

REGISTERED COMPANY NUMBER: 01294923 (England and Wales)
REGISTERED CHARITY NUMBER: 274192

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020
FOR**

PENNINE CAMPHILL COMMUNITY LIMITED



Gibson Booth Limited
Statutory Auditor
12 Victoria Road
Barnsley
South Yorkshire
S70 2BB

PENNINE CAMPHILL COMMUNITY LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

	Page
Report of the Trustees	1 to 8
Report of the Independent Auditors	9 to 11
Statement of Financial Activities	12
Balance Sheet	13 to 14
Cash Flow Statement	15
Notes to the Cash Flow Statement	16
Notes to the Financial Statements	17 to 31
Detailed Statement of Financial Activities	32 to 34

PENNINE CAMPHILL COMMUNITY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2020. The trustees have adopted the provisions of 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) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal activity of the company is to provide education and care of young people who have learning difficulties.

The charity enables and supports provision of care and learning opportunities for school leavers who have a learning disability and delivers access to further and continuing education.

The college offers Skills for Work and Life courses. These are individual learning plans based on aspirations of the young people who come to Pennine. This is underpinned by the 2014 Special Education and Needs (SEND) code of practice produced by the Department for Education and the Department of Health. Four key elements to the Skills for Work and Life are guided by Preparing for Adulthood (PfA), through:

1. Employment
2. Independent Living
3. Community Inclusion
4. Health

On site are five houses, various workshops, two large halls and other learning spaces including a working farm with a small animal care area, vegetable garden and orchard and a modern teaching block that houses various craft workshops.

Students have a study programme that builds on their personal aspirations including taking English and Maths skills further and choosing external awards to support their progression routes. The study programmes have a focus on farming, gardening, retail options, creative crafts, hospitality and catering. All learning contributes to outcomes set in individual Education Health and Care Plans (EHCPs).

The ACE programme (Access into Community and Employment) supports meaningful employment and internship, while other students are guided towards local day provision, further education and/or supported living.

All of the students are encouraged to access the social and leisure activities on offer at Pennine such as parties, festivals, concerts and drama.

Students can attend as a day student (full or part time), residentially (term time 7 days or 5 day weekly boarders) and potentially a 7 day and 52 week option. The residential options include a full leisure programme.

PENNINE CAMPHILL COMMUNITY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

ACHIEVEMENT AND PERFORMANCE

Charitable activities and performance

7 residential and 41 day learner places were provided during this accounting period. Of these 6 residential and 34 day places were Students funded by Education Funding agency payments with Local Authority top ups and 8 places (4 part time, 3 full time day and 1 residential) were offered for post college Adult Learners, these places were funded by a mix of Local Authority social care payments and personal budgets.

The year saw the programme of supported internships continue and develop, a student was started on a supported internship programme that had the potential to offer part time employment with the charity and the scheme won national recognition in the annual NATSPEC (National association of Specialist Colleges) awards. The College has continued to develop its outreach and networking with schools, specialist colleges and forging links within the local community. This continues to promote good transition arrangements for students both in to and out of Pennine with external learning opportunities for work and independence skills.

In line with changes to commissioning places the College now contracts with nine Local Authorities. Work with nearby authorities has been mostly maintained over the last year and there are now good working relationships with Rotherham, Barnsley and Kirklees and well developed local offer presence in Wakefield. Bradford did not commission this year and there were no new commissions from Calderdale. Interest continues to be expressed by Leeds Council about future placements.

The college operating costs were financed by learner fees through different sources including the Education Skills Funding Agency, Health and Social Service Departments and contributions from the students' personal budgets.

The college meets its revenue expenses and maintained repayments against a long-term bank loan which financed capital development costs. The Bank also provides an overdraft facility which has increased from £375K to £425K during the accounting period to cover cash flow shortfalls.

The company generated a surplus on ordinary activities of £79,879 during the 12 months of this accounting period. This compared with a deficit of £34,966 generated in the 12 months ended 31 July 2019. At 31 July 2020 the company has a healthy balance sheet with net assets of £3,087,108.

The Charity was impacted by the Covid-19 pandemic and measures were taken to protect income and reduce expenditure. Core funding from the Education Skills Funding Agency was protected by government decision, this included Local Authority element 3 contributions. Some social care funding ceased and the charity suspended respite provision and for a time ceased residential activity. There were related savings realised with lower food and house costs and a reduction in agency support being the most notable. Throughout the initial lockdown the charity worked with regulatory agencies and maintained day provision for key worker students and those assessed as most vulnerable.

PENNINE CAMPHILL COMMUNITY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

ACHIEVEMENT AND PERFORMANCE Charitable activities and performance (Continued)

Some staff were able to work from home and others assisted to do so. A small number of staff, employed in non-teaching supporting roles were furloughed and the charity made use of the job retention scheme, for a few staff, for two months.

The partial lifting of measures in June saw capacity rise and a limited programme resume, including residential provision. Good risk management and the introduction of effective covid-19 secure protocols avoided an outbreak of covid-19 on site. A small number of staff were isolating throughout as a result of personal contacts. There were additional costs involved in the mitigation measures but these are not seen as significant and were accounted for in the main repairs and renewals budget.

All staff and students not able to attend were supported by additional welfare calls on a weekly basis and the college safeguarding team worked closely with other agencies to maintain support for the most at risk students.

The main website was regularly updated for parents and others and a staff portal was developed and maintained to provide information and give advice on wellbeing and other matters to all staff. Home activities supported included sunflower growing competitions, scavenger hunts and keep fit activities. Plans will continue to be in place and will be revised and published on line as new guidance is released.

The Directors consider that satisfactory financial controls are in place. The company is well placed and resourced to continue providing its services into the foreseeable future.

PENNINE CAMPHILL COMMUNITY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

FINANCIAL REVIEW

Reserves policy

The company will set priorities directing revenue surpluses to reducing its bank loan. This is to develop a reserve of working capital that will generate up to four months of the previous year's average running costs.

FUTURE PLANS

The College will continue to develop local partnerships extending the range of learning opportunities. This ensures the continuing diversity of funding sources and mitigates the reliance on any single funder.

A partnership with Wakefield MDC, while continuing was not progressed due to the Covid pandemic and will remain under review into the next financial year.

The Trustees have had a fundamental review of the land use and focus, and in June 2020 appointed a social farmer to take the land use into a more formal Social Farming approach. This will maintain the many learning opportunities that exist, but build on local non-profit connections around nutrition and the value of land activities, as well as developing a volunteer base and the therapeutic aspects of land work. It is recognised that current Covid precautions will delay the full impact of this initiative. It is expected that the range of stock and the way it is farmed will change. As part of this review the relationship with Wakefield Riding for the Disabled will be put onto a more formal position to support both charities better and the majority of rented farm land will be handed back at a suitable time.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Charity constitution

The Company and Registered Charity were established in 1976.

The Articles of Association govern its charitable objects using Rudolf Steiner methods and principles, as developed by the worldwide Camphill Movement.

PENNINE CAMPHILL COMMUNITY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Human resources

As part of the ongoing review of staffing needs and due to the impact of the Covid pandemic, the three short-term residential volunteers were supported to return home early and have not been replaced. The loss of social care provision during the pandemic resulted in a small number of staff being furloughed and as a result of uncertainty in student numbers for the 2020/21 year a round of selective redundancies was agreed from a pool of staff with less than two years' service in June 2020. This situation improved dramatically before the September start of the 2020/21 academic year and resulted in some additional recruitment being undertaken.

The charity continues to operate a comprehensive pay scale that ensures a fair pay policy is in place. All staff are supported to develop the necessary skills for their roles and engage with the social and cultural life of the Pennine Camphill Community. All staff are suitably qualified for their roles.

Decision making

Directors are elected under the terms of the company's Articles of Association, govern and have oversight for the charity. They delegate responsibility to and are advised and assisted by senior managers who are directly involved with the day to day running of the Company's activities.

It is open to any member of the Pennine Association to nominate potential Directors of the Company (who also serve as Trustees of the Charity). In practice they are mostly co-opted by the governing body and elected at the Association's annual general meeting.

Trustees meet as a trustee board every two months to review strategic progress and effectiveness of the charity. Specific leadership and management responsibilities are delegated by trustees to the leadership group. A nominated group of trustees considers remuneration and pension payments for staff and specifically the leadership group.

The trustees undertake an annual assessment of governance which contributes to the College improvement plans.

PENNINE CAMPHILL COMMUNITY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

New Trustees have an induction training which includes observation of management meetings and of the educational and care services provided for the student beneficiaries.

Trustees undertake a commitment to visit the College regularly to maintain a knowledge of the college and key management meetings. Observations and impressions are reported to the full governing body. This health check supports quality monitoring cycle. Trustees are also encouraged to take part in internal and external training events relevant to their role.

Related parties

The Directors had no personal interests that require disclosure.

The Pennine Community is a member of the National Association of Specialist Colleges and the Association of Camphill Communities.

It also works alongside and shares facilities with Wakefield Riding for the Disabled Association (a registered Charity). A full review of the historic and current arrangements was initiated in May 2018 and has resulted in a new relationship being provisionally agreed. The Covid pandemic has delayed the implementation of this, but it will be enacted during the next financial year.

Mr W N Taylor (College Principal) is chair of Greentracks (CIC) with whom the charity has a service level agreement for the provision of work experience opportunities.

PENNINE CAMPHILL COMMUNITY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
01294923 (England and Wales)

Registered Charity number
274192

Registered office
Pennine Camphill Community
Wood Lane
Chapelthorpe
Wakefield
West Yorkshire
WF4 3JH

Trustees
Mr A McIntyre
Mr G Franklin
Mrs J Barry
Mr N Dodd
Mr T Coen

Company Secretary
Mrs S McDermott

Auditors
Gibson Booth Limited
Statutory Auditor
12 Victoria Road
Barnsley
South Yorkshire
S70 2BB

PENNINE CAMPHILL COMMUNITY LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2020

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Pennine Camphill Community Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to
- presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

AUDITORS

The auditors, Gibson Booth Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 23 March 2021 and signed on its behalf by:

.....

Mrs S McDermott - Secretary

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PENNINE CAMPHILL COMMUNITY LIMITED

Opinion

We have audited the financial statements of Pennine Camphill Community Limited (the 'charitable company') for the year ended 31 July 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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 (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 July 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PENNINE CAMPHILL COMMUNITY LIMITED

Other information

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 Report of the Trustees.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 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 exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PENNINE CAMPHILL COMMUNITY LIMITED

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. 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 a Report of the Independent Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Scott Mell (Senior Statutory Auditor)
for and on behalf of Gibson Booth Limited
Statutory Auditor
12 Victoria Road
Barnsley
South Yorkshire
S70 2BB

13 April 2021

PENNINE CAMPHILL COMMUNITY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2020

		Unrestricted fund £	Restricted funds £	Designated fund £	31.7.20 Total funds £	31.7.19 Total funds £
	Notes					
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	76,560	17,365	-	93,925	99,793
Charitable activities	4					
Charitable income		1,477,171	5,042	-	1,482,213	1,387,788
Investment income	3	1,645	-	-	1,645	1
Furlough grant received		25,434	-	-	25,434	-
Total		1,580,810	22,407	-	1,603,217	1,487,582
EXPENDITURE ON						
Charitable activities	5					
Charitable		(1,500,404)	(22,934)	-	(1,523,338)	(1,439,301)
NET INCOME / EXPENDITURE BEFORE EXCEPTIONAL ITEMS		80,406	(527)	-	79,879	48,281
Exceptional items	10	-	-	-	-	(83,247)
NET INCOME/(EXPENDITURE)		80,406	(527)	-	79,879	(34,966)
Transfers between funds	19	-	-	-	-	-
Net movement in funds		80,406	(527)	-	79,879	(34,966)
RECONCILIATION OF FUNDS						
Total funds brought forward		2,631,290	35,221	340,718	3,007,229	3,042,195
TOTAL FUNDS CARRIED FORWARD		2,711,696	34,694	340,718	3,087,108	3,007,229

The notes form part of these financial statements

PENNINE CAMPHILL COMMUNITY LIMITED

**BALANCE SHEET
AT 31 JULY 2020**

	Notes	Unrestricted fund £	Restricted funds £	Designated fund £	31.7.20 Total funds £	31.7.19 Total funds £
FIXED ASSETS						
Tangible assets	12	4,279,729	35,221	340,718	4,655,668	4,624,388
Investments	13	4,759	-	-	4,759	3,130
		4,284,488	35,221	340,718	4,660,427	4,627,518
CURRENT ASSETS						
Debtors	14	13,489	-	-	13,489	113,029
Cash at bank and in hand		6,893	-	-	6,893	7,141
		20,382	-	-	20,382	120,170
CREDITORS						
Amounts falling due within one year	15	(382,063)	(527)	-	(382,590)	(470,470)
NET CURRENT ASSETS/(LIABILITIES)		(361,681)	(527)	-	(362,208)	(350,300)
TOTAL ASSETS LESS CURRENT LIABILITIES		3,922,807	34,694	340,718	4,298,219	4,277,218
CREDITORS						
Amounts falling due after more than one year	16	(1,211,111)	-	-	(1,211,111)	(1,269,989)
NET ASSETS		2,711,696	34,694	340,718	3,087,108	3,007,229

The notes form part of these financial statements

PENNINE CAMPHILL COMMUNITY LIMITED

**BALANCE SHEET - CONTINUED
AT 31 JULY 2020**

		31.7.20	31.7.19
		Total	Total
		funds	funds
		£	£
FUNDS	Notes 19		
Unrestricted funds		2,711,696	2,631,290
Restricted funds		34,694	35,221
Endowment funds		<u>340,718</u>	<u>340,718</u>
TOTAL FUNDS		<u>3,087,108</u>	<u>3,007,229</u>

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

The financial statements were approved by the Board of Trustees on 23 March 2021 and were signed on its behalf by:

.....*A. McIntyre*.....
Mr A McIntyre -Trustee

The notes form part of these financial statements

PENNINE CAMPHILL COMMUNITY LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2020**

	Notes	31.7.20 £	31.7.19 £
Cash flows from operating activities:			
Cash generated from operations	1	195,282	73,715
Interest paid		<u>(77,741)</u>	<u>(95,748)</u>
Net cash provided by (used in) operating activities		<u>117,541</u>	<u>(22,033)</u>
Cash flows from investing activities:			
Interest received		<u>17</u>	<u>1</u>
Net cash provided by (used in) investing activities		<u>17</u>	<u>1</u>
Cash flows from financing activities:			
Loan repayments in year		<u>(62,327)</u>	<u>(44,320)</u>
Net cash provided by (used in) financing activities		<u>(62,327)</u>	<u>(44,320)</u>
Change in cash and cash equivalents in the reporting period		55,231	(66,352)
Cash and cash equivalents at the beginning of the reporting period	2	<u>(329,224)</u>	<u>(262,872)</u>
Cash and cash equivalents at the end of the reporting period	2	<u>(273,993)</u>	<u>(329,224)</u>

The notes form part of these financial statements

PENNINE CAMPHILL COMMUNITY LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2020**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.7.20	31.7.19
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	79,879	(34,966)
Adjustments for:		
Depreciation charges	6,737	9,649
Gain on fixed asset investments	(1,628)	-
Interest received	(17)	(1)
Interest paid	77,741	95,748
 (Increase)/decrease in debtors	 61,523	 (34,012)
Increase/(decrease) in creditors	(28,953)	37,297
 Net cash provided by (used in) operating activities	 <u>195,282</u>	 <u>73,715</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31.7.20	31.7.19
	£	£
Cash in hand	4,342	4,606
Notice deposits (less than 3 months)	2,551	2,535
Overdrafts included in bank loans and overdrafts falling due within one year	(280,886)	(336,365)
 Total cash and cash equivalents	 <u>(273,993)</u>	 <u>(329,224)</u>

PENNINE CAMPHILL COMMUNITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

1. ACCOUNTING POLICIES

General information and basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

The Pennine Camphill Community Limited is a company limited by guarantee. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are the provision of college facilities for young people with learning difficulties.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest pound.

At the time of approval the UK economy was subject to the impact of the Coronavirus pandemic outbreak. Projections and forecasts have been prepared based on a number of underlying assumptions, which are subject to significant uncertainty at this time. These show that the expected income and expenditure together with current reserves and the possibility of obtaining potential funding allows the company to continue as a going concern.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Critical accounting judgements and key sources of estimation uncertainty

No judgements have been made in the process of applying the below accounting policies that have had the most significant effect on amounts recognised in the financial statements.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2020**

1. ACCOUNTING POLICIES - continued

Income

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Income from government and other grants is recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred. These grants and voluntary income are included in incoming resources when these are receivable and allocated appropriately between unrestricted and restricted income depending upon restrictions imposed.

Donations and legacies are accounted for when they are received.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and is recognised when the amount can be measured reliably.

All other funds are unrestricted income funds. The funds held in each of these categories are disclosed in note 19.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Charitable activities include expenditure associated with helping people with mental health problems, their carers and relatives. This includes both the direct costs and support costs relating to these activities.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2020**

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over the shorter of the relevant period or, where the asset has been obtained via a funded project, the length of the project/funding stream as follows:

Motor vehicles - 25% on reducing balance

Computer equipment - 20% on reducing balance

Assets under construction are stated at cost and will be depreciated when they are completed.

No depreciation is provided on freehold land and buildings, as estimated residual value is considered to be in excess of its current carrying value. In addition, expenditure is incurred annually in order to maintain the economic life of the charitable company's buildings.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of the designated fund is set out in the notes to the financial statements.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution plan for the benefit of its employees. Contributions are charged to the Statement of Financial Activities as they become payable.

The company also makes contributions into individual pension schemes. Contributions payable are charged to the Statement of Financial Activities.

PENNINE CAMPHILL COMMUNITY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2020**

2. DONATIONS AND LEGACIES

	31.7.20	31.7.19
	£	£
Donations and appeals	1,542	3,082
Sundry income	<u>92,383</u>	<u>96,711</u>
	<u><u>93,925</u></u>	<u><u>99,793</u></u>

3. INVESTMENT INCOME

	31.7.20	31.7.19
	£	£
Interest receivable	17	1
Gain on fixed asset investment	<u>1,628</u>	<u>-</u>
	<u><u>1,645</u></u>	<u><u>1</u></u>

4. INCOME FROM CHARITABLE ACTIVITIES

	31.7.20	31.7.19
	£	£
Fees	1,477,171	1,350,778
RDA income	<u>5,042</u>	<u>-</u>
	<u><u>1,482,213</u></u>	<u><u>1,350,778</u></u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs	Totals
	£	(See note 6)	£
Charitable	<u>868,299</u>	<u>655,039</u>	<u><u>1,523,338</u></u>

PENNINE CAMPHILL COMMUNITY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2020**

6. SUPPORT COSTS

	Management	Finance	Governance costs	Totals
	£	£	£	£
Charitable	<u>535,074</u>	<u>92,038</u>	<u>27,927</u>	<u>655,039</u>

Support costs, included in the above, are as follows:

	31.7.20	31.7.19
	Charitable	Total
	£	activities
	£	£
Wages and salaries	490,248	331,957
Social security	44,826	32,422
Bank and credit card charges	14,297	21,736
Interest payable and similar charges	77,741	95,748
Auditors' remuneration	3,850	3,500
Legal and professional fees	<u>24,077</u>	<u>14,190</u>
	<u>655,039</u>	<u>499,553</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.7.20	31.7.19
	£	£
Auditors' remuneration	3,850	3,500
Depreciation - owned assets	<u>6,737</u>	<u>9,649</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 July 2020 nor for the year ended 31 July 2019.

Trustees' expenses

There were no trustees' expenses paid for in the year ended 31 July 2020 nor the year ended 31 July 2019.

PENNINE CAMPHILL COMMUNITY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2020**

9. STAFF COSTS

	31.7.20	31.7.19
	£	£
Wages and salaries	891,349	773,303
Social security costs	68,931	57,025
Other pension costs	<u>31,625</u>	<u>23,467</u>
	<u>991,905</u>	<u>853,795</u>

The average monthly number of employees during the year was as follows:

	31.7.20	31.7.19
Administration, teaching and secretarial	<u>50</u>	<u>41</u>

No employees received emoluments in excess of £60,000 during 2020 and 2019.

The total amount of employee benefits received by key management personnel is £99,627 (2019 - £116,804). The Trust considers its key management personnel comprises the Principal and members of the Senior Management Team.

The company makes contributions into individual pension schemes. Contributions are charged to the statement of financial activities and for the year ended 31 July 2020 were £31,625 (2019: £23,467).

10. EXCEPTIONAL ITEMS

Exceptional items in the prior year relate to restructuring costs in respect of Wages, Social Security, Pension, ILT and Household expenses.

Theses restructuring costs are considered to be exceptional due to their nature, size and incidence. They are not expected to reoccur in the foreseeable future.

PENNINE CAMPHILL COMMUNITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2020

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Designated fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	78,304	21,489	-	99,793
Charitable activities				
Charitable	1,381,673	6,115	-	1,387,788
Investment income	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
Total	1,459,978	27,604	-	1,487,582
 EXPENDITURE ON				
Charitable activities				
Charitable	<u>1,394,986</u>	<u>20,021</u>	<u>24,294</u>	<u>1,439,301</u>
 NET INCOME/(EXPENDITURE)				
Before exceptional items	64,992	7,583	(24,294)	48,281
Exceptional items	(83,247)	-	-	(83,247)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET INCOME/(EXPENDITURE)	(18,255)	7,583	(24,294)	(34,966)
Transfers between funds	<u>(66,871)</u>	<u>-</u>	<u>66,871</u>	<u>-</u>
Net movement in funds	(85,126)	7,583	42,577	(34,966)
 RECONCILIATION OF FUNDS				
Total funds brought forward	<u>2,716,416</u>	<u>27,638</u>	<u>298,141</u>	<u>3,042,195</u>
 TOTAL FUNDS CARRIED FORWARD	<u>2,631,290</u>	<u>35,221</u>	<u>340,718</u>	<u>3,007,229</u>

PENNINE CAMPHILL COMMUNITY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2020**

12. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Computer equipment £	Assets under construction £	Totals £
COST					
At 1 August 2019	5,410,525	81,830	46,617	-	5,538,972
Transfers	-	-	-	38,017	38,017
At 31 July 2020	<u>5,410,525</u>	<u>81,830</u>	<u>46,617</u>	<u>38,017</u>	<u>5,576,989</u>
DEPRECIATION					
At 1 August 2019	816,954	65,553	32,077	-	914,584
Charge for year	-	4,069	2,668	-	6,737
At 31 July 2020	<u>816,954</u>	<u>69,622</u>	<u>34,745</u>	-	<u>921,321</u>
NET BOOK VALUE					
At 31 July 2020	<u>4,593,571</u>	<u>12,208</u>	<u>11,872</u>	<u>38,017</u>	<u>4,655,668</u>
At 31 July 2019	<u>4,593,571</u>	<u>16,277</u>	<u>14,540</u>	-	<u>4,624,388</u>

13. FIXED ASSET INVESTMENTS

	Unlisted investments £
MARKET VALUE	
At 1 August 2019	3,130
Gain on investment	1,629
At 31 July 2020	<u>4,759</u>

There were no investment assets outside the UK.

PENNINE CAMPHILL COMMUNITY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2020**

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.20	31.7.19
	£	£
Trade debtors	4,407	66,091
Other debtors	6,276	3,066
Prepayments and accrued income	2,806	43,872
	<u>13,489</u>	<u>113,029</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.20	31.7.19
	£	£
Bank loans and overdrafts (see note 17)	336,061	394,989
Trade creditors	6,770	11,081
Other creditors	28,666	51,620
Accruals	11,093	12,780
	<u>382,590</u>	<u>470,470</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.7.20	31.7.19
	£	£
Bank loans (see note 17)	<u>1,211,111</u>	<u>1,269,989</u>

PENNINE CAMPHILL COMMUNITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 JULY 2020

17. LOANS

An analysis of the maturity of loans is given below:

	31.7.20	31.7.19
	£	£
Amounts falling due within one year on demand:		
Bank overdraft	280,886	336,365
Bank loans	<u>55,175</u>	<u>58,624</u>
	<u>336,061</u>	<u>394,989</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>220,699</u>	<u>205,886</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	<u>990,412</u>	<u>1,064,103</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	31.7.20	31.7.19
	£	£
Bank overdraft	280,886	336,365
Bank loans	<u>1,266,286</u>	<u>1,328,613</u>
	<u>1,547,172</u>	<u>1,664,978</u>

The bank loan and overdraft are secured by means of a fixed and floating charge over the assets of the charitable company.

The bank loan is repayable by instalments and interest is charged on normal commercial terms.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2020

19. MOVEMENT IN FUNDS

	At 1.8.19 £	Net movement in funds £	Transfers between funds £	At 31.7.20 £
Unrestricted funds				
General fund	2,631,290	80,406	-	2,711,696
Restricted funds				
LSIS PRD Fund	3,437	-	-	3,437
EFA Capital Fund	14,208	(8,189)	-	6,019
EFA Student Financial Support Fund	16,709	5,042	-	21,751
Thomas Baily Fund	867	2,620	-	3,487
Poly Tunnel Fund	-	-	-	-
	35,221	(527)	-	34,694
Designated Funds	340,718	-	-	340,718
TOTAL FUNDS	3,007,229	79,879	-	3,087,108

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,580,810	(1,500,404)	80,406
Restricted funds			
EFA Capital Fund	13,365	(21,554)	(8,189)
EFA Student Financial Support Fund	5,042	-	5,042
Thomas Baily Fund	3,000	(380)	2,620
Poly Tunnel Fund	1,000	(1,000)	-
	22,407	(22,934)	(527)
Designated Funds	-	-	-
TOTAL FUNDS	1,603,217	1,523,338	79,879

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2020

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.8.18 £	Net movement in funds £	Transfers between funds £	At 31.7.19 £
Unrestricted Funds				
General fund	2,716,416	(18,255)	(66,871)	2,631,290
Restricted Funds				
LSIS PRD Fund	3,437	-	-	3,437
EFA Capital Fund	4,414	9,794	-	14,208
EFA Student Financial Support Fund	11,859	4,850	-	16,709
Thomas Baily Fund	<u>7,928</u>	<u>(7,061)</u>	<u>-</u>	<u>867</u>
	27,638	7,583	-	35,221
Designated Funds	298,141	(24,294)	66,871	340,718
TOTAL FUNDS	<u>3,042,195</u>	<u>(34,966)</u>	<u>-</u>	<u>3,007,229</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,459,978	(1,478,233)	(18,255)
Restricted funds			
EFA Capital Fund	21,489	(11,695)	9,794
EFA Student Financial Support Fund	6,115	(1,265)	4,850
Thomas Baily Fund	<u>-</u>	<u>(7,061)</u>	<u>(7,061)</u>
	27,604	(20,021)	7,583
Designated Funds	-	(24,294)	(24,294)
TOTAL FUNDS	<u>1,487,582</u>	<u>(1,522,548)</u>	<u>(34,966)</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2020

19. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.8.18 £	Net movement in funds £	Transfers between funds £	At 31.7.20 £
Unrestricted funds				
General fund	2,716,416	62,151	(66,871)	2,711,696
Restricted funds				
LSIS PRD Fund	3,437	-	-	3,437
EFA Capital Fund	4,414	1,605	-	6,019
EFA Student Financial Support Fund	11,859	9,892	-	21,751
Thomas Baily Fund	7,928	(4,441)	-	3,487
Poly Tunnel Fund	-	-	-	-
	27,638	7,056	-	34,694
Designated Funds	298,141	(24,294)	66,871	340,718
TOTAL FUNDS	3,042,195	44,913	-	3,087,108

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2020

19. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,040,788	(2,978,637)	62,151
Restricted funds			
EFA Capital Fund	34,854	(33,249)	1,605
EFA Student Financial Support Fund	11,157	(1,265)	9,892
Thomas Baily Fund	3,000	(7,441)	(4,441)
Poly Tunnel Fund	<u>1,000</u>	<u>(1,000)</u>	<u>-</u>
	50,011	(42,955)	7,056
Designated Funds	<u>-</u>	<u>(24,294)</u>	<u>(24,294)</u>
TOTAL FUNDS	<u><u>3,090,799</u></u>	<u><u>(3,045,886)</u></u>	<u><u>44,913</u></u>

20. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 July 2020.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 JULY 2020**

21. DESCRIPTION OF FUNDS

The LSIS PRD fund is a project provided to develop the skills and self-confidence of young people in the district who are not currently in education, employment or training.

A grant was received from the Learner and Skills Improvement Service in respect of Peer Review and Development work that the college is undertaking with five other specialist colleges. The aim is to improve the quality and inspection grades.

The EFA Capital Grant relates to monies received from the EFA towards capital projects planned in order to maintain the fabric of the site.

Part of the EFA capital grant relates to Healthy Living which encourages healthier living for the students.

The EFA Student Financial Support Fund monies are used to pay eligible claims from vulnerable students.

The Thomas Bailey Fund provided monies for the development and delivery of the college's own supported internship programme.

The Hermes Trust granted Pennine Camphill Community Ltd £1,000 towards the cost of a new Poly Tunnel.

The Designated fund was historically set-up to cover future pension and taxation commitments of co-workers the charitable company is expected to incur. 5% of annual fees received from 1997 onwards have been transferred to this fund from unrestricted funds. As of 1 August 2019 the charitable company ceased to engage co-workers and the Trustees are considering the uses of this fund in the future.

22. POST BALANCE SHEET EVENTS

The trustees have considered the global pandemic in producing these financial statements. Any impact of the pandemic on this organisation is considered by the trustees to be a non-adjusting event for these financial statements.

Following government instruction Pennine Camphill Community was forced to close on 20 February 2020 until the end of the school's summer holidays. Due to funding arrangements already in place the school's income was unaffected for the current year.

The financial impact on the school was reduced due to grants received from the Coronavirus job retention scheme. The school has collaborated closely with its key funding body, the Education Fundy Agency, to secure necessary funding for the 2020/21 school term.

Pennine Camphill Community is now fully re-open and all children are welcome to return, although some students are considered vulnerable and have chosen to continue to self-isolate.

PENNINE CAMPHILL COMMUNITY LIMITED

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2020**

	31.7.20	31.7.19
	£	£
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations and appeals	1,542	3,082
Sundry income	92,383	96,711
	93,925	99,793
Investment income		
Interest receivable	17	1
Gain on fixed asset investment	1,628	-
	1,645	1
Charitable activities		
Fees	1,477,171	1,387,788
RDA income	5,042	-
	1,482,213	1,387,778
Furlough grant received	25,434	-
Total incoming resources	1,603,217	1,487,582
EXPENDITURE		
Charitable activities		
Wages	401,101	441,346
Social security	24,105	24,603
Pensions	31,625	23,467
Insurance	27,665	30,560
Light and heat	74,775	64,364
ILT expenses	63,316	46,863
Household expenses	20,054	18,451
Student education and training expenses	64,300	80,431
Co-workers expenses	12,639	14,636
Carried forward	719,580	744,721

This page does not form part of the statutory financial statements

PENNINE CAMPHILL COMMUNITY LIMITED

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2020**

	31.7.20	31.7.19
	£	£
Charitable activities		
Brought forward	719,580	744,721
Repairs and renewals	32,243	35,027
Office expenses	18,323	22,950
Student support expenses	15,262	27,928
Motor and travel expenses	13,974	13,398
Food	21,915	39,375
Organisational expenses	14,873	20,352
HR costs	19,272	19,828
Rent	6,120	6,520
Motor vehicles depreciation	4,069	5,399
Computer equipment depreciation	2,668	4,250
	868,299	939,748
Other		
Exceptional items	-	83,247
Support costs		
Management		
Wages and salaries	490,248	331,957
Social security	44,826	32,422
	535,074	364,379
Finance		
Bank and credit card charges	14,297	21,736
Bank interest payable	77,741	95,748
	92,038	117,484
Governance costs		
Auditors' remuneration	3,850	3,500
Legal and professional fees	24,077	14,190
	27,927	17,690
Total resources expended	1,523,338	1,522,548

This page does not form part of the statutory financial statements

PENNINE CAMPHILL COMMUNITY LIMITED

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2020**

	31.7.20	31.7.19
	£	£
	<hr/>	<hr/>
Net (expenditure)/income	<u>79,879</u>	<u>(34,966)</u>

This page does not form part of the statutory financial statements