

BLACKWELL ADVENTURE
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2017

BLACKWELL ADVENTURE
(A company limited by guarantee)
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FOR THE YEAR ENDED 31 DECEMBER 2017

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BLACKWELL ADVENTURE

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TRUSTEES' ANNUAL REPORT

FOR THE PERIOD 1 JANUARY 2017 TO 31 DECEMBER 2017

Charity Reference and Administration Information

Registered Company number

01534697 (England and Wales)

Registered Charity number

1121161

Registered office

Blackwell Court
Agmore Lane
Blackwell
Bromsgrove
Worcestershire
B60 1PX

The company is governed by its
Memorandum and Articles of Association
a copy of which may be
obtained by writing to the
Company Secretary at the
registered office address.

Trustees

A K Desai
P R Fennell
K M Hunter
R M Morcom
G W Peel

Company Secretary

P R Fennell (to 20 March 2017)
K M Hunter (from 20 March 2017)

Auditors

PKF Cooper Parry Group Limited
Park View, Once Central Boulevard
Blythe Valley Park
Solihull
B90 8BG

Bankers

Barclays Bank plc
21 Birmingham Road
Sutton Coldfield
B72 1PW

Members

D Allen
D Archer (from 15 May 2017)
S Bourne (from 15 May 2017)
D Bradnock
A Brinkworth (from 15 May 2017)
A Cardall (from 1 October 2017)
S Cardall (from 15 May 2017)
A K Desai
N Fawdry (from 15 May 2017 to 30 September 2017)
P R Fennell
H Fowler (from 15 May 2017)
D Gilburn (from 15 May 2017)
H Guest (from 15 May 2017)
L Gurmin (from 15 May 2017)
A Harveson (from 15 May 2017)
D Holloway (from 15 May 2017)
J Holmes (from 15 May 2017)
K M Hunter
M Jones (from 15 May 2017)
S Kelly (from 15 May 2017)
P Little (from 15 May 2017)
A Lloyd
A McMillan (from 15 May 2017)
R M Morcom
P Oldham (from 15 May 2017)
G W Peel

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Objectives and Activities

Charitable Objectives

- To create a service-based charitable company providing residential and outdoor adventure activities for Scouts, Girl Guides and other youth groups both voluntary and statutory.
- To provide similar activities to schools and colleges within the National Curriculum.
- To provide team building activities to adults.

The aim of The Scout Association, of which we are part, is to promote the development of young people in achieving their full physical, intellectual, social and spiritual potential as individuals, responsible citizens and as members of their local, national and international communities. Through adventure we challenge individuals so that they learn and experience new things that enrich their lives.

Vision

- To provide customers with the highest quality residential and outdoor adventure activities in a safe environment.
- To exceed customers' expectations by giving them the best possible experience.
- To function with a motivated team of staff and volunteers to achieve excellence.

Aims

- To continuously develop the provision of residential and outdoor adventure activities for young people at Blackwell Court and Pikes Pool.
- To support the development of Scouting within Birmingham County.
- To sustain the business with consistent annual surpluses to facilitate development of our centres
- To increase our market share of the Adventure Holiday and Youth Activity market within the education, voluntary and statutory youth sectors.
- To add complementary streams of revenue particularly with commercial organisations.
- To have modern, attractive, energy efficient and varied facilities across both centres.
- To encourage all staff and volunteers in their personal development and to do their best.

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Location and Properties

The locations, Blackwell Court and Pikes Pool, are around 50 acres each in North Worcestershire just a few minutes from Junction 1 of the M42, twelve miles from the centre of Birmingham. They are owned by the Scout Association County of Birmingham and are held in trust by the Scout Association Trust Corporation. The exclusive use, maintenance, development of and revenues from these activity centres is fully delegated to Blackwell Adventure.

Public Benefit Statement

We, the Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's objectives and in planning for future activities. In particular, we have considered how our planned activities will contribute to the vision, aims and objectives set.

The range of activities on offer provided fun, challenge, adventure and excitement to more than 24,000 young people and adults this year from across the West Midlands. Primarily this supports their personal development and allows them the opportunity to manage risk within a safe, structured and supportive environment. This number is made up of 14,000 overnight guests and 10,000 day-visitors. In total 879 individual groups visited the centre in 2017 including 200 schools, 285 Scout Groups and 75 Girl Guide units.

The adventurous activities are devised and supported by a professional staff team and volunteers drawn in the main from The Scout County of Birmingham. The Trustees welcome and sincerely thank the volunteers for this support which significantly enhances the services offered to the young people using our activity centres, while providing personal development opportunities to the volunteers themselves.

Each year overseas students are given an opportunity to join the staff team for six to eight months under the Latitude Global Volunteering and Gap Year Placement Scheme. This year we have welcomed students from Canada, Australia, New Zealand, Costa Rica and Spain. This diversity and staff rotation enhances the experience of all who step into our centres.

During the year an agreement has been forged with High Adventure to provide a six-week programme at Pikes Pool under the National Citizen Service Scheme starting in 2018. This aims to give 15 to 17-year olds an experience of living away from home, developing skills and meeting amazing people.

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Achievements and Performance

By an increase in deposits taken and retained surpluses reflecting the year on year growth in annual sales the company has been and remains cash positive throughout the year while continuing the investment programme at a steady pace.

Work on upgrading all the toilet and showering facilities is nearing completion. This investment, over the past three years, is in excess of £150,000 and has made a significant difference to the facilities on the campsites. In addition, the continuing introduction of new activities, such as the fan descender (a "parachute" drop) and the artificial caving system (in 2018) will add to the enjoyment of the young people and adults at both centres.

Whilst the development of more indoor accommodation has not moved forward due to planning constraints the Trustees are working through options to bring forward in the 2018 – 23 strategic plan.

Among other projects towards a lighter environmental footprint work has been undertaken on energy conservation measures, including new double-glazed windows in the Peter Perry Group Room and a more efficient replacement boiler and controls in the Manor House.

The process of appointing a new Chair is now complete. Work on a Board Handbook and the tidying of governance and practical arrangements is nearing completion while the need to broaden the skills set of the Board remains a priority. Work has also started on identifying and documenting the work of the current CEO in order to inform the succession plan.

The management structure was re-organised during the year following the departure of the Campsite Manager. The new framework is working well, and staff motivation is high and performance excellent.

During the period of the strategic plan, work has been completed on updating and networking all the computers, including an enhanced backup system. The main website has been re-vamped following some technical difficulties and the telephone system has been upgraded to VOIP to meet the future demands of the company.

"What a fantastic day, we achieved our personal goals and discovered new goals."
Sally, Training and Development Manager

More resources have been employed in the customer facing and marketing team leading to a new *Blackwell for Business* website www.blackwellforbusiness.co.uk specifically aimed at the corporate market, local networking opportunities, e-shots and enhanced social media activity.

During the year the management team applied for and gained the Learning Outside of the Classroom (LOTC) and Adventure Mark accreditations, an outstanding success!

Winter season income for any outdoor activity centre is a challenge. Amongst other innovations the team have developed a successful GCSE climbing syllabus and have promoted one-night residential courses this year which just makes use of our indoor activities. More school friendly indoor accommodation will benefit this strategy. It is noteworthy that accommodation and activities were once again at saturation point in the high season.

"Our 10th year and it just gets better and better – our children love it"
Jo Haynes, Teacher Wilden Primary School

Bush craft aimed at the Scout and Guide market has been successfully

"Great campsite with Scouts. Brilliant activities. WOW ☺"
Jack Williams, Scout

introduced this year while research was undertaken to bring forward a major investment in a caving system to be installed and launched in April 2018 adding another adventure for the enjoyment of all ages at introductory skill levels.

The staff team have work enthusiastically this year as always to meet the requirements of the County Scouters in terms of special events, camps, facilities,

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storage, Chief Scout Award ceremonies and so forth and in turn County volunteers do fantastic work at both centres helping to ensure we have sufficient staff to maintain the activity and maintenance programmes.

During the year the bungalow lodge at the entrance to Blackwell Court, which is owned by the Scout Association County of Birmingham, was integrated into the estate and is now the responsibility of Blackwell Adventure.

Financial Review

The company has had a good year achieving 96% of forecast with a total revenue of £781,214 and a net surplus of £12,373. Although the headline revenue is lower than 2016 the core revenues from Scouts, Guides and schools has been strong. The reduction is a consequence of a large commercial organisation not returning this year due to a change of strategy and no "Jamborees" or large camps celebrating Scouting anniversaries both of which are an anticipated cyclical influence on revenue.

Throughout the year the Trustees have continued to invest in the site infrastructure in order to maintain and improve the overall product range and facilities.

Reserves Policy

The Trustees have established a reserves policy to provide support for the day-to-day running of the charity's activities, to support future developments and to allow for risk.

Funds received for specific purposes are categorised between capital projects and those of a revenue nature. They are credited to restricted reserves as received and the associated expenditure or costs charged against them as incurred. The Trustees regularly review these to ensure they are utilised for the purpose for which they were given and in a timely manner. Amounts are transferred to designated funds to provide for the planned future development of facilities. Amounts are determined by reference to the annual business plan. The Trustees regularly review these to ensure appropriate release is made as plans are implemented.

General funds are retained to support the day-to-day activities and to allow for risk. The level of these is considered annually and in conjunction with the annual business plan. The Trustees have agreed that unrestricted funds not committed or invested in tangible fixed assets held by the company should be 10% of the activity centre operating income. At 31 December 2017 this equated to a reserves requirement in the region of £78,000. At the year end, the charity held free reserves (that is unrestricted reserves not invested in fixed assets) of £108,893.

Risk Management

The Trustees have identified those risks to which the charity is exposed as part of their responsibilities as Trustees in running the charity. The main risks identified relate to Health and Safety and child safeguarding and outlined below are the actions in place to mitigate these risks.

The Company has a comprehensive Health and Safety policy in place, which is strictly monitored and adhered to. Blackwell Adventure provides a range of adventure activities in a safe environment, working within the relevant regulations with suitably qualified instructors. These regulations come from two sources: health and safety legislation and activity regulations

- Health and Safety

Bromsgrove Environmental Health Department is the enforcing authority that checks risk assessments and operating procedures in respect of the facilities, foods safety and all other general safety issues.

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- Activity Regulation

Blackwell Adventure is licensed by the Adventurous Activities Licensing Authority (AALA) (No. L 12606/R1474) that inspects activity centres and other activity providers on behalf of the Department of Education (DfE). Each of the activities is run either to the standard set by the National Governing Body, where available, or expertise is sought from an appropriately qualified external consultant.

The Trustees continue to authorise expenditure on maintaining and improving facilities on both sites to ensure that all activities are carried out safely with up to date equipment.

- Safeguarding

The Company recognises and acknowledges the duty of care placed upon the organisation to safeguard and promote the welfare of children, young people and vulnerable adults and is committed to ensuring safeguarding practice reflects statutory responsibilities, government guidance and complies with best practice. There is a comprehensive Safeguarding Policy in place which is reviewed on an annual basis, alongside a review of practice. Stringent checks on staff and volunteers working on its behalf including enhanced DBS checks are carried out, both at the point of recruitment and as an on-going process of monitoring and there is a robust programme of safeguarding training in place in association with Birmingham City Council Social Services Department, both as part of induction and for regular updates across the staff team.

- Insurances

Blackwell Adventure has comprehensive insurances to cover potential claims in respect of insurable risks.

Structure, Governance and Management

The organisation is established under the Memorandum of Association that sets out the objects and powers of the charitable company and is governed under the Articles of Association. In the event of the Company being wound up, the members are required to contribute an amount not exceeding £1.

Relationship with wider network of charities

Blackwell Adventure, The Scout Association County of Birmingham *Registered charity number: 524566 (England and Wales)* and the Scout Association *Registered charity number: 306101 (England and Wales)* are interdependent charities with similar objects.

Methods adopted for recruitment of Trustees

The rules for appointing and rotating tenure of the Board Members (Trustees) are set out in the Memorandum and Articles of Association. In brief, at the AGM 1/3rd offer to retire by rotation but maybe re-elected. A structured induction is provided to new Board Members. At December 2017 two fifths of the Board of Directors were not members of the Scout Association on joining the Board however all Board members have demonstrated their acceptance of Scouting principles and methods and the composition of the Board reflects a wide range of commercial and professional experience.

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Related Party

Blackwell Adventure and the Scout Association County of Birmingham, "County", are interdependent charities. The County is a frequent user of the camping, activity and meeting facilities that Blackwell Adventure offer and enjoys preferential rates.

By special resolution at a General Meeting on 15 May 2017 voting members of The Scout Association County of Birmingham Executive Committee automatically became, by virtue of their role, Members of Blackwell Adventure and are entitled to vote at general meetings. From this date it was agreed that County has the option of nominating two Directors/Trustees to the Board.

Key Management

The Board of Trustees delegate day to day management to Gareth Roberts the Chief Executive employed at 60% of full time equivalent, a Centre Manager and a Business Development Manager, both full time. Their salaries are benchmarked against similar positions within the Activity Centre industry.

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Responsibilities of the Trustees

The trustees (who are also Directors 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 these financial statements, the trustees are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) observe the methods and principles in the Charities SORP;
- c) make judgements and estimates that are reasonable and prudent;
- d) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- e) 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 adequate accounting records which 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 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:

- a) there is no relevant audit information of which the charitable company's auditors are unaware; and
- b) they 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

AUDITORS

PKF Cooper Parry Group Limited LLP have expressed their willingness to continue in office and will be proposed for re-appointment at the Annual General Meeting.

Approved by the Trustees on 19 March 2018 and signed on their behalf by:

P R Fennell
Trustee

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACKWELL ADVENTURE

Opinion

We have audited the financial statements of Blackwell Adventure for the year ended 31 December 2017 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director's have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACKWELL ADVENTURE

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 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has been prepared in accordance with legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Annual Report and from the requirement to prepare a strategic report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACKWELL ADVENTURE

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the directors 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 directors 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 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACKWELL ADVENTURE

Auditor's responsibilities for the audit of the financial statements (cont.)

- 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.

Simon Atkins FCA

Senior Statutory Auditor
for and on behalf of:

PKF Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

One Central Boulevard
Blythe Valley Park
Solihull
West Midlands
B90 8BG

Date 19 March 2018

BLACKWELL ADVENTURE

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STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
Income and endowments from:					
Voluntary income	2	6,199	-	6,199	19,413
Investment income	3	-	-	-	533
Operating of Activity Centre-activities	4	775,015	-	775,015	917,472
		<hr/>	<hr/>	<hr/>	<hr/>
Total income and endowments		781,214	-	781,214	937,418
		<hr/>	<hr/>	<hr/>	<hr/>
Expenditure on:					
Charitable activities	5	766,191	2,650	768,841	899,733
		<hr/>	<hr/>	<hr/>	<hr/>
Net income / (expenditure)		15,023	(2,650)	12,373	37,685
Transfers between funds		-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds		15,023	(2,650)	12,373	37,685
Reconciliation of funds:					
Funds brought forward at 1 January 2017		295,765	14,188	309,953	272,268
		<hr/>	<hr/>	<hr/>	<hr/>
Funds carried forward at 31 December 2017		310,788	11,538	322,326	309,953
		<hr/>	<hr/>	<hr/>	<hr/>

All income and expenditure relates to continuing activities and represents all gains and losses recognised during the year.

The notes on pages 16 to 26 form part of these financial statements.

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REGISTERED COMPANY NUMBER: 01534697
BALANCE SHEET
AS AT 31 DECEMBER 2017

	Notes	2017 Total £	2016 Total £
Fixed assets			
Tangible Fixed Assets	11	213,433	190,026
Current assets			
Stocks		9,085	10,592
Debtors	12	20,929	3,577
Bank and Cash Balances		204,809	215,094
		234,823	229,263
Creditors: Amounts falling due within one year	13	(125,930)	(105,376)
Net current assets		108,893	123,887
Total assets less current liabilities		322,326	313,913
Creditors: Amounts falling due after one year	14	-	(3,960)
NET ASSETS:		322,326	309,953
Represented by:			
Unrestricted Funds		310,788	295,765
Restricted Funds		11,538	14,188
	16	322,326	309,953

The notes on pages 16 to 26 form part of the financial statements.

Approved by the Board on 19 March 2018 and signed on its behalf by:

P R Fennell
Trustee

BLACKWELL ADVENTURE

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**STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2017**

	2017 £	2016 £
Cash flows from operating activities		
Net movement in funds	12,373	37,685
Interest received	-	(533)
(Increase)/decrease in debtors	(17,352)	28,122
Increase/(decrease) in creditors	27,324	(21,134)
Depreciation	41,146	38,997
Decrease/(increase) in stock	1,507	(4,412)
Proceeds from sale of fixed assets	(1,500)	-
	<hr/>	<hr/>
Net cash provided by operating activities	63,498	78,725
	<hr/>	<hr/>
Cash flows from investing activities		
Interest received	-	533
Purchase of fixed assets	(64,553)	(86,853)
Proceeds from sale of fixed assets	1,500	-
	<hr/>	<hr/>
Net cash flow from investing activities	(63,053)	(86,320)
	<hr/>	<hr/>
Cash flows from financing activities		
Repayment of borrowings	(10,730)	(13,532)
	<hr/>	<hr/>
Net cash flow from investing activities	(10,730)	(13,532)
	<hr/>	<hr/>
Net (decrease) in cash and cash equivalents	(10,285)	(21,127)
Cash and cash equivalents at 1 January 2017	215,094	236,221
	<hr/>	<hr/>
Cash and cash equivalents at 31 December 2017	204,809	215,094
	<hr/>	<hr/>

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

1. ACCOUNTING POLICIES

(a) Accounting convention

Blackwell Adventure is a registered company limited by guarantee with registered charitable status, in the United Kingdom. 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 to create a service-based company providing residential and outdoor adventure activities, for Scouts, Girl Guides and other youth groups both voluntary and statutory, to provide similar activities to schools and colleges within the National Curriculum and to provide team building activities to adults.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

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 prepared in sterling which is the functional currency of the charity.

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.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

(c) Income recognition

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.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

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

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed, and an equivalent amount recognised as charitable expenditure.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

(d) Expenditure recognition

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. It is categorised under the following headings:

- Expenditure on charitable activities includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them; and
- Governance costs including those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises overheads and other overheads have been allocated on an appropriate basis.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 7.

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

(f) Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and buildings	- over 10 years on cost
Plant and machinery:	
Staff accommodation	- over 6 years on cost
Office equipment	- over 4 years on cost
Fixtures and fittings	- over 4 years on cost
Permanent equipment	- over 10 years on cost
Short term equipment	- over 3 years on cost
Equipment	- over 4 years on cost
Tented village	- over 6 years on cost
Motor vehicles	- over 4 years on cost

(g) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

(h) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(i) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

(j) Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the SoFA on a straight-line basis over the period of the lease.

(k) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

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

(l) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(m) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2 Voluntary income

	2017 Total £	2016 Total £
Donations	6,199	19,413

Income from donations for both years related to unrestricted funds.

3 Investment income

	2017 Total £	2016 Total £
Bank interest receivable	-	533

Investment income for both years relates to unrestricted funds.

4 Operating of Activity Centre

	2017 Total £	2016 Total £
Scouts and Guides	242,347	347,124
Schools and colleges	377,797	369,912
Development and team building programme	35,389	81,798
Other	119,482	118,638
Operation of activity centre	775,015	917,472

Income from charitable activities for both years was attributable to unrestricted funds.

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

5 Operating of activity centre

	Direct costs (see note 6) £	Support costs (see note 7) £	Totals £
Operation of Activity Centre	603,179	165,662	768,841

£2,650 (2016 - £3,858) of the above costs were attributable to restricted funds and £766,191 (2016 - £895,875) of the above costs were attributable to unrestricted funds.

6 Direct costs

	2017 £	2016 £
Staff costs	196,652	197,837
Activity and seasonal instructors	119,495	132,160
Property maintenance	68,295	115,912
Activity costs	50,141	98,194
Catering costs	55,978	69,685
Utilities	62,500	65,896
Depreciation	41,146	38,997
Other direct costs	8,972	10,931
	<u>603,179</u>	<u>729,612</u>

7 Support costs

Support costs are those costs that have been incurred in order to further the continued development of the charitable activities.

	2017 £	2016 £
Staff costs	95,145	98,372
Office costs	14,607	13,330
Legal and professional fees	21,583	21,545
Marketing and publicity	6,262	6,727
Insurance	14,414	16,928
Motor and travel expenses	899	1,742
Interest payable and bank charges	4,177	5,024
Other support costs	5,575	6,453
	<u>165,662</u>	<u>170,121</u>

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

8 Net incoming resources

Net incoming resources are stated after charging:

	2017 £	2016 £
Auditor's remuneration - current year	7,175	7,000
Auditor's remuneration – prior year	-	4,470
Depreciation - owned assets	41,146	38,997
Amounts payable under operating leases	3,865	3,865
	<hr/>	<hr/>

9 Trustees' remuneration and benefits

There was no trustees' remuneration or other benefits for the year ended 31 December 2017 nor for the year ended 31 December 2016.

Trustees' Expenses

No expenses were paid to trustees during the year (2016: £Nil).

10 Staff costs

	2017 £	2016 £
Wages and salaries	302,816	284,129
Social security costs	17,775	20,362
Other pension costs	7,496	7,630
	<hr/>	<hr/>
	328,087	312,121
	<hr/>	<hr/>

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

	2017 No.	2016 No.
Operational (including seasonal staff)	21	21
Administration	2	2
	<hr/>	<hr/>
	23	23
	<hr/>	<hr/>

The number of staff to whom retirement benefits are accruing under money purchase schemes is 4 (2016: 3).

The trustees consider its key management personnel comprise the management team. The total employment benefits including employer pension contributions of the key management personnel were £95,488 (2016: £117,751).

There were no employees earning in excess of £60,000.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

11 Tangible fixed assets

	Land and Buildings £	Plant and machinery etc £	Totals £
Cost			
At January 2017	193,092	248,984	442,076
Additions	64,553	-	64,553
Disposals	-	(2,170)	(2,170)
	<hr/>	<hr/>	<hr/>
At 31 December 2017	257,645	246,814	504,459
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation			
At January 2017	82,583	169,467	252,050
Charge for year	17,707	23,439	41,146
Disposals	-	(2,170)	(2,170)
	<hr/>	<hr/>	<hr/>
At 31 December 2017	100,291	190,736	291,026
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value			
	157,354	56,078	213,433
At 31 December 2017	<hr/>	<hr/>	<hr/>
At 31 December 2016	110,509	79,517	190,026
	<hr/>	<hr/>	<hr/>

12 Debtors

	2017 £	2016 £
Trade debtors	20,929	1,876
Other debtors	-	1,701
	<hr/>	<hr/>
	20,929	3,577
	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

13 Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	3,907	6,979
Taxation and social security	32,392	25,029
Other creditors and deferred income	89,631	73,368
	<hr/>	<hr/>
	125,930	105,376
	<hr/>	<hr/>

Deferred income of £68,259 (2016: £57,341) is included within other creditors and deferred income.
See Note 15.

14 Creditors: Amounts falling due after one year

	2017 £	2016 £
Other creditors and deferred income	-	3,960
	<hr/>	<hr/>
	-	3,960
	<hr/>	<hr/>

15 Deferred income

	2017 £
At 1 January 2017	57,431
Additions during the year	68,259
Amounts released to income	(57,431)
	<hr/>
As 31 December 2017	68,259
	<hr/>

Income has been deferred in respect of deposits received for future events.

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

16 Movement in funds

	As at 01.01.17 £	Net movement in funds £	As at 31.12.17 £
Unrestricted funds			
General fund	295,765	15,023	310,788
Restricted funds			
Pikes Pool Development	14,188	(2,650)	11,538
Total funds	309,953	12,373	322,326

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

	Incoming Resources £	Resources Expended £	Transfer between funds £	Movement in funds £
Unrestricted funds				
General fund	781,214	(766,191)	-	15,023
Restricted funds				
Pikes Pool Development	-	(2,650)	-	(2,650)
Total funds	781,214	(768,841)	-	12,373

Restricted funds

Pikes Pool development

This balance will fund the depreciation of the Rope Walk at Pikes Pool. £18,000 was received from The Scout Association - County of Birmingham on behalf of the Lord Mayor's Charity Fund and £4,800 was received from JCA Adventure

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

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2017 Total funds £
Fixed assets	201,895	11,538	213,433
Net current assets	108,893	-	108,893
	<hr/>	<hr/>	<hr/>
Total funds	310,788	11,538	322,326
	<hr/>	<hr/>	<hr/>

18 Operating lease commitments

At 31 December 2017, the company had annual commitments under non-cancellable operating leases as follows:

	2017 £	2016 £
Expiry date		
Less than 1 year	1,159	1,175
Within 2-5 years	2,319	3,478
	<hr/>	<hr/>
	3,478	4,638
	<hr/>	<hr/>

19 Pensions and other post-retirement benefits

The charity operates a defined contribution pension plan for certain of its employees in addition to using the NEST scheme to fulfil its auto enrolment obligation. The amount recognised as an expense in the period was £7,496 (2016: £7,630).

20 Transactions with Trustees

During the year the company paid £7,920 (2016: £6,950) to Synergy Accountancy Services LLP for accountancy services. Mr A K Desai is a Partner in this business.

21 Related party transactions

During the year The Scout Association – County of Birmingham made donations amounting to £4,010 (2016: £11,000). This amount is shown within unrestricted income. Blackwell Adventure invoiced The Scout Association – County of Birmingham £10,062 for costs in relation to The Birmingham County Ice Scout weekend. This balance is outstanding at the year end and is included in trade debtors.

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

22 Control relationships

Blackwell Adventure is controlled by The Scout Association – County of Birmingham. The Scout Association – County of Birmingham is a charity registered in England and Wales (Charity number: 524566). The Scout Association – County of Birmingham prepares consolidated financial statements which are available from The Charity Commission.

23 Financial Instruments

The carrying amounts of the charity's financial instruments are as follows:

	2017 £	2016 £
Financial assets		
Debt instruments measured at amortised cost:		
Trade debtors (note 12)	20,929	1,876
Other debtors and prepayments	-	1,701
	<hr/>	<hr/>
	20,929	3,577
	<hr/>	<hr/>
	2017 £	2016 £
Financial liabilities		
Measured at amortised cost:		
Trade creditors (note 13)	3,907	6,979
Amounts owed to group undertakings	-	10,730
Other creditors (note 13 and 14)	89,631	66,598
	<hr/>	<hr/>
	93,538	84,307
	<hr/>	<hr/>

24 Capital commitments

The charity had capital commitments of £70,100 in respect of capital works due to be carried out in 2018.