ ragwort spraying with citronella
- ◆ Japanese knotweed control
- ◆ ride mowing
- ◆ strimming of footpaths
- ◆ thistle topping
- ◆ de-scaling of Jiggers Bank rock face

Contractors are also called in to undertake any 'reactive' work that happens. For example when a tree has fallen across a path, a contractor will carry out the necessary work to make the tree safe and clear it from across the path.

Specialist work, such as the descaling and torque testing of the bolts on Jiggers bank rock face is also carried out by contractors. Contractors carry out maintenance twice a year by abseiling down the rock face and clearing any loose rock, cutting back small trees and testing the bolts that secure the netting on part of the rock face.

Community Engagement and Outdoor Learning

AIM: to provide inspiring experiences of the natural world and encourage people to manage their local environment through volunteering opportunities



Providing opportunities for people to engage and interact with the natural world is a key remit for the Trust. Working together outdoors to conserve nature is a great way to engage with the natural environment. Opportunities like these are not just essential for personal development they also provide inspirational moments of awe and wonder which stay with people forever. Our Outdoor Learning Programme is about providing experiences that teach and inspire people. Our Volunteering Programme provides opportunities for the local community to learn more about and help with the management of the landscape on their doorstep. We hope that participants will be inspired and empowered to improve our environment for the benefit of nature and the community.

The land that we are responsible for provides a focus for community involvement. It also offers fantastic opportunities for research, education, exploration and, most importantly, having fun!

Volunteering Programme

The Volunteer Project, started in 2006, remains as one of the Trust's greatest strengths. The Volunteering programme continues to be a core part of the Trust's work and has 40 active volunteers, six new in 2018, who help to deliver its charitable objectives contributing 3,030 hours this year. There have been 49 separate volunteering opportunities with an average of 13 people attending per day. Over the past 12 years, SGCT volunteers have become the 'face' of the Trust in local green spaces with knowledge and expertise developed on our sites and shared with others.

The level of support provided by volunteers to the Trust is truly immense, assisting with scything meadows, hedge-laying, coppicing, scrub clearing, footpath maintenance, meadow monitoring, leading walks for Ironbridge Walking Festival, helping at the Festival of Natural Arts, Apple Day and Grow Local, and being Lookers for the Soay flock. The weekly programme is designed to stimulate public interest in our habitats and the creatures they support.

The Trust would like to thank our active and enthusiastic volunteer force for all their work and contribution to helping the Trust achieve its access, landscape and nature conservation objectives.

'Learning new skills – such as hedge laying, step building, riving fence pales, scything, pruning apple trees, all help to keep the brain active.'

Tim Nichol (Volunteer)



'We appreciate the way we are made to feel valued by the team with Christmas parties and periodic learning sessions and walks' Sue & Nick Coppin (Volunteers)

'I've discovered so many beautiful places in the Gorge that I didn't know about'
– **Isobel Peck** (Volunteer)

2018 Volunteer Highlights:

Hedge-laying saw the completion of this project in Wilderness meadows. Stakes and binders were coppiced from our new Cherry Tree meadow. Completed in eight Thursdays, with an average of 17 volunteers, hedge-laying continues to be a favourite task. We also spent six days in Cherry Tree meadow coppicing the hedge-line in preparation of fencing.

Working within the community, we tidied Coalbrookdale church yard, spruced up the hedges and pond in Ironbridge Meadows and Pastures (IMAP) and in partnership with PET from The Gorge Parish Council, repaired the Ginny rails steps. A new bench was built in Woodside Orchard in memory of John Powell who was a committed and much valued volunteer until 2017.

A Forest Bathing walk with Jan Cafearo and a day out to Llangollen Eisteddfod were much enjoyed.

Schools, Children's Clubs and Families

In an era when it seems children are at risk of becoming increasingly remote from the natural world, we are keen to provide a variety of environmental education opportunities to local schools, clubs and families. There is wide ranging evidence that children who grow up with nature are happier, healthier and more creative.

Our Community Development Officer (CDO) continues to lead termly environmental and art activities with Ironbridge and Coalbrookdale Afterschool Club. Sessions have included painting, skulls and 'found' objects, Forest school and outdoor games for about 20 children per session. We encourage all young people to discover the wonder of nature on their doorstep through practical conservation sessions, family nature walks and talks that we run with local nurseries and after school groups.

The Trust encourages schools and clubs to explore the woodlands on their own initiative while our Community Development Officer offers support with resources or as a guide if required. The CDO supported Condover School, with 15 pupils and two adults, in a science project in Preenshead woodland; and led orienteering in Haywood and a walk with den-building in Sutton Woods with Hollinswood primary school with 72 Key stage two children and 10 adults.

Coalbrookdale Beavers, Cubs and Scouts continue to use Dale Coppice and Loamhole Dingle for their knot tying, conservation and team building badge activities.



Madeley Nursery

In autumn 2018, Madeley Nursery children and educators started attending termly sessions in Sunnyside woodland in partnership with the Trust. Using the Trust's minibus as transport, the Community Development Officer supports the group of 75 children (2-5yrs) in the 'ecological sensitivity' which the children experience in this natural setting learning and experiencing nature and the outside world.

Louise Lowings, Head Teacher of Madeley Nursery, reports:

'The visits to Sunnyside woodland have given a fascinating and vibrant dimension to the children's learning this term. Each group has encountered the woodland with curiosity, care, concern and friendship for the trees and other living organisms of the area and for each other. The learning becomes real and motivating and the children's confidence grows.'

Together, the nursery school working with the Severn Gorge Countryside Trust are showing the competency and potential of the youngest citizens in the local community. This term, 75 children went on a visit with the Community Development Officer working alongside staff from the nursery school. The children have been thinking about trees as this is the year-long focus of inquiry for the school. They arrive at the woodland with questions and ideas that mix logic and science, with fantasy and imagination. It has been enriching to the school to have the woodland expertise

of the CDO to broaden and elaborate the children's own theories and ideas. The children use their experiences at the woodland back in the nursery school. We all are looking forward to a return visit in the spring term. The support of the mini-bus transportation is enabling this fantastic and important project to happen. Children are inspiring their parents and carers to make family visits to the woodland at the weekends.

Tertiary Education

Harper Adams University brought their Heritage Studies group on an interpretation module where the Trust Manager led a guided walk along the Iron Trail for seven students.

The Fields Studies Council at Preston Montford continues to visit Benthall Edge for bird and flora identification.

John Muir Award (JMA)

The John Muir Award Discovery Award was completed with four families over 16 hours in 2018. With the Community Development officer, they visited Workhouse Coppice (den building), Wenlock Edge (fossils), Loamhole Dingle (river survey), Sunnyside (wild camp) and Ynys Las (beach) connecting with nature and caring for wild places.

Outdoor Learning

Our Outdoor Learning Programme is now in its 6th year. Its aim is to provide opportunities for people of all ages to experience and reconnect with the local landscape of woodlands, meadows and heritage structures in the World Heritage Site through a wide variety of environmental, heritage and creative subjects.

The programme consisted of 12 events including a Festival of Natural Arts at the Trust. We had six fully booked workshops: Abstract Art, Singing the Gorge, Autumn Forage, Dyeing with Natural Plants, Garden Obelisk and Christmas Wreath making. Popular, also, were seven themed guided walks, and five summer family walks, led by Sarah Bates. The tutors were local people and experts in their own field.

This year we had 417 attendees including over 120 people at the Festival.



Access and Recreation

Aim: to provide high quality access for informal recreation for the enjoyment of all and to encourage outdoor activity for the benefits of health and wellbeing.

Our aim is for our sites to feel as natural as possible, so we strive to balance the need for good paths, signs and interpretation with the need to preserve the very sense of countryside we all head outdoors for. We have also tried to remove any unnecessary barriers to people's enjoyment, by removing squeeze stiles and replacing them with kissing gates and providing rest points to pause and savour the fantastic views. We still have improvements to make and will continue to strive to be better. Enabling people to explore and enjoy the natural world is fundamental to the work of the Trust and that is why all of our land is free for everyone to enjoy.

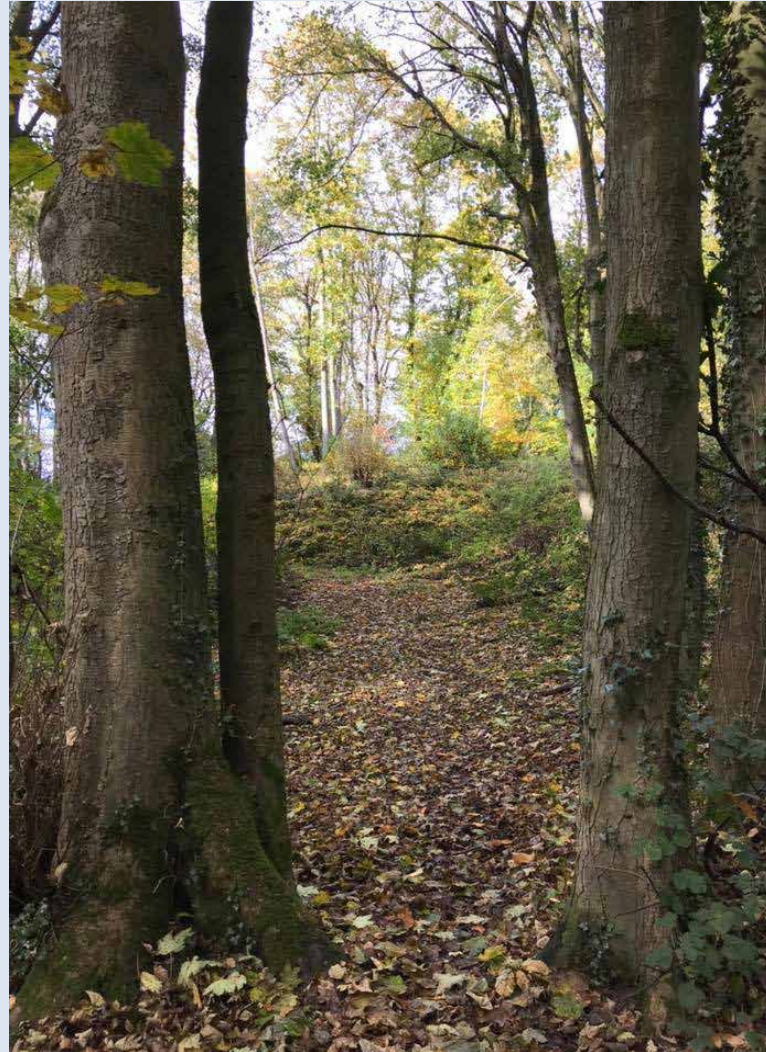
As well as improvements on the ground, we continue to look at the quality of the experience we offer, from the clarity of our maps to the information and history that our free leaflets provide.

Strategic Access Action Plan

Approximately 25 kilometres of footpaths have to be maintained each year. The Strategic Access Review which was completed in March 2015 is now being used to feed into the Annual Work Plan with specific maintenance and repairs being included for sites in need of work. The Strategic Access Action Plan will be updated each year using information taken from the bi-annual footpath surveys to identify any repairs or maintenance needed.

The timber steps in the middle section of Lloyd's Coppice are seriously poor. Many steps have been replaced with stone and complete removal of the lower section leaving bare earth. This surface is being monitored and may be replaced if wear becomes unsustainable. Funding will be required to improve access with a stone surface.

The footpath, which enters Benthall from Bridge bank, has a poor surface and again funding is being sought for a 500m stone surface improvement.



Guided Walks

To enable and encourage local people and visitors to use the network of paths and trails throughout the Gorge, the Trust runs a variety of guided walks each the year.

In conjunction with the annual Ironbridge Walking Festival, the Trust, including six volunteers and the Community Development Officer, led six themed walks around the Gorge which gave over 80 participants the opportunity to discover many additional woodland paths in subjects to include birds, flora, and heritage. This popular festival is financially supported by the Trust and other local organisations.

The Outdoor Learning Programme had five guided 'themed' walks for adults: Coppice Safari, Exploring Benthall Edge, Bats Galore, Fungi Identification and Winter Tree Identification. For families we led three nature walks and five summer story-based adventures. Additionally, we led four guided walks with education groups.

17 guided walks were organised by the Trust and attended by over 270 individuals.

Walking Trail Leaflets

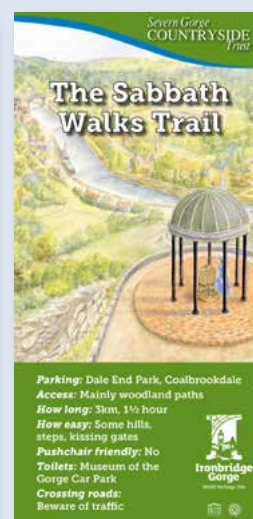
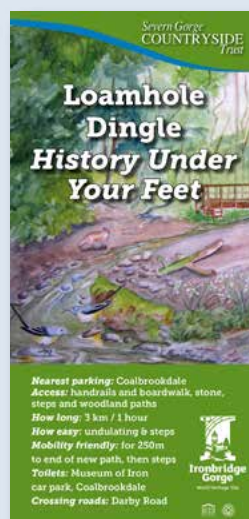
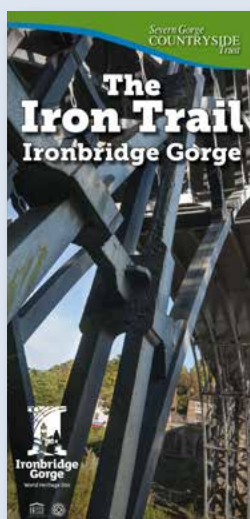
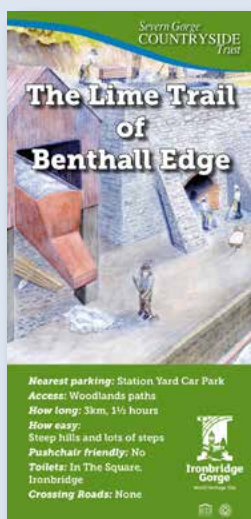
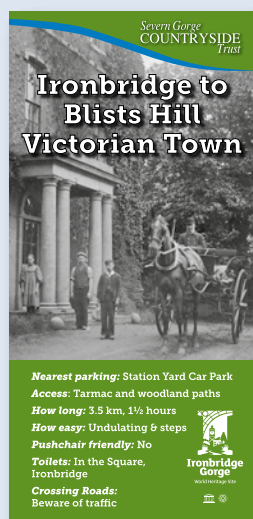
The Trust has produced five free Walking Trail leaflets that showcase some of the best walking routes around the Ironbridge Gorge World Heritage Site. The walks provide people with the opportunity to discover some of the hidden gems of the Gorge and learn more about the landscape and history of the area whilst they explore. Visitors can make a day of it by visiting some of the many historic sites and attractions along the walks and stopping for a while for refreshment at one of the many cafés, pubs and restaurants in Ironbridge and the surrounding area.

The leaflets are available to download from our website, from the Tourist Information Centre and from various outlets in the Gorge. The leaflet dispenser in Station Road car park is regularly refilled and around 20,000 leaflets have been dispensed this year.



The route for the 'Iron Trail' links existing paths into a circular walk that includes both built and natural features within the World Heritage Site to encourage visitors to explore beyond the built environment. Its objective is to highlight otherwise unseen heritage such as the remnants and evidence of the iron production process that made the Gorge 'the birthplace of industry' within the natural landscape.

The 'Lime Trail' of Benthall Edge takes the walker through a wooded landscape steep in the geology which benefitted the past industries of the Gorge. The footpath follows a circular route taking the walker through beautiful SSSI woodland with iconic viewpoints of the Gorge and Coalbrookdale before descending to the valley bottom along the Severn Valley Railway.



The 'Sabbath Walks Trail' follows in the footsteps of Richard Reynolds who built the wide footpaths in the 18th Century for his workers and families. This trail takes in Dale Coppice and Lincoln Hill and the viewpoint at the Rotunda with views of the Iron Bridge.

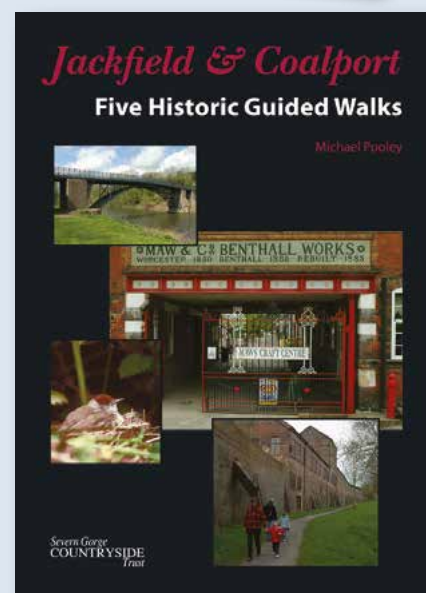
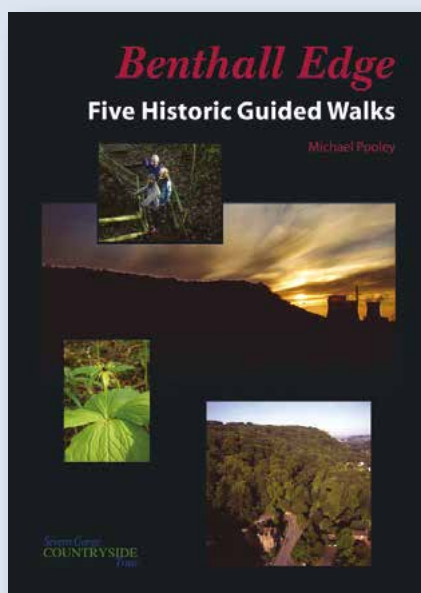
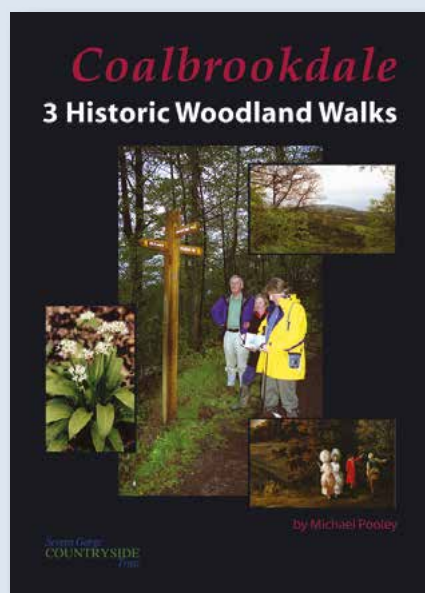
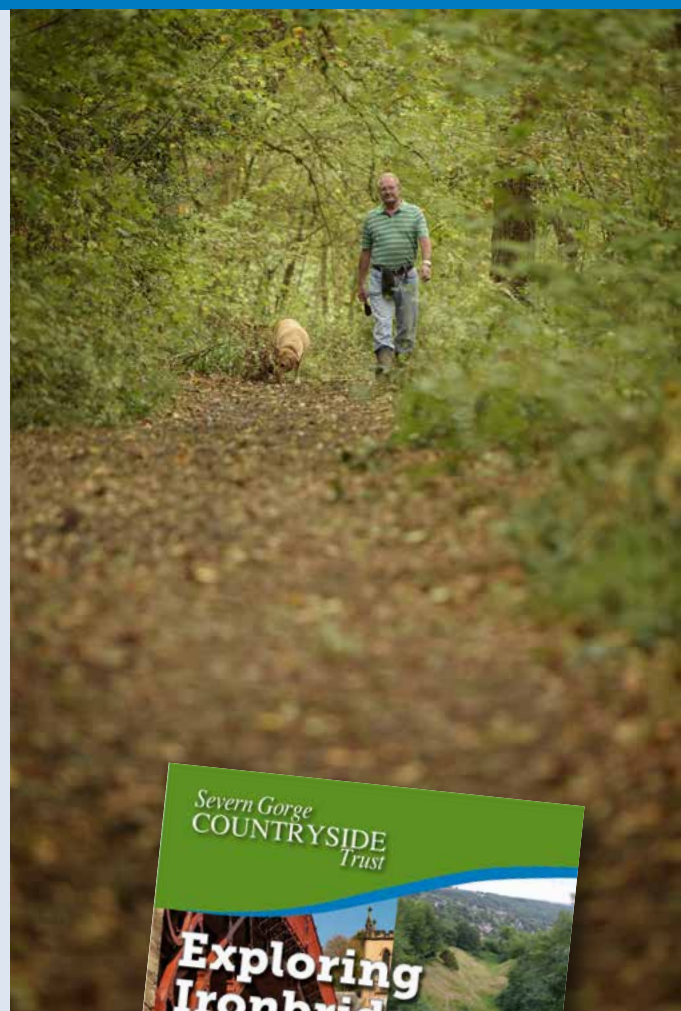
The Ironbridge to Blists Hill Victorian Town Trail is as it says, linking Ironbridge to Blists Hill with a safe traffic-free route through Lloyd's Coppice whilst seeing historic remnants on the past once linked to Blist Hill furnaces.

The circular Trail 'Loamhole Dingle; History under your feet' takes you from Upper Furnace Pool and through the wooded dingle to the Ropewalk where nature meets the industrial past. This walk can also be linked with Lydebrook Dingle as part of the Shropshire Way.

These trails will hopefully encourage more visitors to explore the landscape of the World Heritage Site on foot.

Walks Books

To support people to get outdoors and closer to nature we have published several guided walks books. These will help everyone to visit our sites and enjoy their natural beauty and find out more about the forces that have shaped them – natural and man-made. Each book offers a number of self-guided walks that offer opportunities to explore the history of the area as well as the diversity of landscape, geology and wildlife. All the books can be purchased from the Trust Office, and are also available at Ironbridge Gorge Museum sites, the Visitor Information Centre, The Green Wood Cafe and some local shops. Copies of the routes can also be downloaded from our website; www.severngorge.org.uk.



Raising Awareness

Aim: to develop and promote a wider awareness and understanding of the Trust's work



Trees of Knowledge

The Trees of Knowledge community group was set up in 2007 to provide opportunities for people to learn about, understand, input their own knowledge and become involved in the long term management of the Trust's land. This year, the group were given a talk about Bees by Mark Bannister. The Trust hopes to engage local people in taking more of an active interest in the management of their local landscape.

'Lookerers' Scheme

The flock of native breed Soay sheep that the Trust uses to manage its wildflower meadows continues to increase, and the volunteer shepherds or 'Lookerers' now help to look after a flock of over 60 sheep. The Lookerers' programme has been running for eight years and currently 14 volunteers are extremely proficient in a wide range of sheep husbandry techniques including handling, ear tagging and injecting.

By the end of March 2019, the flock had increased by 13 lambs; this was the fourth year that the Trust had produced its own lambs. The ewe lambs are registered with the Rare Breeds Survival Trust. We are keen to increase the number of registered pedigree breeding ewes in an effort to improve Soay's status on the RBST watch list. The Trust's flock makes up between 5% – 6% of the registered population of breeding ewes.



This project relies on the collaboration of our volunteer shepherds who co-ordinate their visits to the sheep via a rota system. Usually in the mornings and afternoons, the Lookers spend some time making sure that the sheep have got all that they need to graze happily.

Work has continued on selling some of the sheep both as breeding stock and meat. The sheep will be sheared this year and the wool sold to the Natural Fibre Company again. Shearing should reduce the chance of flystrike, reduce the cost of preventative medication and improve the wellbeing of the sheep in warmer weather.

Community Events

The Trust continues to work with other organisations to support local community events which attracted many hundreds of visitors. Supporting such events allows the Trust to engage with people that may not be aware of the work and activities the Trust carries out, or the opportunities available to them to enjoy and use the land managed by the Trust. Some of the events supported included Apple Day, Ironbridge Walking Festival and Grow Local.

The Trust is often asked to speak to organisations about its work and the CDO spoke to five groups this year: Shawbury Garden Club, Coalbrookdale Church ladies group, Condover and Severn Valley Field Club, Ironbridge Inner Wheel and Ironbridge Rotary.

Annual Open Evening

The purpose of the Annual Open Evening is to give local residents a chance to meet Trust staff, Trustees and Volunteers and learn more about the work we undertake. It also provides an opportunity to raise any concerns or issues they may have.

This year's Open Evening was held at Jackfield on Wednesday 23 May 2018.

The guest speaker was Dougald Purce, the Trust's consultant arborist whose talk was on Tree Safety in the Gorge.

Trust staff also gave short presentations on recent work of the Trust and its plans for the future. The audience was then invited to ask any questions.

55 people attended the Open Evening.

Attendees had the opportunity to look at displays showing the work of the volunteers and the Outdoor Learning Programme together with recent management works and planned projects for 2018/2019.

Partnership Working

We've strengthened and developed partnerships with a wide range of organisations and individuals for the benefit of local communities, visitors and wildlife. Successful partnership working allows us to develop new areas of work, including 'Outdoor Learning', environmental arts and alternative land management techniques.



Our Partners Include:

- ◆ Broseley Town Council
- ◆ Dawley Angling Society
- ◆ Deer Initiative
- ◆ English Heritage
- ◆ Environment Agency
- ◆ Forestry Commission
- ◆ Friends of Rough Park
- ◆ Harper Adams University College
- ◆ Ironbridge Gorge Museum Trust
- ◆ Ironbridge Meadows and Pastures group
- ◆ Lodge Field Group
- ◆ Madeley Town Council
- ◆ National Trust
- ◆ Natural England
- ◆ Natural Fibre Company
- ◆ Neighbouring farmers and landowners
- ◆ Shropshire Geological Society
- ◆ South Telford Rights of Way Partnership
- ◆ Telford & Wrekin Council
- ◆ Telford Green Spaces Partnership
- ◆ The Gorge Parish Council
- ◆ The World Heritage Site Steering Group
- ◆ University of Birmingham (Ironbridge Institute)
- ◆ West Midlands Regional Flood & Coastal Committee
- ◆ Wolverhampton University

Community engagement is essential to the success of all of our work. We aim to work with local communities to engage people of all ages through events, volunteering opportunities and education to ensure the sustainability of our 'Outdoor Learning' programme.



The active involvement of local people is also vitally important in the management of the land in the Severn Gorge. Local people have a strong interest in their local environment and the Trust is keen to harness the help of local residents to act as its 'eyes and ears' reporting any problems and suggesting improvements.

The Trust tries to ensure a rapid response to issues. People are informed about any management work by talking to neighbours, putting detailed information up on site, providing articles for local newsletters and giving details of work on the Trust's website.

With the increase in popularity and usage of social media sites, the Trust now regularly uses both Facebook and Twitter to give out information on the work that it is doing. Regular updates on the work of the volunteers, key projects the Trust is managing and the 'Outdoor Learning' courses ensure that followers are able to access up to date information. These outlets are also brilliant for disseminating information on potential problems such as road closures, flooding etc.



FUTURE PLANS

In 2019/2020 the Trust's focus will be to continue to promote, protect and conserve the landscape of the Ironbridge Gorge World Heritage Site

Key Projects include:

- ◆ Managing the two beehives to maintain a healthy honey bee colony – to support the environmental and ecological benefits that bees provide
- ◆ Manage volunteer project to remove lower section of Lloyd's Coppice steps and replace with stone
- ◆ Consider replacing rotten sections of wooden steps and boardwalks and replace with stone as necessary
- ◆ Improve 'Dragon head' path in Benthall to create a family trail via Bower yard picnic site – funding dependent
- ◆ Design a family trail leaflet to include Loamhole Dingle via Jiggers meadow; Tile Trail; Benthall and Bower yard picnic site; Sunnyside and Ropewalk
- ◆ Farm the Flow Partnership – install five silt research woody debris dams and around 30 other woody debris dams working with local landowners in partnership with Telford & Wrekin Council
- ◆ Learning about Lydebrook – Citizen Science project – devise, plan and hold a series of four interactive training modules on Soils, Meteorology, Hydrology and Geomorphology to give the local community the tools they need to better understand and assess flood risk
- ◆ Continue to monitor and maintain sixty structures
- ◆ Re-fence sections of Ropewalk and Wilderness Meadow so we can continue to aftermath graze them
- ◆ Maintain the sheep flock numbers to allow us to continue to manage our hay meadows. Continue to breed replacements and where possible generate a financial return from the flock
- ◆ Maintain and refresh Trust Website to provide an accessible and informative site
- ◆ Investigate using Arc GIS alongside the current MapInfo GIS system
- ◆ Planning and delivering a Continuous Cover forestry thinning in Jiggers Plantation and Sunnyside
- ◆ Continue to develop a relationship with the new owners of the former Power Station site Harworth, to help them deliver as sustainable a development as possible, should planning permission be granted, working in Partnership with Telford & Wrekin and the Gorge Parish Councils
- ◆ To work with Telford & Wrekin Council and The Gorge Parish Council with Shropshire Homes, using the data gained from Farm the Flow project, to help them assess the impacts of flood management on the development of the old AGA site
- ◆ Continuing to be an efficient and effective organisation that is well governed, well financed and well managed and which has the capacity, infrastructure and support necessary to deliver its objectives



FINANCIAL REVIEW

Overview

The Trust had a positive year and except for the required pension scheme adjustments, would have delivered a small unrestricted surplus in a year where funding remains challenging. Careful management of a tight budget resulted in the financial performance for the year being better than budgeted. In 2018 Brexit continued to be the issue that dominated politics and policy, Environment Secretary Michael Gove has described it as creating an 'unfrozen moment' where the country could go down very different routes. The route chosen could have big impacts on our natural and historic environment, and place pressure on the environmental and agricultural funding available to address the conservation issues at the core of the Trust.

Agri-environment payments are extremely important to the Trust. They are a key funding mechanism to support our woodland and meadow management and any change would impact significantly on our finances. It is possible that these funding packages will be replaced; potentially with alternatives that could provide greater support for delivery of public benefit (such as nature conservation) but this continues to remain an uncertainty.

The majority of the Trust's income is generated from rents received on commercial properties in the Telford area. The Trust in conjunction with Telford & Wrekin Council's Land and Property Services (who manage the properties on the Trust's behalf) have continued to work hard over the last 12 months to manage the property portfolio to try to ensure that in the long term it is able to provide sufficient income to enable the Trust to deliver its core activities. Moving investment from large office units into smaller commercial properties has been one way of diversifying the property portfolio. This can have the impact of reducing the rental income generated in the short term, but also spreads the financial impact should a property become void.

The Trust continues to apply for grants from a variety of sources, but is careful not to stray from its aims and objectives when looking for potential funding sources.

Income was generated largely from:

- ◆ rentals received on commercial properties in the Telford area. The need for a balancing package to provide sufficient income for the annual upkeep of the sites was recognised when the Trust was established. A package of commercial properties was transferred to Telford and Wrekin Council. They own the freehold of these income generating properties and are responsible for their management. They are covenanted to pay 85% of the income generated to the Trust to cover the cost of maintaining the land in the Gorge.
- ◆ investments purchased by the Trust. These consist of Charity Investment funds, and an interest paying Bank Account
- ◆ grants
- ◆ small amounts from book sales/timber sales
- ◆ Outdoor Learning workshop bookings

We received £223,348 in income from the rental properties, fishing and grazing rights compared to £219,201 last year. The increase in income is due to the majority of properties remaining occupied for the financial year.

Interest and dividends provided £14,308 compared to £14,032 last year reflecting the slightly better performance in investment returns.



Hay and standing timber sales provided an additional £990 and £2,173 respectively.

£2,221 was generated by the 'Outdoor Learning' programme. The courses are set at a very reasonable price to enable as many people as possible to attend. Course costs cover tutor fees and materials.

Grants to help with our work

In support of its activities, the Trust received £52,726 (£39,156 in 17/18) from a wide number of bodies and is very grateful to them all for their help and assistance:

Countryside Stewardship – Natural England

The Trust received £22,752 in grant aid from this programme. This scheme will contribute towards the Trust's woodland management costs. 2016 was the start of this five year programme.

Higher Level Stewardship Scheme

This year, the Trust received £9,525 in grant aid from this programme. Now into its ninth year of a ten year programme, the Higher Level Stewardship Scheme supports the work the Trust is undertaking to manage its meadows.

Farm the Flow

£18,672 was received from DEFRA via the Environment Agency to facilitate this three year Natural Flood Management project. The Trust is working in partnership with Telford & Wrekin Council to deliver natural flood management techniques and monitoring and a Citizen Science Project called Learning about Lydebrook.

Land Revaluation

In 2018 the Trust was gifted a parcel of land (8.5 acres) which had previously been the site of the Sculpture Museum. A valuation was undertaken by Madeleys Chartered Surveyors and a value of £59,000 was placed on the land. In 2018 the land was fenced which has increased the value to £76,000.

Investment policy, powers and performance

Trustees are responsible for the financial policies under which the Trust is managed. Under the Memorandum

and Articles of Association, the Trust has the power to deposit or invest funds.

The Investment Policy of the Trust is:

- ◆ for the capital invested to maintain its value whilst building up a dependable, growing stream of income that will keep pace with inflation.

The Trust also maintains an ethical investment policy and does not invest in markets or investments that would directly conflict with its objectives.

During the year the Trust has continued to review its investments in order to maximise returns whilst managing risk, as far as reasonably possible. In a financial environment with historically low interest rates and moderate levels of financial risk, the Trust's investments have generated an acceptable return. The Trust's investment portfolio value now stands at £382,246, with an additional £83,422 being held in higher interest bank accounts.

Reserves policy

Reserves are an inherent part of the Trust's risk management process. The need for reserves will vary depending on the Trust's financial position and our assessment of the many risks the Trust faces at a particular time.

The need to build up reserves will be taken into account in the annual planning and budgeting process.

The reserves policy balances the need to build up long-term reserves against the need for short term spending on the Trust's core purposes.

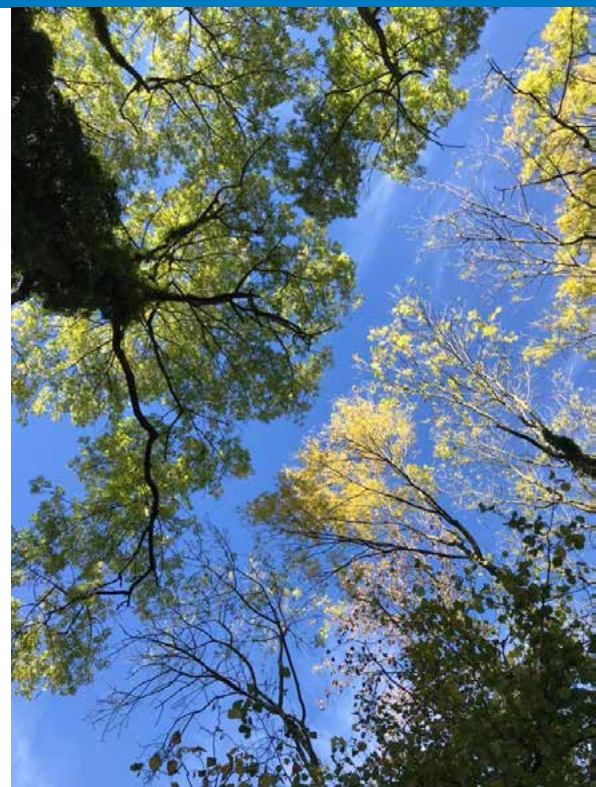
Funds

The Trust's funds are divided between unrestricted funds, restricted funds and designated funds.

The designated funds and their specific purposes are detailed below:

Long Term Income Fund

The purpose of this fund is to provide income for the Trust's core work during the rental income modernising process, provide protection against additional voids that may occur and provide a dependable, growing stream of income that will keep pace with inflation, thus enabling the Trust to fulfil its objectives. £20,000 will be



transferred each year (when income levels allow) into this fund. No transfer took place in 18/19 as there was insufficient income received from the rental properties to cover this cost. However, the interest and dividends (less Management fees) generated by Aberdeen Standard Capital Investments has been retained. This equated to £9,163.

Should the rental income drop below the level that is required to fulfil the basic obligations of the Trust then money will be withdrawn from the fund to cover this expenditure. The balance held in the Long Term Income Fund (including investment revaluation) as at the 31 March 2019 is £378,719.

New Accommodation Fund

This fund was created to set aside money to be used to fund the new office accommodation for the Trust. Money that had previously been held in the Long Term Income fund has been released into the New Accommodation Fund. The balance of the fund is £188,600. This fund will be used in conjunction with the restricted grant funding from the NHS and the Alcoa Foundation. This fund will be written down over a 50 year period as part of the new office depreciation calculation.

The Land and Structures Contingency Fund was created to allow appropriate responses to substantial problems arising from geotechnical features, structures such as

walls, land instability, drainage and watercourses.

Since 2003 the Trust has commissioned a programme of regular visual inspections of all known built structures on Trust land and a geotechnical inspection of Jiggers Rock face, as part of its risk management processes.

£10,000 will be transferred to the fund each year (when income levels allow) and the work undertaken when sufficient funds have accumulated. Some works may be able to be undertaken at an earlier date if external funding becomes available. The balance of the fund as at 31 March 2019 was £4,388.

Pension Scheme

In common with other charities with defined benefit pension schemes, our pension scheme shows a deficit which stood at £331,000 at 31 March 2019 (£273,000, March 2018) and, under UK accounting standards we are required to account for this deficit. Like all parts of our economy, charities have been hit by rising life expectancy and lower than expected return on investments. However, a large pension deficit does not necessarily mean bad news. The Trust will not have to find the whole deficit at once and pension's deficits can be made well over several, often many years.

At the last valuation, the contribution rate to be paid into the Shropshire County Pension Fund was

assessed in two parts. First a standard contribution rate was determined. This is the contribution, expressed as a percentage of the salaries of staff. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that the accumulated liabilities of the pension for benefits to past and present staff, are not fully covered by the standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the standard contribution rate and the supplementary contribution rate.

Shropshire County Pension Fund has been working hard over the last few years to reduce the pension deficit and has set out a clear framework in which to achieve this over the next 20 years.

Trustees responsibilities in relation to the financial statements

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires Trustees to prepare financial statements for each financial year. The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the Trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities SORP
- ◆ make judgements and estimates that are reasonable and prudent
- ◆ state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to

presume that the company will continue in business

- ◆ The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial positions of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
- ◆ In accordance with company law, as the company's directors, we certify that:

so far as we are aware, there is no relevant audit information of which the company's auditor is unaware. This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities and in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Committee of Management on 25 September 2019 and signed on its behalf by:

Nick Downes
Chair



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEVERN GORGE COUNTRYSIDE TRUST

Opinion

We have audited the financial statements of Severn Gorge Countryside Trust (the 'charitable company') for the year ended 31 March 2019 which comprise the statement of financial activities (including income and expenditure account), statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2019 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
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEVERN GORGE COUNTRYSIDE TRUST

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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
- the trustees were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEVERN GORGE COUNTRYSIDE TRUST

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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.

.....
Oliver Ross BSc(Hons) FCA (Senior Statutory Auditor)
For and on behalf of Muras Baker Jones Limited
Chartered Accountants and Statutory Auditor

Regent House
Bath Avenue
Wolverhampton
WV1 4EG

25 September 2019

SEVERN GORGE COUNTRYSIDE TRUST

STATEMENT OF FINANCIAL ACTIVITIES (being INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2019

	Notes	General Fund £	Designated Funds £	Restricted funds £	Total funds 2019 £	Total funds 2018 £
INCOME						
INCOMING RESOURCES FROM CHARITABLE ACTIVITIES						
Rents received	4	223,348	-	-	223,348	219,201
Grants	4	52,726	-	-	52,726	39,156
Donation of land		-	-	-	-	59,000
INCOME FROM OTHER TRADING ACTIVITIES						
Investment income		1,513	12,795	-	14,308	14,032
Other income		6,555	-	-	6,555	4,580
Gifts and Donations		1,314	-	-	1,314	2,238
Total Income		285,456	12,795	-	298,251	338,207
EXPENDITURE						
COSTS OF RAISING FUNDS						
Costs of generating voluntary income	5	5,607	-	-	5,607	5,633
EXPENDITURE ON CHARITABLE ACTIVITIES						
Woodland/Countryside Management	5	200,403	3,818	1,602	205,823	208,123
Access	5	14,001	46	19	14,066	18,359
Projects	5	58,149	736	4,975	63,860	40,411
GOVERNANCE COSTS	5	19,582	2,850	-	22,432	24,601
Total Expenditure		297,742	7,450	6,596	311,788	297,127
NET INCOME/(EXPENDITURE)		(12,286)	5,345	(6,596)	(13,537)	41,080
NET MOVEMENT IN FUNDS		5,584	(5,584)	-	-	-
NET INCOME/(EXPENDITURE) BEFORE OTHER GAINS / (LOSSES) – carried forward		(6,702)	(239)	(6,596)	(13,537)	41,080

SEVERN GORGE COUNTRYSIDE TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(being INCOME AND EXPENDITURE ACCOUNT) continued

For the year ended 31 March 2019

	Notes	General Fund £	Designated Funds £	Restricted Funds £	Total Funds 2019 £	Total funds 2018 £
NET INCOME/(EXPENDITURE) BEFORE OTHER GAINS / (LOSSES) – brought forward		(6,702)	(239)	(6,596)	(13,537)	41,080
OTHER GAINS AND LOSSES						
Gains/(losses) on Investments - realised		-	-	-	-	-
Gains/(losses) on Investments – unrealised		-	13,766	-	13,766	(8,182)
Pension scheme actuarial (losses)/gains	14	(36,093)	-	-	(36,093)	35,403
Revaluation of land		-	17,000	-	17,000	95,830
NET MOVEMENT IN FUNDS FOR THE YEAR		(42,795)	30,527	(6,596)	(18,864)	164,131
TOTAL FUNDS BROUGHT FORWARD AT 31 MARCH 2018		91,855	655,782	85,971	833,608	669,477
TOTAL FUNDS CARRIED FORWARD AT 31 MARCH 2019		49,060	686,309	79,375	814,744	833,608

All income and expenditure derive from continuing activities.

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

SEVERN GORGE COUNTRYSIDE TRUST

BALANCE SHEET

At 31 March 2019

	Notes	2019 £	£	2018 £	£
FIXED ASSETS					
Tangible assets	6	577,010		560,405	
Investments	7	382,246		355,500	
			959,256		915,905
CURRENT ASSETS					
Stocks		-		222	
Debtors	8	37,165		75,742	
Investments	9	83,422		83,188	
Cash at bank and in hand		74,212		42,879	
			194,799		202,031
CREDITORS - amounts falling due within one year					
	10	(8,311)		(11,328)	
NET CURRENT ASSETS			186,488		190,703
Pension benefit pension scheme liability					
	14	(331,000)		(273,000)	
NET ASSETS			814,744		833,608
THE FUNDS OF THE CHARITY:	13				
General fund	13	49,060		91,855	
Designated funds	13	453,721		453,960	
Restricted funds	13	79,375		85,971	
Revaluation funds	13	232,588		201,822	
TOTAL CHARITY FUNDS			814,744		833,608

The financial statements were approved by the Committee of Management on 25 September 2019 signed on its behalf by:-

Nick Downes
Chair

SEVERN GORGE COUNTRYSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

1. ACCOUNTING POLICIES

a) ACCOUNTING CONVENTION

The Financial Statements are prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published 2 February 2016), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The charity has applied Update Bulletin 1 as published on 2 February 2016 and does not include a cash flow statement on the grounds that it is applying FRS 102 Section 1A.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include investments and certain freehold property at fair value.

b) INCOME

Rental income is included when receivable.

Income from contracting projects is recognised when receivable.

Grants are recognised in full in the Statement of Financial Activities when receivable.

Income from investments and other income, including small sales of timber and refunds, are included when receivable.

c) EXPENDITURE AND IRRECOVERABLE VAT

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT, which cannot be recovered.

The proportion of employees time spent fundraising is shown as costs of generating voluntary income.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. The cost of overall direction and administration on each activity is apportioned based on the direct costs incurred for each.

d) DEPRECIATION

Depreciation is provided on the cost of fixed assets to write off the cost less estimated residual value of each asset over its estimated useful life at the following rates:

Freehold property	Depreciated over 50 years
Fixtures & Equipment	33 ¹ / ₃ % straight line
Plant and Machinery	10% straight line
Motor vehicles	20% straight line/33 ¹ / ₃ % straight line
Facility Construction	10% straight line

No depreciation is provided on Freehold Land.

SEVERN GORGE COUNTRYSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

1. ACCOUNTING POLICIES (Continued)

e) TANGIBLE ASSETS

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

f) INVESTMENTS

Investments held as current assets are stated at the lower of cost and net realisable value.

Investments held as fixed assets are revalued annually and the aggregate surplus or deficit is transferred to Revaluation Reserve.

g) GENERAL FUND

This represents unrestricted funds that are available for use at the Trustees' discretion in furtherance of the objectives of the Trust.

h) DESIGNATED FUNDS

- i) Long Term Income Fund - this fund arises from the combining of the Income Security Fund and the Long Term Development Reserve and reflects monies held within Fixed and Current Asset Investments. The purpose of the fund is to provide additional income for the Trust's core work when rental income declines as properties reach the end of their expected commercial 'life' circa 2015 to 2025.
- ii) Land and Structures Contingency - this reserve reflects monies held within current asset investments. The reserve has been created to cope with expenditure arising as a result of land instability, drainage and watercourse issues and potential problems with existing structures.
- iii) New Accommodation Fund - the reserve has been created to set aside funds towards the new office accommodation for the Trust.
- iv) Revaluation Reserve - this reflects the increase in the fair value of investments and land over their original cost.

SEVERN GORGE COUNTRYSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

1. ACCOUNTING POLICIES (Continued)

i) RESTRICTED FUNDS

These represent grants received for specified projects, the use of each grant being restricted to that project.

j) GOING CONCERN

There are no material uncertainties about the charity's ability to continue.

k) EMPLOYEE BENEFITS

The charity contributes to a defined benefit plan for certain employees. A liability for the charity's obligation under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the costs of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method.

The trustees believe that the scheme currently meets statutory minimum funding requirements. It is intended that the level of annual contributions to the scheme will be adjusted following the next detailed actuarial valuation. The directors note that the calculated notional deficit or surplus calculated under FRS102 can vary greatly from year to year depending on the assumptions made at the valuation date, but with normally little or no effect on short term cashflows.

2. (DEFICIT)/SURPLUS FOR THE YEAR

The (deficit)/surplus for the year is stated after charging:

	2019 £	2018 £
Auditors' remuneration	2,220	2,160
Depreciation of tangible fixed assets	14,578	12,201

SEVERN GORGE COUNTRYSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

3. STAFF COSTS

	2019 £	2018 £
Wages and salaries	114,735	112,486
Social security costs	8,453	8,294
Other pension Costs	45,000	45,000
Other costs	6,322	6,454
	<hr/>	<hr/>
	174,510	172,099
	<hr/>	<hr/>

No employees had employee benefits in excess of £60,000 (2018: None).

No members of the Committee of Management received any remuneration in the year (2018 - £Nil). Apart from members of the Committee of Management, the company had 5 employees at 31 March 2019 (2018 - 5).

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	General fund £	Restricted funds £	Total 2019 £	Total 2018 £
Rents received	223,348	-	223,348	219,201
Grants:	<hr/>	<hr/>	<hr/>	<hr/>
Natural England:				
Higher Level Stewardship	9,525	-	9,525	9,525
Countryside Stewardship	22,752	-	22,752	21,768
Farm the Flow Project	18,672	-	18,672	-
T&W – Cllrs Pride Fund	-	-	-	400
Jean Jackson Trust	-	-	-	2,000
Postcode Lottery Local Trust	-	-	-	4,000
Other	1,777	-	1,777	1,463
	<hr/>	<hr/>	<hr/>	<hr/>
	52,726	-	52,726	39,156
	<hr/>	<hr/>	<hr/>	<hr/>
	276,074	-	276,074	258,357
	<hr/>	<hr/>	<hr/>	<hr/>

SEVERN GORGE COUNTRYSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

5. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Generating voluntary income £	Woodland/ countryside management £	Access £	Projects £	Governance costs £	Total 2019 £	Total 2018 £
Direct costs	-	74,149	936	14,302	-	89,387	77,946
Employee costs	5,607	100,505	12,735	43,527	12,136	174,510	172,099
Insurance	-	5,295	67	1,025	-	6,387	6,884
Transport	-	3,857	49	746	-	4,652	3,613
Office and other costs	-	9,931	126	1,921	1,353	13,331	13,289
Trustee support	-	-	-	-	393	393	316
Professional costs	-	-	-	-	8,550	8,550	10,779
Depreciation	-	12,086	153	2,339	-	14,578	12,201
	<u>5,607</u>	<u>205,823</u>	<u>14,066</u>	<u>63,860</u>	<u>22,432</u>	<u>311,788</u>	<u>297,127</u>

SEVERN GORGE COUNTRYSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

6. TANGIBLE FIXED ASSETS

	Plant and machinery £	Land and buildings £	Motor vehicles £	Fixtures & equipment £	Facility Construction £	Total £
COST:						
At 1 April 2018	18,000	612,476	57,579	33,439	-	721,494
Additions	-	-	-	9,688	4,495	14,183
Revaluations	-	17,000	-	-	-	17,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2019	18,000	629,476	57,579	43,127	4,495	752,677
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
ACCUMULATED DEPRECIATION:						
At 1 April 2018	4,575	70,015	57,579	28,920	-	161,089
Charge for the Year	1,800	8,752	-	3,576	450	14,578
Disposals	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2019	6,375	78,767	57,579	32,496	450	175,667
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE:						
At 31 March 2018	13,425	542,461	-	4,519	4,519	560,405
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2019	11,625	550,709	-	10,631	4,045	577,010
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Land held by the Trust at Cherry Tree Hill was revalued during the year at a fair value of £76,000 by an independent chartered surveyor

SEVERN GORGE COUNTRYSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

7. FIXED ASSET INVESTMENTS

	2019 £	2018 £
Balance brought forward	355,500	358,617
Additions	12,979	143,775
Disposals	-	(138,710)
Revaluation adjustment	13,766	(8,182)
	<hr/>	<hr/>
Balance carried forward	382,245	355,500
	<hr/>	<hr/>
Historical cost of investments held at 31 March 2019	355,812	342,833
	<hr/>	<hr/>

Investments are acquired to provide fixed funding for certain of the Designated Funds set up by the Trust (see Note 13).

	2019 Original cost £	Market value £	2018 Original cost £	Market value £
Black Rock				
- Charinco Common Investment fund				
- Distribution Units	20,000	18,535	20,000	18,672
Standard Life				
- Offshore Income Fund	191,820	221,678	183,320	200,489
- Offshore Global Fixed Interest	73,992	71,569	69,513	68,517
- Phoenix Fund	70,000	70,463	70,000	67,822
	<hr/>	<hr/>	<hr/>	<hr/>
	355,812	382,245	342,833	355,500
	<hr/>	<hr/>	<hr/>	<hr/>

8. DEBTORS

	2019 £	2018 £
Trade debtors	37,165	75,742
	<hr/>	<hr/>
	37,165	75,742
	<hr/>	<hr/>

SEVERN GORGE COUNTRYSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

9. CURRENT ASSET INVESTMENTS

	2019 £	2018 £
Short term deposits	83,422	83,188

10. CREDITORS - amounts falling due within one year

	2019 £	2018 £
Trade Creditors	8,311	11,328
	8,311	11,328

SEVERN GORGE COUNTRYSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

11. ANALYSIS OF CHARITABLE FUNDS

	At 1 April 2018 £	Income £	Expend- iture £	Other recognised gains/ (losses) £	Trans- fers £	At 31 March 2019 £
Analysis of movements in unrestricted funds						
General Fund	91,855	285,456	(297,742)	(36,093)	5,584	49,060
Long Term Income Fund	249,798	12,795	(2,850)	-	(781)	258,962
Land and Structures	10,962	-	-	-	(6,574)	4,388
Contingency Accommodation Fund	193,200	-	(4,600)	-	-	188,600
Revaluation Reserve	201,822	-	-	30,766	-	232,588
Bower Yard Steps	-	-	-	-	1,300	1,300
Soay Wool	-	-	-	-	471	471
	655,782	12,795	(7,450)	30,766	(5,584)	686,309
Analysis of movements in restricted funds						
Alcoa Grant	7,665	-	(183)	-	-	7,482
Primary Care Trust						
- New Office project	73,350	-	(1,747)	-	-	71,603
Bower Yard	1,000	-	(1,000)	-	-	-
Jean Jackson Trust	534	-	(534)	-	-	-
Postcode Lottery Local Trust	3,422	-	(3,132)	-	-	290
	85,971	-	(6,596)	-	-	79,375
Total Funds	833,608	298,251	(311,788)	(5,327)	-	814,744

SEVERN GORGE COUNTRYSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

11. STATEMENT OF FUNDS continued

The assets comprising each Fund at 31 March 2019 are as follows:

	Tangible fixed assets £	Fixed asset investments £	Current assets / (Liabilities) £	Total £
Accommodation Fund	188,600	-	-	188,600
Long Term Income Fund	-	262,487	(3,525)	258,962
Revaluation Reserve	112,830	119,758	-	232,588
Land and Structures				
Contingency	-	-	4,388	4,388
Bower Yard Steps			1,300	1,300
Soay Wool	-	-	471	471
Restricted Funds	79,087	-	288	79,375
General Fund	196,493	-	(147,433)	49,060
	<hr/>	<hr/>	<hr/>	<hr/>
	577,010	382,245	(144,511)	814,744
	<hr/>	<hr/>	<hr/>	<hr/>

Fund transfers

Long term income fund. The transfer of £781 to general reserve relates to the transfer of dividend income on Charinco investments.

Land and structures contingency fund. A transfer of £6,574 has been made to general fund to cover specific costs incurred during the year.

Bower Yard steps fund. The transfer of £1,300 from general reserve represents funds set aside in respect of the Bower Yard Steps work.

Soay Wool fund. The transfer of £471 from general reserve represents amounts set aside in respect of the processing of the soay wool.

Purpose of Designated Funds

These are detailed in note 1(h) to the financial statements and also in the Trustees Report.

Purpose of Restricted Funds

These represent grants received and related expenditure in respect of specific projects as outlined above.

12. PENSIONS

Defined Benefit Scheme

The company is a member of the Shropshire County pension fund which operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using assumptions that: project the benefits forward into the future and then adjust them to current day values; estimate the probability of payments needing to be made. The most recent valuation was as at 31 March 2016. The company receives annual reports from the pension scheme which identify its share of the assets and liabilities of the scheme.

SEVERN GORGE COUNTRYSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

12. PENSIONS continued

The pension charge for the year amounts to £45,000 (2018 - £45,000), against which employer contributions paid over to the scheme amounted to £23,093 (2018 - £22,597), together with the actuarial gains and losses on the scheme for the year is recognised in the statement of Financial Activities in accordance with SORP (FRS 102).

The most recent actuarial valuation showed that the market value of the scheme's assets was £1,494m and that the actuarial value of those assets represented 76% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

The company's share of the market values of the main asset classes, at the year end were:

	2019 %	£000s	2018 %	£000s
Equities	50.6	400	53.0	384
Government Bonds	0.0	0	0.0	0
Other Bonds	16.1	127	23.1	167
Property	5.3	42	4.9	35
Cash/liquidity	6.4	50	2.0	14
Other	21.6	170	17.0	123

The assets of the Scheme are included in the accounts at open market value as at the year-end, and the liabilities have been calculated using the following actuarial assumptions:

	2019 %	2018 %
Rate of increase in salaries	3.7	3.6
Pension increases	2.3	2.2
Rate of discount	2.4	2.6
Inflation - RPI	-	-
- CPI	2.2	2.1

The liabilities are determined using the projected unit method as distinct from the aggregate method used in the triennial valuation. Under the projected unit method, the current service costs will increase as the members of the scheme approach retirement. On this basis, the calculated notional funding position, in respect of the Scheme at 31 March 2019, and at previous year-end, was as follows:

	2019 £000s	2018 £000s
Value of market assets	789	723
Value of accrued liabilities	(1,120)	(996)
Deficit	(331)	(273)

SEVERN GORGE COUNTRYSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

12. PENSIONS continued

The actuary has confirmed that the valuation made above under the requirements of FRS102 does not indicate that there is either an immediate funding requirement or any immediate need to change the agreed contribution rates currently in force. The actuary has excluded from both assets and liabilities items which have neutral effect on the Scheme's financial position i.e. additional voluntary contributions, annuities secured in respect of pensions in payment and insurance contract for death in service benefits.

The charge to the Statement of Financial Activities over the financial year comprised:

	2019 £000s	2018 £000s
Operating charge		
Current service cost	36	38
Admin expense	1	-
Past service cost/(gain)	-	-
	<hr/> 37	<hr/> 38
Other finance income		
Expected return on pension scheme assets	(19)	(17)
Interest on pension scheme liabilities	27	24
	<hr/> 8	<hr/> 7
Net interest/(return)		
	<hr/> 45	<hr/> 45

Movement in balance sheet deficit figures during the year:

	2019 £	2018 £
Deficit in scheme at 31 March 2018	(273,000)	(286,000)
Movement in year		
Current service cost	(36,000)	(38,000)
Past service (cost)/gain	-	-
Admin expense	(1,000)	-
Net interest/return on assets	(8,000)	(7,000)
Contributions	23,093	22,597
Actuarial gain/(loss)	(36,093)	35,403
	<hr/> (331,000)	<hr/> (273,000)

SEVERN GORGE COUNTRYSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

13. MEMBERS' GUARANTEE

Severn Gorge Countryside Trust is a company limited by guarantee. Members' liability under the Memorandum of Association is limited to £1 each and the liability continues for one year after the cessation of membership.

14. TAXATION STATUS

The company is a charity under the provisions of the Income and Corporation Taxes Act 1988.