

Registered number: 04718891

Charity number: 1107724

OSCR number: SCO40118

ROCK UK ADVENTURE CENTRES LIMITED
(A company limited by guarantee)

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

ROCK UK ADVENTURE CENTRES LTD
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017

Directors

A Fraser (Chair)
D W Adams
A Belcher
H Ellis
Reverend D Flanagan (resigned 20 October 2016)
N Foot
M Wooding Jones

Company registered number

04718891

English and Welsh Charity registered number

1107724

Scottish Charity registered number

SCO40118

Registered office

Frontier Centre, Addington Road, Irthlingborough, Wellingborough, Northamptonshire, NN9 5UH

Company secretary

J P D Heasman

Chief executive officer

J P D Heasman

Auditors

Griffin Stone Moscrop & Co, 21 - 27 Lamb's Conduit Street, London, WC1N 3GS

Bankers

Lloyds Bank Plc, 104 Terminus Road, Eastbourne, East Sussex, BN21 3AH

Solicitors

Anthony Collins, 134 Edmund Street, Birmingham, B3 2ES

ROCK UK ADVENTURE CENTRES LTD
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TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

Rock UK is a Christian charity that is passionate about developing young people, bringing adventure into learning in the outdoors, to transform lives. We seek to serve all people regardless of their gender, marital status, race, religion, ethnic origin, age, sexual orientation or physical and mental capability.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the financial statements and comply with the charity's governing document, the Companies Act 2006 and 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 published on 16 July 2014.

OBJECTIVES AND ACTIVITIES

The objects of the charity are to advance the Christian faith and to carry on such other charitable activities for the advancement of the Christian faith as the company may determine, and to provide educational services and facilities (including without prejudice to the generality of the foregoing the provision of instructed adventure (and other) activities).

When considering the charity's use of its facilities and planning future developments, the directors have considered the Charity Commission's guidance on public benefit and fee charging. The directors have given careful consideration to the availability of its facilities to those on low income and the charity continues to actively promote the bursary fund which was introduced in 2013.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Rock UK Adventure Centres Limited was incorporated as a company limited by guarantee on 1 April 2003 (registered number 04718891) under the name Barnabas Adventure Limited and is governed by its memorandum and articles of association. The company name was changed from Barnabas Adventure Limited to Barnabas Adventure Centres Limited in January 2006, and then to Rock UK Adventure Centres Limited in October 2009. This company is registered with the Charity Commission, number 1107724, and with the Office of the Scottish Charity Regulator, number SCO40118.

Appointment of Trustees

The directors may from time to time, and at any time, appoint any member of the company as a director, either to fill a casual vacancy or by way of addition to the board, provided that the number of trustees shall not be less than 3. All directors may nominate new members and directors to be considered for election; who are then invited to attend a board meeting for orientation and briefing on their legal obligations, the content of the memorandum and articles of association, the decision making process, the business plan and recent financial performance of the charity.

Organisation

The board of directors, which meets quarterly, administers the charity. A chief executive, who is precluded from being a member of the board under the company's governing documents, is appointed by the directors to manage all activities of the charity, and oversee staff teams who manage the day to day operations of the centres. The board decides on development, strategy, policy and finance; with meetings attended by the chief executive who is responsible for implementation. The chief executive and senior managers provide written reports to directors prior to board meetings to inform their decisions. The chief executive at 31 August 2017 was John Heasman.

ROCK UK ADVENTURE CENTRES LTD
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TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Key management personnel are as follows:

Chief Executive Officer	John Heasman
Centre Director	Rachel Allen
Centre Director	Malcolm Maclean
Centre Director	Lee Musson
Centre Director	Richard Sewell
Head of Marketing & Communications	Mark Rowe (appointed 1 September 2016)

Remuneration for key management personnel is reviewed each year as part of the charity's annual pay review, and is referenced against benchmark remuneration in the sector.

Risk Management

The directors have carried out a review of the charity's activities, identifying the opportunities available to the charity and the risks to which it is exposed. There is a risk management plan which aims to protect the charity, its guests and staff from risks, with procedures in place to minimise impact should any of these risks crystallise. Directors carefully review risk reports at each board meeting; in particular the operational risks and associated reporting that relate to the safety and wellbeing of guests and staff.

Procedures are in place for staff training, supervision and assessment, with independent external verification; and policies in place for Child Protection, Vulnerable Adult Protection and Health and Safety are regularly reviewed. Funds are allocated annually for ongoing asset maintenance and replacement, and plans are reviewed regularly to ensure facilities remain in good order and are appropriate for young people. Commercial insurance cover is maintained annually to cover public and employer's liabilities and insuring buildings and facilities for replacement value, and the organisation against loss of income.

Related Party Transactions

Directors' interests are formally recorded and reviewed annually. Any potential related party transaction is disclosed in advance of board meetings and in advance of any goods or services being procured or ordered with the related party. The potentially conflicted director is not permitted to join any related board discussion other than for the purposes of other directors' questions and clarification (though generally remains in attendance). Where a related party transaction is contemplated, the potentially conflicted board member has no vote. Where services are procured as a related party transaction, additional third-party quotes are always obtained first to ensure best value. Only at this stage would a related party transaction be authorised and only if in the best interests of the company. There were no related party transactions during the period.

STRATEGIC REPORT

1. ACHIEVEMENTS AND PERFORMANCE

The organisation was originally set up in 1922 when some Sunday School teachers from London took a group of disadvantaged children away to the south coast for an activity holiday. 95 years later, Rock UK remains true to these founding principles of Christian love and service; with the charity's vision today "*to transform young lives*".

The charity continues to provide accommodation and activity facilities for groups (especially young people), in an environment which is conducive to outdoor learning, physical, social and spiritual development. The charity aims to build confidence in young people from all walks of life, and over 50,000 people are able to enjoy our centres each year.

The company has a small Headquarters and four centres: two in England (Carrot Wood and Frontier Centre), Whithaugh Park in Scotland and Summit Centre in Wales. Each of our centres has Learning Outside the Classroom accreditation and is fully licensed by the HSE's monitoring body, the Adventure Activities Licensing Authority.

ROCK UK ADVENTURE CENTRES LTD
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TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Around 20 new instructors are recruited and trained each year. These full-time staff receive intensive training as part of our two-year Rock UK Instructor Training Programme and obtain National Governing Body awards in a range of instructed activities; including climbing, canoeing and archery. The Instructor Training Programme not only equips young people with activity qualifications; it also teaches valuable life skills such as fundraising, communication, team-work and leadership.

During the year a ground-breaking ceremony was held at Summit Centre in Wales. The event was officiated by Ken Skates, Welsh Government Cabinet Secretary for the Economy, Science and Transport with the help of local school children. The refurbishment of the centre commenced in early 2017 and is on track to complete on schedule in Spring 2018. The refurbished facilities will include 100 beds in ensuite rooms, three meeting rooms, a new café, children's play area and a community fitness suite.

The refurbished Summit Centre will provide much needed facilities and employment for the local community and is expected to re-open to residential guests in Summer 2018. Summit Centre is located in the South Wales valleys close to Merthyr Tydfil, in one of the most deprived areas of the country.
(source: Welsh Index of Multiple Deprivation 2015)

The Rock UK Bursary Fund, launched in 2013, is proving invaluable in subsidising places for children from financially disadvantaged backgrounds, allowing them to experience the benefit of residential adventure. During the period the 1000th bursary place was provided.

"When I think back to the whole week I am really proud of myself because I tried so many new and exciting things. This experience has really opened my eyes. The fact that I am strong and NOT weak."

Quote from a child at Trowell Church of England Primary School, Nottingham who benefited from a bursary place.

"The Rock UK bursary funding continues to make such a positive difference to the lives of our families in challenging financial circumstances. As a direct result of the bursary, children from our school – who otherwise would have missed out on the experience - have participated in a wonderful, challenging, life-affirming residential"

Martyn Skinner, Head Teacher - Monskton Primary School, Milton Keynes.

Plans for the strategic redevelopment of the company's Whithaugh Park centre in Scotland have been developed during the period, with a public consultation held in Spring 2017 which was well received by the local community.

Whithaugh Park centre provides valuable life-changing experiences for children from the Scottish Borders region and Central Belt, as well as from areas of social deprivation in Newcastle and the North East of England.

During the period the company introduced its first employee opinion survey to gauge staff engagement. The results were encouraging and provide a benchmark for future years; including for example 90% of staff agreeing with the statement: *"I feel motivated by our vision that we are here to transform young lives"*.

It is that vision to transform young lives that motivates the work at Rock UK:

"Thank you to all the team who made our weekend at Rock UK possible. We had such an incredible time! The aim was to take the 41 young people away from normal routine, to give them new opportunities, to build community and have fun. All of these things happened, the venue and activities contributed to a really successful weekend. Young people who had low confidence loved the activities and one with learning difficulties stretched himself to do mountain biking and loved it! We had young people who felt at peace after suffering from anxiety."

Becky Robinson, Youth Pastor - Crossgate Church, Preston

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TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Rock UK continued to host a number of groups from the Government's National Citizen Service during the period with further bookings confirmed for the year ahead.

"We see a high level of investment from Rock UK staff to NCS. Their instructors are energetic, lively and really relate to our young people. Rock UK tailors a programme of activities perfectly to accommodate our needs."

Matthew Handley, Programme Manager - EFL Trust (NCS provider)

During the period the company commissioned an independent governance review to assess the effectiveness of the Board. The review was ongoing at year-end, with initial findings both encouraging and constructive to improve Board effectiveness further.

2. FINANCIAL REVIEW

In evaluating the financial performance and position of the company the board carefully monitors the company's income, profitability and liquidity and compares against projected and past levels of performance.

Income for the year was £4,129,746, of which £1,261,027 was restricted income, principally grants for capital projects. Income was significantly higher this year due to these grants. Expenditure was £3,121,123, resulting in net income for the year of £1,008,623. Total funds at 31 August 2017 were £5,834,919.

The excess of expenditure over income in unrestricted funds during the period reflects the company's commitment to keeping Summit Centre operational during the refurbishment. The refurbished centre will be completed during 2018 following which this situation is expected to reverse and Summit Centre is projected to make an operating surplus.

Reserves Policy

The Board has examined the charity's requirement for reserves, which are unrestricted funds not committed or invested in tangible fixed assets, to provide the charity with a level of operational flexibility. After paying all costs and providing for working capital the Board's policy is to reinvest any surpluses, together with all donations received, into the further development of our centres, to provide increased and improved facilities for the benefit of the users.

The trustees consider that the ideal level of free reserves should be 2 months of operating expenditure, which at 31 August 2017, would be £501,000, although at that date the charity had net current liabilities. However, the total level of unrestricted reserves at that date was £5,742,138. The charity monitors and manages its cash flow requirements carefully and continues to agree facilities with its bankers to meet seasonal cash flow requirements. The trustees are focused on generating surpluses in future years in order to meet the target level of free reserves.

As at 31 August 2017, Designated Funds totalled £1,420,772. The Designated Fund was created in 2015 to reflect the significant investment at the Company's Summit Centre in Wales between 2015 and 2018. At 31 August 2017, Restricted Funds totalled £92,781.

3. PLANS FOR FUTURE PERIODS

The charity continues to introduce new activities and upgrade equipment, ensuring that the first-class service and experience that Rock UK provides is maintained. The directors continue to carefully identify and assess potential opportunities to acquire and develop new centres.

The most significant developments for the next period will be the re-opening of the company's Summit Centre operation in Wales in 2018, and a major planning application for the strategic redevelopment of Whithaugh Park in Scotland. A planning application has also been submitted for the installation of an accessible high-ropes course at the company's Frontier Centre in Northamptonshire which will enable wheel-chair users to take part in more activities.

ROCK UK ADVENTURE CENTRES LTD
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TRUSTEES' ANNUAL REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

RESPONSIBILITIES OF TRUSTEES

The directors (who are also trustees of Rock UK Adventure Centres Limited for the purposes of charity law) are responsible for preparing the Trustees' Annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 operation.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the charity's auditors in connection with preparing their report and to establish that the charity's auditors are aware of that information.

AUDITORS

Griffin Stone Moscrop & Co were the auditors of the charitable company throughout the year.

A resolution to reappoint Griffin Stone Moscrop & Co, Chartered Accountants and Statutory Auditors, as auditors will be proposed at the Annual General Meeting.

This Annual Report and the Strategic Report contained therein were approved by the directors on 23 January 2018 and signed on their behalf, by:



A Fraser
Chair

ROCK UK ADVENTURE CENTRES LTD
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES AND MEMBERS OF ROCK UK ADVENTURE CENTRES LIMITED

OPINION

We have audited the financial statements of Rock UK Adventure Centres Limited ('the charitable company') for the year ended 31 August 2017 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, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017, 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 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.

ROCK UK ADVENTURE CENTRES LTD
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INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES AND MEMBERS OF ROCK UK ADVENTURE CENTRES LIMITED (continued)

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditors' report 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.

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' Annual Report (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our 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 Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Responsibilities of Trustees statement set out on page 7, 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.

ROCK UK ADVENTURE CENTRES LTD
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INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES AND MEMBERS OF ROCK UK ADVENTURE CENTRES LIMITED (continued)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 auditors' 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 charitable company's 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 charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the charitable company 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.



Richard Hill (Senior Statutory Auditor)

Date: 29 January 2018

For and on behalf of

GRIFFIN STONE MOSCROP & CO.

Chartered Accountants and Statutory Auditors

21 - 27 Lamb's Conduit Street, London, WC1N 3GS

Griffin Stone Moscrop & Co is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

ROCK UK ADVENTURE CENTRES LTD
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STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
FOR THE YEAR ENDED 31 AUGUST 2017


		Unrestricted Funds				
		General funds	Designated funds	Restricted funds	Total funds	Total funds
		2017	2017	2017	2017	2016
	Note	£	£	£	£	£
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	2	103,950	-	1,261,027	1,364,977	190,225
Charitable activities	3	2,169,965	-	-	2,169,965	2,045,500
Other trading activities						
Catering and tuck shops		574,164	-	-	574,164	568,151
Other	4	20,640	-	-	20,640	14,828
TOTAL		2,868,719	-	1,261,027	4,129,746	2,818,704
EXPENDITURE ON:						
Raising funds						
Fundraising and publicity		49,591	-	-	49,591	28,077
Catering and tuck shops		402,136	-	-	402,136	371,077
		451,727	-	-	451,727	399,154
Charitable activities	5	2,555,101	17,788	96,507	2,669,396	2,569,062
Other						
Exceptional irrecoverable VAT	8	-	-	-	-	225,833
TOTAL		3,006,828	17,788	96,507	3,121,123	3,194,049
NET INCOME / (EXPENDITURE)		(138,109)	(17,788)	1,164,520	1,008,623	(375,345)
Transfer to general funds following capital expenditure from restricted funds		205,028	-	(205,028)	-	-
Transfer to designated funds following capital expenditure from restricted funds		-	1,040,512	(1,040,512)	-	-
NET MOVEMENT IN FUNDS		66,919	1,022,724	(81,020)	1,008,623	(375,345)
Total funds at 1 September 2016		4,254,447	398,048	173,801	4,826,296	5,201,641
TOTAL FUNDS AT 31 AUGUST 2017		4,321,366	1,420,772	92,781	5,834,919	4,826,296

ROCK UK ADVENTURE CENTRES LTD
(A company limited by guarantee)
REGISTERED NUMBER: 04718891

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	12		7,067,910		6,191,974
CURRENT ASSETS					
Stocks		24,250		23,621	
Debtors	13	838,959		217,304	
Cash at bank & in hand		42,920		7,266	
		<u>906,129</u>		<u>248,191</u>	
CREDITORS: amounts falling due within one year	14	<u>(1,511,480)</u>		<u>(842,689)</u>	
NET CURRENT LIABILITIES			(605,351)		(594,498)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,462,559</u>		<u>5,597,476</u>
CREDITORS: amounts falling due after more than one year	15		(627,640)		(771,180)
NET ASSETS			<u><u>5,834,919</u></u>		<u><u>4,826,296</u></u>
CHARITY FUNDS	17				
General funds			4,321,366		4,254,447
Designated funds			<u>1,420,772</u>		<u>398,048</u>
Unrestricted funds			<u>5,742,138</u>		<u>4,652,495</u>
Restricted funds			92,781		173,801
			<u><u>5,834,919</u></u>		<u><u>4,826,296</u></u>

The financial statements were approved by the directors on 23 January 2018 and signed on their behalf by:


A Fraser

ROCK UK ADVENTURE CENTRES LTD
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CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017	2016
		£	£
Reconciliation of net income / (expenditure) to net cash provided by operating activities			
Net income/(expenditure)		<u>1,008,623</u>	<u>(375,345)</u>
Depreciation charges	5	329,323	335,487
Increase in stocks		(629)	(12,077)
(Increase)/decrease in debtors		(621,656)	47,186
Increase in creditors		69,545	101,181
Change in resources		<u>(223,418)</u>	<u>471,777</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		<u>785,206</u>	<u>96,432</u>
 CASH FLOW STATEMENT			
Cash flows from operating activities:			
Net cash provided by operating activities		<u>785,206</u>	<u>96,432</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets	12	(1,223,804)	(522,856)
Sale of tangible fixed assets (net of costs of disposal)		18,545	14,190
Net cash used in investing activities		<u>(1,205,259)</u>	<u>(508,666)</u>
Cash flows from financing activities:			
Cash proceeds from loans		604,027	369,550
Cash repayments of amounts borrowed		(87,595)	(52,517)
Capital element of finance lease repayments		(22,572)	(20,868)
Net cash provided by financing activities		<u>493,860</u>	<u>296,165</u>
Change in cash and cash equivalents in the year		73,807	(116,070)
Cash and cash equivalents at 1 September 2016		<u>(30,887)</u>	<u>85,183</u>
Cash and cash equivalents at 31 August 2017		<u>42,920</u>	<u>(30,887)</u>
 Analysis of cash and cash equivalents		2017	2016
		£	£
Cash at bank & in hand		42,920	7,266
Bank overdraft repayable on demand		-	(38,153)
		<u>42,920</u>	<u>(30,887)</u>

The notes on pages 14 to 24 form part of these financial statements.

ROCK UK ADVENTURE CENTRES LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1 ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared to give a "true and fair view" 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) (effective 1 January 2015) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulations made under those Acts.

Rock UK Adventure Centres Ltd meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

1.2 COMPANY STATUS

The charity is a company limited by guarantee. The members of the company are the directors named on page 2. 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.

1.3 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the directors in furtherance of the general objectives of the charity and which have not been designated for other purposes

Restricted funds are funds which are to be used in accordance with specific instructions imposed by donors which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. Grant monies received for specific purposes are reported in the statement of financial activities for the year. Where such funds give rise to an enduring asset the capitalised value is transferred to general funds or designated funds as is relevant in recognition of where the asset being funded by the grant is recorded.

Designated funds comprise unrestricted funds that have been set aside by the directors for particular purposes. The aim and use of each designated fund is set out in note 17 to the financial statements.

1.4 INCOME

All income is included in the statement of financial activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income from donations and legacies as disclosed in note 2 is reported in the statement of financial activities during the year in which income is received, subject to any conditions having been satisfied.

Income from grants as disclosed in note 2 is reported in the statement of financial activities during the year in which income is received or grant monies have been claimed once all conditions have been satisfied.

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1.4 INCOME (CONTINUED)

Income from charitable activities as disclosed in note 3 are reported in the statement of financial activities in the year to which the corresponding services are delivered. As a result, deposits invoiced in advance that relate to future periods are recorded as deferred income.

1.5 EXPENDITURE

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Expenditure on raising funds is that incurred in seeking voluntary contributions and does not include the costs of disseminating information in support of the charitable activities. Governance costs are those costs incurred to ensure compliance with constitutional and statutory requirements.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. The value below which fixed assets are not capitalised is £1,000. Depreciation is provided at rates calculated to write off the costs of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land	Not depreciated
Freehold buildings and improvements	2-10% straight-line on cost
Plant & equipment	5-25% reducing balance
Motor vehicles	25% reducing balance
Computer equipment	33% reducing balance

1.7 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the charity. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of financial activities so as to produce a consistent periodic rate of charge on the net obligation outstanding in each period.

1.8 STOCK

Stock is included at the lower of cost or net realisable value.

1.9 DEBTORS

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

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NOTES TO THE FINANCIAL STATEMENTS
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1.10 CASH AT BANK AND IN HAND

Cash at bank and in hand represents liquid cash only.

1.11 CREDITORS AND PROVISIONS

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

1.12 FINANCIAL INSTRUMENTS

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest rate method.

1.13 OPERATING LEASES

Rentals payable under operating leases are charged in the statement of financial activities on the straight line basis over the terms of the leases.

1.14 PENSIONS

The charity operates a defined contribution pension scheme and in May 2014 additionally joined the National Employment Savings Trust (NEST).

The pension charge represents the amounts payable by the charity to the fund and to NEST in respect of the year.

2	INCOME FROM DONATIONS AND LEGACIES	2017	2016
		£	£
	Donations and legacies	110,340	88,238
	Grants	1,254,637	101,987
		<u>1,364,977</u>	<u>190,225</u>
3	INCOME FROM CHARITABLE ACTIVITIES	2017	2016
		£	£
	Lettings and accommodation	1,248,733	1,185,708
	Instructed activity sessions	920,793	854,864
	Other charitable activities	439	4,928
		<u>2,169,965</u>	<u>2,045,500</u>

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NOTES TO THE FINANCIAL STATEMENTS
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4	OTHER INCOME	2017	2016
		£	£
	Other income	20,640	14,828
		<u>20,640</u>	<u>14,828</u>

5 CHARITABLE ACTIVITIES

	Unrestricted Funds				
	General funds	Designated funds	Restricted funds	Total funds	Total funds
	2017	2017	2017	2017	2016
	£	£	£	£	£
Activity expenses	603,858	-	31,331	635,189	652,125
Staff and accommodation costs	1,256,171	-	65,176	1,321,347	1,297,348
Depreciation	311,535	17,788	-	329,323	335,487
Support costs (note 6)	364,611	-	-	364,611	264,914
Governance costs (note 7)	18,926	-	-	18,926	19,188
	<u>2,555,101</u>	<u>17,788</u>	<u>96,507</u>	<u>2,669,396</u>	<u>2,569,062</u>

6 SUPPORT COSTS

	2017	2016
	£	£
Interest payable and similar charges	48,291	39,890
Legal fees	65,355	24,109
Centre office and administration costs	132,843	102,827
Motor and travel	59,952	56,007
Other support costs	58,170	42,081
	<u>364,611</u>	<u>264,914</u>

In preparing the financial statements, the directors consider that it is appropriate to identify the costs that, whilst being necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity, and then clearly classify these as support costs which are related to the delivering of a charitable activity.

7 GOVERNANCE COSTS

	2017	2016
	£	£
Charitable administration costs	12,373	13,613
Audit and accountancy	6,553	5,575
	<u>18,926</u>	<u>19,188</u>

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8 EXCEPTIONAL COST

	2017	2016
	£	£
Exceptional irrecoverable VAT	-	225,833

During the period ended 31 August 2015, HMRC queried the VAT status of the sale of the company's Halls Green centre in 2011. An assessment for £225,833 was raised by HMRC during the previous period which had been settled in full by 31 August 2016.

9 NET INCOME

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets		
owned by the charity	321,246	326,985
held under finance lease and HP	8,077	8,502
Payments for operating leases	55,000	45,000
Auditors' remuneration:		
for audit services	5,650	5,575
for accountancy services	903	-

No remuneration is paid to the directors for their services as trustees of the company and 4 directors were reimbursed travel and other expenses totalling £819 (2016: 4 directors totalling £609).

10 STAFF COSTS

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	1,285,409	1,270,178
Social security costs	82,308	74,608
Pension costs	34,042	27,908
Other staff costs	60,814	88,925
	<u>1,462,573</u>	<u>1,461,619</u>

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

Office admin and centre staff	33	34
Activity staff	51	56
	<u>84</u>	<u>90</u>

One employee received emoluments and accrued retirement benefits under a money purchase scheme in the band £70,000 to £80,000 (2016: one). The pension contributions amounted to £3,983 (2016: £3,939).

Key management personnel are defined in the Trustees' Report. The total compensation paid to key management personnel during the period was as follows:

	2017	2016
	£	£
Remuneration	275,188	232,821
Benefits	6,000	6,000
Pension contributions	13,844	11,745
	<u>295,032</u>	<u>250,566</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

11 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

		Unrestricted Funds			
		General	Designated	Restricted	Total
		funds	funds	funds	funds
		2016	2016	2016	2016
		£	£	£	£
	Note				
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	2	82,728	-	107,497	190,225
Charitable activities	3	2,045,500	-	-	2,045,500
Other trading activities					
Catering and tuck shops		568,151	-	-	568,151
Other	4	14,828	-	-	14,828
TOTAL		2,711,207	-	107,497	2,818,704
EXPENDITURE ON:					
Raising funds					
Fundraising and publicity		28,077	-	-	28,077
Catering and tuck shops		371,077	-	-	371,077
		399,154	-	-	399,154
Charitable activities	5	2,461,843	18,207	89,012	2,569,062
Other					
Exceptional irrecoverable VAT	8	225,833	-	-	225,833
TOTAL		3,086,830	18,207	89,012	3,194,049
NET (EXPENDITURE) / INCOME		(375,623)	(18,207)	18,485	(375,345)
Transfer to general funds following capital expenditure from restricted funds					
		70,987	-	(70,987)	-
Transfer to designated funds following capital expenditure from general funds					
		(153,781)	153,781	-	-
NET MOVEMENT IN FUNDS		(458,417)	135,574	(52,502)	(375,345)
Total funds at 1 September 2015		4,712,864	262,474	226,303	5,201,641
TOTAL FUNDS AT 31 AUGUST 2016		4,254,447	398,048	173,801	4,826,296

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12 TANGIBLE FIXED ASSETS

	Freehold land £	Freehold and Leasehold improvements £	Plant and equipment £	Motor vehicles £	Total £
COST					
At 1 September 2016	428,224	8,329,819	1,341,621	187,696	10,287,360
Additions	-	1,173,646	50,158	-	1,223,804
Disposals	-	-	(15,358)	(12,250)	(27,608)
At 31 August 2017	428,224	9,503,465	1,376,421	175,446	11,483,556
DEPRECIATION					
At 1 September 2016	-	3,289,474	653,713	152,199	4,095,386
Charge for the year	-	241,116	82,396	5,811	329,323
Disposals	-	-	(1,904)	(7,159)	(9,063)
At 31 August 2017	-	3,530,590	734,205	150,851	4,415,646
NET BOOK VALUE					
At 31 August 2017	428,224	5,972,875	642,216	24,595	7,067,910
At 31 August 2016	428,224	5,040,345	687,908	35,497	6,191,974

	2017 £	2016 £
Net book value of plant and equipment included above held under finance leases and hire purchase contracts	153,460	161,536

Fixed Asset additions for the year ended 31 August 2017 include amounts certified in relation to the Company's investment at Summit Centre up to and including the final valuation during the period, dated 10 August 2017. Neither the amounts incurred after that date nor the corresponding grants made following the period-end to refund these capital liabilities are recognised in the accounts.

13 DEBTORS

	2017 £	2016 £
Trade debtors	269,304	201,652
Other taxes and social security costs	82,467	-
Other debtors and accrued income	472,578	12,222
Prepayments	14,610	3,430
	838,959	217,304

Other taxes and social security costs represents recoverable VAT relating to the capital costs of the company's Summit Centre refurbishment.

Other debtors includes an amount totalling £449,257 at 31 August 2017 in respect of two grant claims made to reimburse expenditure defrayed prior to the balance sheet date and for which monies were received following the year end.

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14

CREDITORS

AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Bank loans and overdraft	694,099	125,652
Other loans	3,750	3,750
Obligations under finance lease and hire purchase contracts	24,444	22,572
Trade creditors	339,951	285,927
Other taxes and social security costs	3,654	58,521
Deferred income	354,737	315,979
Lease compensation	27,324	27,324
Other creditors and accruals	63,521	2,964
	<u>1,511,480</u>	<u>842,689</u>

The bank loans and overdraft in notes 14 and 15 are subject to interest and secured by a fixed charge over some of the charity's freehold properties. The properties used as security had a net book value of £3.7 million at the balance sheet date. Bank loans and overdraft includes an amount of £604,027 (2016: nil) representing a short-term bridging loan facility in respect of the capital cost of the company's Summit Centre refurbishment. This facility is expected to be repaid during 2018 on receipt of grants already pledged for the project.

A finance lease was entered into during 2014/15 to fund the installation of a 140kW photo-voltaic solar panel system at Frontier Centre. The lease is a seven year term to match the projected pay-back.

Deferred income represents the value of invoiced bookings at the year end relating to future years.

Lease compensation relates to a 25-year lease granted to the company from April 1998 on premises at its Frontier Centre from Northamptonshire Association of Youth Clubs (NAYC), who in consideration for such lease constructed two buildings on the site. The company had the option to prematurely terminate the lease and obtain the freeholds, and elected to do so with effect from January 2004. As a result of terminating the lease the company became liable to pay compensation to NAYC totalling £519,156 over a nineteen year period to December 2022.

15

CREDITORS

AMOUNTS FALLING DUE AFTER ONE YEAR

	2017	2016
	£	£
Bank loans (secured)	405,106	495,276
Obligations under finance lease and hire purchase contracts	97,204	121,647
Deferred income	6,926	8,528
Lease compensation	118,404	145,729
	<u>627,640</u>	<u>771,180</u>

Of the above figures, the amounts falling due after more than five years is as follows:

	2017	2016
	£	£
Bank loans (secured)	39,105	104,032
Obligations under finance lease and hire purchase contracts	-	11,361
Lease compensation	9,109	36,433
	<u>48,214</u>	<u>151,826</u>

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16 ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value	42,920	7,266
Financial assets that are debt instruments measured at amortised cost	741,882	213,874
	<u>784,802</u>	<u>221,140</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(2,139,120)</u>	<u>(1,613,870)</u>

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds				
	General funds	Designated funds	Restricted funds	Total Funds	Total Funds
	2017	2017	2017	2017	2016
	£	£	£	£	£
Tangible fixed assets	5,647,138	1,420,772	-	7,067,910	6,191,974
Current assets	813,348	-	92,781	906,129	248,191
Current liabilities	(1,511,480)	-	-	(1,511,480)	(842,689)
Long term liabilities	(627,640)	-	-	(627,640)	(771,180)
	<u>4,321,366</u>	<u>1,420,772</u>	<u>92,781</u>	<u>5,834,919</u>	<u>4,826,296</u>

An analysis of restricted funds is as follows:

	Summit Centre Redevelopment	Bursary Fund	Other Funds	Total
	£	£	£	£
OPENING BALANCE				
At 1 September 2016	150,000	21,881	1,920	173,801
INCOME				
Grant-making trusts	373,131	10,000	5,315	388,446
Public sector grants	641,739	-	-	641,739
Other public funds	223,002	-	1,450	224,452
Donations	-	6,390	-	6,390
	<u>1,237,872</u>	<u>16,390</u>	<u>6,765</u>	<u>1,261,027</u>
EXPENDITURE	(69,322)	(27,185)	-	(96,507)
TRANSFERRED TO DESIGNATED FUNDS	(1,040,512)	-	-	(1,040,512)
TRANSFERRED TO GENERAL FUNDS	(198,263)	-	(6,765)	(205,028)
CLOSING BALANCE				
At 31 August 2017	<u>79,775</u>	<u>11,086</u>	<u>1,920</u>	<u>92,781</u>

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17 ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

An analysis of restricted funds received during the period is as follows:

	£
Bernard Sunley Foundation	50,000
Laing Family Foundations	75,000
Big Lottery Fund	223,002
Welsh Government Targeted Matched Funding	65,180
Welsh Government Tourism Incentive Support Scheme	100,000
Ffos Y Fran Community Fund	248,131
European Rural Development Fund	476,559
Other grants and donations not greater than £10,000 each	23,155
	<u>1,261,027</u>

A designated fund was created in 2015 to reflect the anticipated significant investment at the Company's Summit Centre in Wales between 2015 and 2018. The Directors consider that this investment, whilst unrestricted once grant conditions have been fulfilled, is most clearly represented as a designated fund.

An analysis of designated funds is as follows:

	Summit Centre
	Redevelopment £
OPENING BALANCE at 1 September 2016	398,048
RESTRICTED FUNDS TRANSFERRED	1,040,512
EXPENDITURE	
Depreciation	(17,788)
CLOSING BALANCE at 31 August 2017	<u>1,420,772</u>

18 OPERATING LEASE COMMITMENTS

The company is committed to make total future lease payments under operating leases as follows:

	2017	2016
	£	£
not later than 1 year	56,500	55,000
later than one year and not later than five years	226,000	220,000
later than five years	847,500	825,000
	<u>1,130,000</u>	<u>1,100,000</u>

19 CAPITAL COMMITMENTS

The company has a capital commitment at the balance sheet date in respect of the ongoing work at Summit Centre of £2,756,205.

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20 RELATED PARTIES

Total donations received from trustees and other related parties during the period was as follows:

2017	2016
£	£
1,150	600

21 CONTROLLING PARTY

Throughout the year the company was controlled by its board of directors.